Disposition of Balance Recorded in Account 1562 D

Distributor	**PowerStream Inc. - Richmond Hill**
OEB File Number	**0**
Filing Year	**2003**

	A	B	C	D
1	**PILs TAXES**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - Richmond Hill**			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	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		
22		LCT		
23				
24	Accounting Year End		Date	31-Dec-03
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			104,354,290
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			8,657,232
42				
43	1999 return from RUD Sheet #7			2,530,302
44				
45	Total Incremental revenue			6,126,930
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			2,042,310
48	Amount allowed in 2002			2,042,310
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			46,959,431
57				
58	Return at target ROE			4,639,592
59				
60	Debt			57,394,860
61				
62	Deemed interest amount in 100% of MARR			4,017,640
63				
64	Phase-in of interest - Year 1 (2001)			2,122,054
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			3,069,847
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			3,069,847
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			4,017,640
71				
72				

	A	B	C	D	E	F	G
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: PowerStream Inc. - Richmond Hill**						
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	6,614,922		4,861,918		11,476,840
17							
18	BOOK TO TAX ADJUSTMENTS						
19	***Additions:***						
20	Depreciation & Amortization	2	5,536,188		578,599		6,114,787
21	Employee Benefit Plans - Accrued, Not Paid	3			156,809		156,809
22	Tax reserves - beginning of year	4			0		0
23	Reserves from financial statements - end of year	4			30,000		30,000
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			5,589,577		5,589,577
29	Other Additions (not "Material") "TAXREC 2"	6			3,636		3,636
30	**Items on which true-up does not apply "TAXREC 3"**				955,150		955,150
31							
32	***Deductions: Input positive numbers***						
33	Capital Cost Allowance and CEC	7	4,271,174		4,149,721		8,420,895
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	3,069,847		322,890		3,392,737
38	Tax reserves - end of year	4			0		0
39	Reserves from financial statements - beginning of year	4			0		0
40	Contributions to deferred income plans	3			0		0
41	Contributions to pension plans	3			0		0
42	Interest capitalized for accounting but deducted for tax	11			0		0
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12			0		0
45	Other Deductions (not "Material") "TAXREC"	12			0		0
46	Material Items from "TAXREC 2" worksheet	12			5,589,577		5,589,577
47	Other Deductions (not "Material") "TAXREC 2"	12			12,204		12,204
48	**Items on which true-up does not apply "TAXREC 3"**				79,938		79,938
49							
50	TAXABLE INCOME/ (LOSS)		4,810,089		2,021,359	Before loss C/F	6,831,448
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.0000%		36.62%
54							
55	REGULATORY INCOME TAX		1,857,656		627,956	Actual	2,485,612
56							
57							
58	Miscellaneous Tax Credits	14			3,636	Actual	3,636
59							
60	**Total Regulatory Income Tax**		1,857,656		624,320	Actual	2,481,976
61							
62							
63	**II) CAPITAL TAXES**						
64							
65	***Ontario***						
66	Base	15	104,354,290		4,974,691		109,328,981
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000
68	Taxable Capital		99,354,290		4,974,691		104,328,981
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%
71							
72	Ontario Capital Tax		298,063		14,924	**Overpaid**	312,987
73							
74	***Federal Large Corporations Tax***						
75	Base	18	104,354,290		10,691,808		115,046,098
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000
77	Taxable Capital		94,354,290		10,691,808		105,046,098
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)		212,297		24,057		236,354
82	Less: Federal Surtax 1.12% x Taxable Income	21	53,873		22,639		76,512
83							
84	Net LCT		158,424		1,418		159,842
85							

	A	B	C	D	E	F	G
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: PowerStream Inc. - Richmond Hill**						
7	**Reporting period: 2003**						
8							**Column**
9	**Days in reporting period:**	365	days				**Brought**
10	**Total days in the calendar year:**	365	days				**From**
11							**TAXREC**
12			$		$		$
13							
86	**III) INCLUSION IN RATES**						
87							
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%				
89							
90	Income Tax (proxy tax is grossed-up)	22	2,972,250			**Actual 2003**	2,485,536
91	LCT (proxy tax is grossed-up)	23	253,479			**Actual 2003**	159,842
92	Ontario Capital Tax (no gross-up since it is deductible)	24	298,063			**Actual 2003**	312,987
93							
94							
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	3,523,792			**Actual 2003**	2,958,365
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			156,809		
103	Tax reserves deducted in prior year	4			0		
104	Reserves from financial statements-end of year	4			30,000		
105	Regulatory Adjustments	5			0		
106	Other additions "Material" Items TAXREC	6			0		
107	Other additions "Material" Items TAXREC 2	6			5,589,577		
108	***In Deductions - positive numbers***						
109	Employee Benefit Plans - Paid Amounts	8			0		
110	Items Capitalized for Regulatory Purposes	9			0		
111	Regulatory Adjustments	10			0		
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0		
113	Tax reserves claimed in current year	4			0		
114	Reserves from F/S beginning of year	4			0		
115	Contributions to deferred income plans	3			0		
116	Contributions to pension plans	3			0		
117	Other deductions "Material" Items TAXREC	12			0		
118	Other deductions "Material" Item TAXREC 2	12			5,589,577		
119							
120	Total TRUE-UPS before tax effect	26		=	186,809		
121							
122	Income Tax Rate (including surtax) from **2003** Utility's tax return			x	36.62%		
123							
124	Income Tax Effect on True-up adjustments			=	68,409		
125							
126	Less: Miscellaneous Tax Credits	14			0		
127							
128	Total Income Tax on True-ups				68,409		
129							
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%		
131							
132	**TRUE-UP VARIANCE ADJUSTMENT**				106,061		
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)			=	4,810,089		
137							
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	36.62%		
139							
140	REVISED REGULATORY INCOME TAX			=	1,761,455		
141							
142	Less: Revised Miscellaneous Tax Credits			-	3,636		
143							
144	Total Revised Regulatory Income Tax			=	1,757,819		
145							
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	1,857,656		
147							
148	Regulatory Income Tax Variance			=	(99,838)		
149							

	A	B	C	D	E	F	G
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: PowerStream Inc. - Richmond Hill**						
7	**Reporting period: 2003**						
8							**Column**
9	**Days in reporting period:**	365	days				**Brought**
10	**Total days in the calendar year:**	365	days				**From**
11							**TAXREC**
12			$		$		$
13							
150	**Ontario Capital Tax**						
151	Base			=	104,354,290		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000		
153	Revised deemed taxable capital			=	99,354,290		
154							
155	Rate - Tab Tax Rates cell C54			x	0.3000%		
156							
157	Revised Ontario Capital Tax			=	298,063		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	298,063		
159	Regulatory Ontario Capital Tax Variance			=	0		
160							
161	**Federal LCT**						
162	Base				104,354,290		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000		
164	Revised Federal LCT			=	94,354,290		
165							
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%		
167							
168	Gross Amount				212,297		
169	Less: Federal surtax			-	53,873		
170	Revised Net LCT			=	158,424		
171							
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	158,424		
173	Regulatory Federal LCT Variance			=	0		
174							
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.50%		
176							
177	**Income Tax (grossed-up)**			+	(154,787)		
178	**LCT (grossed-up)**			+	0		
179	**Ontario Capital Tax**			+	0		
180							
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(154,787)		
182							
183	**TRUE-UP VARIANCE (from cell I130)**			+	106,061		
184							
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(48,726)		
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)				4,017,640		
194	Interest phased-in (Cell C36)				3,069,847		
195							
196	Variance due to phase-in of debt component of MARR in rates				947,793		
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)				3,392,737		
202	Total deemed interest (REGINFO CELL D61)				4,017,640		
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**				947,793		
209							
210							

	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: PowerStream Inc. - Richmond Hill**				
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 :**		117,399	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-17,591,627		-17,591,627
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	6,114,787		6,114,787
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	11,476,840	0	11,476,840
51	Less: Interest expense for accounting purposes	-	3,392,737		3,392,737
52	Provision for payments in lieu of income taxes	-	2,740,700		2,740,700
53	**Net Income (loss)**	=	5,343,403	0	5,343,403
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	+	2,740,700	0	2,740,700
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	6,114,787	0	6,114,787
62	Employee benefit plans-accrued, not paid	+	156,809	0	156,809
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	30,000	0	30,000
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	***Items on which true-up does not apply "TAXREC 3"***		955,150	0	955,150
67	Material addition items from TAXREC 2	+	5,589,577	0	5,589,577
68	Other addition items (not Material) from TAXREC 2	+	3,636	0	3,636
69					
70	*Subtotal*		15,590,659	0	15,590,659
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	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**
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	=	15,590,659	0	15,590,659
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	-	8,236,563		8,236,563
98	Cumulative eligible capital deduction	-	184,332		184,332
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"***		79,938	0	79,938
109	Interest capitalized for accounting deducted for tax	-			0
110	Material deduction items from TAXREC 2	-	5,589,577	0	5,589,577
111	Other deduction items (not Material) from TAXREC 2	-	12,204	0	12,204
112					
113	Subtotal	=	14,102,614	0	14,102,614
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	=	14,102,614	0	14,102,614
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	=	6,831,448	0	6,831,448
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	6,831,448	0	6,831,448
140					

	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**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	1,647,781		1,647,781	
143	Net Ontario Income Tax (Must agree with tax return)	+	837,831		837,831	
144	Subtotal	=	2,485,612	0	2,485,612	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	76		76	
146	**Total Income Tax**	=	2,485,536	0	2,485,536	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.26%		12.26%	Divide Ontario
151	Blended Income Tax Rate		36.38%	**********	36.38%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	2,485,536	0	2,485,536	
157	Ontario Capital Tax	+	312,987		312,987	
158	Federal Large Corporations Tax	+	159,842		159,842	
159						
160	**Total income and capital taxes**	=	2,958,365	0	2,958,365	
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: PowerStream Inc. - Richmond Hill**					
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		30,000		30,000	
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)		30,000	0	30,000	
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: PowerStream Inc. - Richmond Hill**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		117,399			
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	Funds from Dev	+	5,589,577		5,589,577	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43	Ontario Specified Tax Credit	+	3,636		3,636	
44		+			0	
45		+				
46	Total Additions	=	5,593,213	0	5,593,213	
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			5,589,577	0	5,589,577	
69	Funds from Dev		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: PowerStream Inc. - Richmond Hill**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		117,399			
12						
13						
77	Total Material additions		5,589,577	0	5,589,577	
78	Other additions less than materiality level		3,636	0	3,636	
79	Total Additions		5,593,213	0	5,593,213	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	12,204		12,204	
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	Funds from Dev	-	5,589,577		5,589,577	
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	=	5,601,781	0	5,601,781	
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	Other deductions: (Please explain in detail the nature of the item)		5,589,577	0	5,589,577	
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		5,589,577	0	5,589,577	
120	Other deductions less than materiality level		12,204	0	12,204	
121	Total Deductions		5,601,781	0	5,601,781	
122						
123						
124						

	A	B	C	D	E
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: PowerStream Inc. - Richmond Hill**				**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	+	4,506		4,506
33	Non-deductible club dues	+			0
34	Non-deductible automobile costs	+			0
35	**Donations - amount per books**	+	8,320		8,320
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**	+	895,619		895,619
42		+			0
43	*Other Additions: (please explain in detail the nature of the item)*	+			0
44	Bond Issue Cost Amortized	+	35,726		35,726
45	Interest and Penaltys	+	6,979		6,979
46	Gifts to Employees	+	4,000		
47	**Total Additions on which true-up does not apply**	=	955,150	0	951,150
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**	-	8,320		8,320
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	Deduction Pursuant to 20(1)e	-	71,511		71,511
70	Taxable Dividends	-	107		107
71		-			0
72		-			0

	A	B	C	D	E	
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: PowerStream Inc. - Richmond Hill**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	79,938	0	79,938	
74						

PILs TAXES
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: PowerStream Inc. - Richmond Hill
Reporting period: 2003

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 2003 and Capital Tax Exemptions for 2003

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

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

Table 3

Input Information from Utility's Actual 2003 Tax Returns

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

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

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: PowerStream Inc. - Richmond Hill**														**Version 2009.1**
4	**Reporting period: 2003**				**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		-48,726		-48,726		-48,726		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)**	+/-					106,061								106,061
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**	+/-													0
20	**Deferral Account Variance Adjustment (5)**	+/-					-154,787								-154,787
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		-48,726		-48,726		-48,726		-48,726		-48,726

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.

Employee Benefit Plans - Accrued, Not Paid	156,809	$57,423	$89,029
Interest adjustment for tax purposes	$0	$0	$0
Change In Reserves	30,000	$10,986	$17,033
Change in TaxRec2	0	$0	$0
	$186,809	$68,409	$106,061
	0	0	0

Income Taxes	-$154,787
LCT	$0
OCT	$0
	-$154,787
	-$48,726

Income Taxes

Taxable Income	$4,810,089
Change in Tax Rate	-2.00%
Change in Taxable Income	-$96,202
Tax Credits	-$3,636
Difference	-$99,838
Gross up Rate	35.50%
Grossed up difference	-$154,787
	$0

LCT

Base	$104,354,290
Less: Exemption	-$10,000,000
	$94,354,290
Change in LCT Rate	0.0000%
	$0
Change in LCT Exemption	$0
	0.225%
	$0
Change in LCT Rate	$0
Gross up Rate	35.50%
Grossed up difference	$0
	$0

Ontario Capital Tax

Base	$104,354,290
Less: Exemption	-$5,000,000
Revised deemed taxable capital	$99,354,290
Change in OCT Rate	0.00%
	$0.00
Change in OCT Exemption	0
	0.30%
OCT True-up	$ -
	$0

PowerStream Inc.
Account 1562 Disposition
Interest Expense - Year ending Dec 31, 2003

Richmond Hill Hydro	**Amount**	**Note**
Interest per Financial Statements	$ 3,392,737	
Interest expense for Interest Adjustment	**$ 3,392,737**	

Deemed Interest Expense $ 4,017,640

Conclusion:

Actual interest expense is less than deemed interest expense.

Notes

Financial Statements of

RICHMOND HILL HYDRO INC.

December 31, 2003

Deloitte

Deloitte & Touche LLP
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

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Fax: (416) 601-6151
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Auditors' Report

To the Shareholders of
Richmond Hill Hydro Inc.

We have audited the balance sheet of Richmond Hill Hydro Inc. as at December 31, 2003 and the statements of earnings and retained earnings and of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2003 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
March 6, 2004

RICHMOND HILL HYDRO INC.

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December 31, 2003

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Statement of Cash Flows	3
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RICHMOND HILL HYDRO INC.
Balance Sheet
December 31, 2003

	2003	2002
ASSETS		
CURRENT		
Cash	**$ 14,698,485**	$ 18,126,041
Accounts receivable	**7,706,135**	5,330,299
Unbilled revenue	**9,862,814**	14,406,394
Inventory	**3,123,739**	3,126,911
Prepaid expenses	**408,846**	393,937
	35,800,019	41,383,582
CAPITAL ASSETS (Note 4)	**87,984,507**	92,047,847
OTHER ASSETS		
Regulatory assets (Note 5)	**945,275**	1,840,894
Unamortized bond costs	**1,343,770**	1,499,199
Intangibles	**58,075**	58,075
	2,347,120	3,398,168
	$ 126,131,646	$ 136,829,597
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	**$ 9,155,853**	$ 10,505,436
Income taxes payable (Note 7)	**1,939,504**	117,015
Due to related parties (Note 11)	**885,860**	10,000,000
Bank loan (Note 8)	**25,000,000**	25,000,000
Liability for subdivision development	**4,058,114**	3,156,949
Current portion of customer deposits	**1,341,680**	1,065,950
	42,381,011	49,845,350
LONG-TERM DEBT (Note 9)	**35,000,000**	35,000,000
OTHER		
Customer deposits, less amount included under current liabilities	**5,569,907**	4,807,720
Employee future benefits (Note 3)	**553,116**	396,307
Other liabilities	**31,936**	78,426
	6,154,959	5,282,453
	83,535,970	90,127,803
EQUITY		
SHARE CAPITAL (Note 10)		
Authorized and issued - 2,002 common shares	**39,555,813**	39,555,813
RETAINED EARNINGS	**3,039,863**	7,145,981
	$ 126,131,646	$ 136,829,597

APPROVED BY

. . . . . Chairman

. . . . . Chief Financial Officer

RICHMOND HILL HYDRO INC.
Statement of Earnings and Retained Earnings
Year ended December 31, 2003

	2003	2002 (Note 18)
SERVICE REVENUE		
Residential	**$41,643,410**	$ 41,647,218
General service	**44,416,210**	50,924,401
Street lighting	**921,399**	532,435
	86,981,019	93,104,054
COST OF POWER PURCHASED	**63,159,507**	73,076,100
GROSS MARGIN	**23,821,512**	20,027,954
OTHER REVENUE	**2,711,519**	2,010,838
	26,533,031	22,038,792
OPERATING EXPENSES		
High voltage transformation	**144,532**	55,339
Distribution	**2,709,132**	2,072,365
Utilization	**288,991**	362,874
Billing and collection	**1,495,997**	1,160,125
Administration and general	**4,182,639**	3,454,944
Property taxes	**257,597**	252,097
	9,078,888	7,357,744
EARNINGS BEFORE AMORTIZATION, INTEREST AND TAXES	**17,454,143**	14,681,048
Amortization of capital assets (net of $281,500 2002 - $281,656 charged to other accounts)	**6,556,040**	6,170,089
Amortization of contributions in aid of construction	**(578,737)**	(414,168)
Interest expense	**3,392,737**	2,285,607
INCOME BEFORE INCOME TAXES	**8,084,103**	6,639,520
INCOME TAX EXPENSES (Note 7)	**2,740,700**	690,000
NET INCOME	**5,343,403**	5,949,520
RETAINED EARNINGS, BEGINNING OF YEAR	**7,145,981**	1,196,461
DIVIDENDS	**(9,449,521)**	-
RETAINED EARNINGS, END OF YEAR	**$ 3,039,863**	$ 7,145,981

RICHMOND HILL HYDRO INC.

Statement of Cash Flows

Year ended December 31, 2003

	2003	2002
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net income	**$ 5,343,403**	$ 5,949,520
Items not affecting cash		
Amortization of capital assets	**6,837,540**	6,451,745
Amortization of contributions in aid of construction	**(578,737)**	(414,168)
Amortization of debenture discount	**155,429**	-
Amortization of employee benefit transitional amount	**68,040**	68,040
Provision for recovery of regulatory assets	**(1,946,305)**	4,000,000
Gain on sale of capital assets	**(12,204)**	(9,190)
	9,867,166	16,045,947
Changes in non-cash working capital items		
Accounts receivable	**(2,375,836)**	420,424
Unbilled revenue	**4,543,580**	(8,352,141)
Inventory	**3,172**	(375,653)
Prepaid expenses	**(14,909)**	(221,591)
Accounts payable and accrued liabilities and income taxes	**472,906**	(6,882,048)
Due to related party	**885,860**	-
	13,381,939	634,938
INVESTING		
Additions to capital assets	**(7,785,040)**	(6,953,887)
Decrease (increase) in regulatory assets	**2,841,924**	(7,340,093)
Proceeds from sale of capital assets	**12,204**	9,190
	(4,930,912)	(14,284,790)
FINANCING		
Increase in long-term debt	**-**	35,000,000
Increase in bank loan	**-**	25,000,000
Decrease in other liabilities	**(46,490)**	(14,956)
Capital returned to shareholders (Note 10)	**(10,000,000)**	(60,000,000)
Payment of dividends	**(9,449,521)**	-
Contributions in aid of capital construction	**5,589,577**	2,638,875
Employee future benefits liability	**88,769**	66,460
Increase in liability for subdivision development	**901,165**	1,214,496
Increase in customer deposits	**1,037,917**	1,523,940
	(11,878,583)	5,428,815
NET CASH OUTFLOW FOR THE YEAR	**(3,427,556)**	(8,221,037)
CASH, BEGINNING OF YEAR	**18,126,041**	26,347,078
CASH, END OF YEAR	**$ 14,698,485**	$ 18,126,041
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	**$ 3,385,717**	$ 2,285,507
Income taxes paid	**$ 1,041,648**	$ 572,985

1. NATURE OF OPERATIONS

Richmond Hill Hydro Inc. (the "Corporation") is equally owned by Hydro Vaughan Distribution Inc. ("HVDI") and Markham Hydro Distribution Inc. ("MHDI") as of December 27, 2001. The Corporation was incorporated October 11, 2000 under the laws of the Province of Ontario. The Corporation commenced operations on November 1, 2000.

The principal activity of the Corporation is to distribute electricity to the residents of the Town of Richmond Hill, under the license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the OEB and adjustments to the distribution and power rates require OEB approval.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and reflect the following policies as set forth in the Accounting Procedures Handbook issued by the Ontario Energy Board (OEB) under the authority of the Ontario Energy Board Act, 1998:

Revenue recognition and cost of power

Service revenue related to the distribution and sale of electricity is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used.

Inventory

Inventory is valued at lower of cost and replacement cost with cost being determined using the weighted average method.

Capital assets

Capital assets are capitalized at cost that is comprised of material, labour, and charges for truck time plus overheads. Amortization is provided for on the straight-line basis over the useful life of the asset as summarized below:

	Useful life
Buildings	60 years
Transformer stations	40 years
Distribution systems	25-35 years
General plant and equipment	5-15 years

Intangibles

Intangibles include corporate restructuring costs that are comprised principally of professional fees. Intangibles are stated at cost and are being amortized over a five-year period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions in aid of capital construction

Contributions for capital construction consist of third party contributions collected after January 1, 2000, which are used toward the cost of constructing distribution assets and are recorded with capital assets as a contra account. Contributions are amortized at rates corresponding with the useful life of the related capital assets.

Liability for subdivision development

The Corporation collects funds by way of cash payments or letters of credit from developers wishing to develop land in its service territory. Through the Distribution System Code, Chapter 3, the OEB has provided guidelines as to what proportion of the development costs are to be provided by the developer and the Local Distribution Company. The Corporation runs a financial model for each development based on the OEB guidelines to determine the amount of funds to be collected from the developer.

As a result of Bill 210 and various other legislation, the set of inputs and assumptions used in the model changes from time to time. For example, factors that frequently change are the rate of completion of a development project compared to the original timetable and hydro consumption patterns. The Corporation records a liability for the amount that it has collected from developers for work the Corporation has not yet completed and for amounts that it has over-collected based on the most recent set of model inputs.

Accounting for income taxes

Under the Electricity Act, 1998, the Corporation is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are recorded in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) and modified by the Electricity Act, 1998 and related regulations.

The Corporation provides for payments-in-lieu of corporate income taxes using the taxes payable method.

Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Future income taxes are expected to be reflected in future rates and accordingly, are not recognized in the financial statements.

Regulatory assets

The Ontario Government, through the establishment of rules affecting the electricity industry, allows for the establishment or continuation of deferral accounts for certain items until disposition can be addressed by the Ontario Energy Board ("OEB") during its rate setting process. In November 2003, the Province announced its intention to permit electricity distributors to make applications to the OEB for recovery of the regulatory assets (based on year-end balances as at December 31, 2002) to be phased in over a four-year period effective March 1, 2004 (see Note 5).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Regulatory assets (continued)

The Corporation records regulatory assets for amounts that it believes are likely to be collected in the future as a result of the OEB's rate setting process. Regulatory assets have been accrued for market ready costs and retail settlement variance accounts. The Corporation has also accrued interest on the variances and assets as allowed by the OEB. The Corporation has filed its rate application intending to seek recovery of 30% of its regulatory assets as at December 31, 2002.

If as a result of future changes to the regulatory environment, it were unlikely that the Corporation will recover the regulatory assets, the accounts would be charged to operations in the period in which that determination is made.

The principal regulatory assets of the Corporation are comprised of the following:

Deferred Qualifying Transition Costs

Deferred qualifying transition costs consist of qualifying capital costs and related expenditures incurred in the preparation for electricity market opening, May 1, 2002. Recovery of the deferred costs is regulated by the OEB.

Payments in Lieu of Income Taxes (PILs) Variance

Payments in Lieu of Income Taxes variance consists of the difference between the amounts of PILs approved by the OEB for recovery through the rates and the actual amount of PILs collected from customers.

Retail Settlement Variance Accounts

The retail settlement variance accounts arise from the amount charged by the Independent Market Operator ("IMO") for electricity as compared to the amount billed to customers based on the OEB's approved rates.

Derivative financial instruments

A derivative financial instrument was utilized to reduce interest rate risk on the Corporation's bond debt. The Corporation does not enter into derivative financial instruments for trading or speculative purposes.

The Corporation's policy is to formally designate each derivative financial instrument as a hedge of a specifically identified debt instrument. The Corporation believes the derivative financial instruments are effective as hedges at inception and over the term of the instrument.

Bond forward transaction agreements involve the periodic exchange of payments without the exchange of the notional principal amount upon which the payments are based, and are recorded as an adjustment of interest expense on the hedged debt instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Gains and losses on terminations of bond forward transaction agreements are deferred under other assets or liabilities on the balance sheet and amortized as an adjustment to interest expense related to the obligation over the remaining term of the original contract life of the terminated bond forward transaction agreement. In the event of early extinguishment of the debt obligation, any unrealized gain or loss from the hedge would be recognized in the statement of earnings at the time of extinguishment.

Employee Future benefits other than pension

Richmond Hill Hydro Inc. pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services.

The new accounting standard for employee future benefits was applied on the prospective basis. The transitional obligation resulting from this treatment is being amortized over the average remaining service period of employees (11 years).

Business protection plan rebate ("BPPR") or ("MPMA")

Consumers other than designated consumers who annually utilize more than 250,000 KWh continue to be eligible to receive rebates from the IMO to the extent that electricity prices exceed certain prescribed thresholds. The Corporation is required to pass these rebates through to eligible consumers and other market participants (i.e.: retailers). The Corporation applies these rebate amounts to consumers and market participants as a credit to the customer account or in accounts payable and accrued liabilities.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

3. EMPLOYEE FUTURE BENEFITS

The accrued benefit for active employees and retirees of Richmond Hill Hydro Inc. and the former Hydro Electric Commission at January 1, 2003 amounting of $396,307 was determined by actuarial valuation. The annual expense for 2003 determined by actuarial valuation as at January 1, 2003 using a discount rate of 7%, was approximately $132,000.

3. EMPLOYEE FUTURE BENEFITS (continued)

Information about the employee future benefits is as follows:

	2003	2002
Unamortized transitional obligation, beginning of year	$ 591,660	$ 659,700
Unamortized transitional obligation, end of year	(523,620)	(591,660)
Estimated accrued benefit liability, beginning of year	$ 396,307	$ 261,807
Expense for the year	132,269	81,000
Amortization of transitional obligation	68,040	68,040
Benefits paid during the year	(43,500)	(14,540)
Estimated accrued benefit liability, end of year	$ 553,116	$ 396,307

The main actuarial assumptions employed for the January 1, 2003 valuation are as follows:

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed to be 2.75% in 2003 and thereafter.

(b) Interest (discount) rate

The present value as at December 31, 2003 of the future benefits was determined using a discount rate of 6.5%.

(c) Salary levels

Future general salary and wage levels were assumed to increase at a rate that management believes fairly reflects inflation.

(d) Health costs

Health costs were assumed to increase at the CPI rate plus a further increase of 10.5% annually, graded down by 1% per year to a 4.5% ultimate rate.

(e) Dental costs

Dental costs were assumed to increase at 4.5% for 2003 and thereafter.

4. CAPITAL ASSETS

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 371,815	$ -	$ 371,815	$ 370,382
Buildings	916,296	185,395	730,901	738,352
Transformer station	16,494,657	2,371,675	14,122,982	14,531,341
Distribution systems	153,163,971	67,181,607	85,982,364	84,751,889
Plant and equipment	6,490,382	3,875,098	2,615,284	2,483,882
	177,437,121	73,613,775	103,823,346	102,875,846
Contributions in aid of construction	17,263,208	1,424,369	15,838,839	10,827,999
	$ 160,173,913	$ 72,189,406	$ 87,984,507	$ 92,047,847

5. REGULATORY ASSETS

	2003	2002
Bill 210 implementation costs	$ 73,391	$ 73,391
Costs associated with preparation for market opening	475,155	475,155
Pre-market opening variance account	3,250,523	3,250,523
Retail settlement variance accounts	(800,099)	2,041,825
	2,998,970	5,840,894
Allowance for Regulatory Assets	(2,053,695)	(4,000,000)
Net Regulatory Assets	$ 945,275	$ 1,840,894

On December 23, 2003, the Ontario Government announced that regulatory assets would be recoverable through rates over 4 years commencing on April 1, 2004. The Corporation made its rate filing on January 23, 2004 to recover 30% of the regulatory assets. The OEB is in the process of approving the new rates and conducting its prudence review of all regulatory accounts. The Corporation has made a provision to mitigate the risk of non-recovery of the full amount of regulatory assets recorded as well as for the potential over collection of payments-in-lieu of tax (PILs).

At December 31, 2003, the Corporation has a PILs variance of $693,670 for under-recovery. Due to the accounting method used by the Corporation for recording of the PILs variance, the net effect of the under recovery is $Nil on the regulatory assets since there is a corresponding contra account. This accounting method is in accordance with the OEB guidelines.

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	2003	2002
Accounts payable - energy purchased	$ -	$ 5,912,712
Other accounts payable and accrued liabilities	9,155,853	4,592,724
	$ 9,155,853	$ 10,505,436

7. INCOME TAXES

The Corporation became obligated to make payments-in-lieu of taxes on October 1, 2001. There were no income or capital taxes in the periods prior to October 1, 2001.

The provision for income taxes under the taxes payable method for the year is $2,741,000 (2002 - $690,000).

Future income taxes have not been recorded in the accounts as they are expected to be reflected through future distribution revenues. As at December 31, 2003 future income tax assets $13,182,000 (2002 - $11,538,000) have not been recorded on the balance sheet. Future income tax benefits of $1,644,000 (2002 - $1,185,000) have not been reflected in the income tax provision for the year ended December 31, 2003.

Significant components of the Corporation's future taxes as at December 31 are as follows:

	2003	2002
Recoverable corporate minimum tax	$ -	$ 39,000
Regulatory assets	402,000	-
Employee future benefits	200,000	122,000
Capital assets	11,683,000	10,600,000
Financing cost	(33,000)	(18,000)
Intangible assets	930,000	795,000
Net future income tax asset	$ 13,182,000	$ 11,538,000

8. BANK LOAN AND OTHER CREDIT FACILITIES

(a) Bank loan

	2003	2002
Non-revolving credit facility, repayable in full on or before June 30, 2004. A Bankers' Acceptance Fee of 0.3% per annum applies, subject to a minimum fee of $500 per transaction, payable at the time of each acceptance.	**$ 25,000,000**	$ 25,000,000

During the year 2003, the Corporation renewed its $25,000,000 non-revolving credit facility with a major chartered bank.

The loan is repayable in full on June 30, 2004 with quarterly interest payments at a variable rate based on Bankers Acceptance. The credit may be extended for successive periods of up to 364 days at the absolute discretion of the Bank, upon the Corporation's written request at least 60 days prior to the maturity date.

The Corporation used the proceeds of the revolving credit facility to return capital to its shareholders (Note 10) in 2002.

(b) Non-revolving credit facility

The Corporation has a $10,000,000 line of credit available from a major chartered bank. The purpose is to assist in the financing of the day-to-day operating requirements and to pay for periodic capital expenditures. This facility is a 364 day revolving term loan which may be renewed for successive 364 day periods at the discretion of the bank. The Corporation can avail itself to funds by either direct advances (bearing interest at prime less 0.30%) or through Bankers' Acceptances (stamping fee of 30 basis points). The Corporation has no balance outstanding on this facility at December 31, 2003 (2002- Nil).

(c) Letter of Credit

The Corporation has a $12,000,000 (2002 - $12,000,000) letter of credit facility with a major chartered bank. The purpose is to provide prudential support to the Independent Electricity Market Operator (IMO) of the Ontario electricity wholesale market.

The bank has issued a letter of credit on behalf of the Corporation payable to the IMO in the amount of $4,285,420 (2002 - $4,285,420). Each purchaser of electricity in Ontario must post with the IMO prudential support based on future expected purchases. If the Corporation defaults in its monthly payments to the IMO, the IMO has the right to draw on the Letter of Credit.

9. LONG-TERM DEBT

	2003	2002
Unsecured debentures maturing August 15, 2012, payment required in full. Interest of 6.45% payable in arrears semi-annually on August 15 and February 15.	$ 35,000,000	$ 35,000,000

In August 2002, the Corporation raised gross proceeds of $35,000,000 through a private placement bond offering.

A special purpose corporation, Electricity Distributors Finance Corporation ("EDFIN"), managed by Mearie Management Inc., was created to pool the bond financing requirements of five local distribution companies ("LDC") within the province of Ontario. Each LDC has executed a debenture which is a direct and unsecured obligation of the LDC. Each debenture is several and not joint and each LDC is liable for only its own obligation and not that of any other LDC.

The Corporation used the proceeds of the bond issue to return capital to its shareholders (Note 10) in 2002.

10. SHARE CAPITAL

	2003	2002
Share capital, beginning of year	$ 39,555,813	$ 109,555,813
Return of share capital to shareholders	-	(70,000,000)
Share capital, end of year	$ 39,555,813	$ 39,555,813

The Corporation was sold on December 27, 2001. As a premise of the sale, all long-term debt of the Corporation was converted to equity.

In 2002, the Corporation recapitalized by way of a bank loan and long-term debt as described in Notes 8 and 9. In 2002, the Board of Directors of the Corporation approved the return of $70,000,000 of capital to the shareholders. The $60,000,000 proceeds of the refinancing were paid to and used by the shareholders, in 2002, to reduce the debt they acquired in financing the original purchase of the Corporation. The remaining $10,000,000 was paid in 2003. The return of capital to shareholders was completed by way of a reduction in the underlying paid-up capital of the shares.

11. RELATED PARTY TRANSACTIONS

The following summarizes the Corporation's related party transactions with Hydro Vaughan Distribution Inc. and Markham Hydro Distribution Inc. for the years ended December 31:

Balances

	2003	2002
Due to MHDI	$ 449,120	$ 5,573,805
Due to HVDI	437,500	5,573,805
Accounts receivable from MHDI	127,947	81,799
Accounts receivable from HVDI	4,272	57,497

Transactions

	2003	2002
Return of share capital to:		
Hydro Vaughan Distribution	$ -	$ 35,000,000
Markham Hydro Distribution Inc.	-	35,000,000
Dividend Payments:		
Hydro Vaughan Distribution	4,724,761	-
Markham Hydro Distribution Inc.	4,724,761	-
Interest Payments:		
Hydro Vaughan Distribution	-	573,805
Markham Hydro Distribution Inc.	-	573,805
Sales:		
Markham Hydro Distribution Inc. Feeders on Transformer Station #2	561,740	240,884
Hydro Vaughan Distribution Inc. software modifications	15,444	
Metering services purchased from Markham Hydro Distribution Inc.	15,044	-
Training received from Markham Hydro Distribution Inc.	5,186	-

All transactions are considered in the normal course of business and have been measured at the same amounts as for similar arms length transactions.

12. PENSION AGREEMENT

The Corporation makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay.

In the year ended December 31, 2003, the current service pension costs charged to expenses was $118,234 (2002 - $Nil). In 2002, the Corporation and its employees were in a contribution holiday due to a surplus in the OMERS fund.

13. COMMITMENTS

Lease commitments as at December 31, 2003 for the premises at 1150 Elgin Mills Road East and for equipment under lease obligations were as follows:

Year ending December 31,	
2004	$ 754,032
2005	$ 733,589
2006	$ 720,000

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the financial instruments included in the financial statements, other than long-term debt, approximates their carrying amounts due to the short-term maturity of those instruments.

Management estimates that the fair value of long-term debt also approximates the carrying value on the financial statements. The yield to maturity on the long-term debt is 6.45% as at December 31, 2003.

15. CLASS ACTION ON LATE PAYMENT CHARGES

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 Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario that 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 are not permitted under Section 347(1)(b) of the Criminal Code.

The Electricity Distributors 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 the Corporation, and as such no accrual of any potential liability has been recognized.

16. CONSUMER SECURITY DEPOSITS

The Ontario Energy Board (OEB) amended its Distribution System Code for electricity distributors on February 3, 2004 to include requirements for security deposits in order to ensure consumers receive consistent and equitable treatment. Amendments have been made to the length of time and the maximum amounts to be retained by the distributor. The DEB's maximum time period for retention of deposits differs by rate class as follows: residential customers 1 year; Non residential customers < 50 kw - 5 years; non-residential customers > 50 kw - 7 years.

The Corporation currently retains deposits for in excess of the QEB's maximum amount. The Corporation will modify its security deposit policy in accordance with the requirements set out by the distribution system code and refund all affected consumers prior to the end of the transition period of February 1, 2005.

17. AMALGAMATION

Hydro Vaughan Distribution Inc and Markham Hydro Distribution Inc, who are the owners of the Corporation are in the process of negotiating an amalgamation of the three utilities. The proposed agreement is expected to be finalized in summer of 2004.

18. COMPARATIVE FIGURES

Certain of the prior year comparative figures have been reclassified to conform with the current financial statement presentation.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

2003
Code 0301

055 Do not use this area

RETAIN THIS COPY FOR YOUR FILES

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about the entries on this return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 866351190RC0001

Corporation's name

002 Richmond Hill Hydro 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 1150 Elgin Mills Road East

012

City	Province, territory, or state
015 Richmond Hill	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L4C-4Y6

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 1150 Elgin Mills Road East

032

City	Province, territory, or state
035 Richmond Hill	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 L4C-4Y6

040 **Type of corporation at the end of the taxation year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2003-01-01	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 [X]

If *Yes*, give the date control was acquired ..... 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? ..... 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? ..... 070 1 Yes [ ] 2 No [X]
Amalgamation? ..... 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? ..... 072 1 Yes [ ] 2 No [X]

If *yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? ..... 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? ..... 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? ..... 082 1 Yes [ ] 2 No [X]

If *yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide	Item		Yes	Schedule
2	Is the corporation related to any other corporations?	150		9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160		23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202	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		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
5	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	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		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	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		36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
12	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
12	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

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Attachments – continued from page 2

Guide	Item	Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?		92 *
153	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *Yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Dist. of electricity	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI		300	6,839,875	A
Deduct: Charitable donations from Schedule 2	311	8,320		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	107		
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		8,427	8,427	B
Subtotal (amount A minus amount B) (if negative, enter "0")			6,831,448	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions		355	0	D
Taxable Income (amount C plus amount D)		360	6,831,448	
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)			6,831,448	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 6,839,768

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 6,831,448 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

200,000 x (Number of days in the taxation year before 2003 / Number of days in the taxation year) 0 / 365 = ... 0 1

225,000 x (Number of days in the taxation year in 2003 / Number of days in the taxation year) 365 / 365 = ... 225,000 2

250,000 x (Number of days in the taxation year in 2004 / Number of days in the taxation year) 0 / 365 = ... 0 3

275,000 x (Number of days in the taxation year in 2005 / Number of days in the taxation year) 0 / 365 = ... 0 3.1

Add amounts at lines 1, 2, 3, and 3.1 225,000 4

Business limit (see notes 1 and 2 below) ..... 410 225,000 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of dyas in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 225,000 x 415 *** 261,466 D / 11,250 = ... 5,229,320 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F ..... 430 0 G
(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 0 x (300,000 / line 4 above) = 0 A

Net active business income (amount from line 400) * ..... 6,839,768 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I Tax ..... 6,831,448 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 6,831,448 6,831,448 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income ..... 435 _____ A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0/365	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0/365	x 3% =	0 C.1

Resource deduction – total of amounts B, C, and C.1 (enter amount D on line 10 of page 7) ..... 438 0 D

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 6,831,448 E

Amount Z from Part 9 of Schedule 27	0 x 100/7	0 F	
Amount QQ from Part 13 of Schedule 27		0 G	
Taxable resource income from line 435 above		0 H	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 I	
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0 J	
Aggregate investment income from line 440 of page 6		0 K	
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0 L	
Total of amounts F, G, H, I, J, K, and L		0	0 M

Amount E minus amount M (if negative, enter "0") ..... 6,831,448 N

Amount N	6,831,448	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0/365	x 1% =	0
Amount N	6,831,448	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/365	x 3% =	0 O
Amount N	6,831,448	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 5% =	341,572 P
Amount N	6,831,448	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/365	x 7% =	0 Q

General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q (enter amount R on line 638 of page 7) ..... 341,572 R

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7	0 T	
Amount QQ from Part 13 of Schedule 27		0 U	
Taxable resource income from line 435 above		0 V	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 W	
Total of amounts T, U, V, and W		0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0/365	x 1% =	0
Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/365	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/365	x 7% =	0 BB

General tax reduction - total of amounts year 2001, Z, AA, and BB (enter amount CC on line 639 of page 7) ..... 0 CC

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7)	440	0 x 26 2/3% =		0 A
Foreign non-business income tax credit from line 632 on page 7			0	
Deduct:				
Foreign investment income (amount O from Part 1 of Schedule 7)	445	0 x 9 1/3% =	0	
		(if negative, enter "0")	0	0 B
Amount A minus amount B (if negative, enter "0")				0 C
Taxable income from line 360 on page 3			6,831,448	
Deduct:				
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0		
Foreign non-business income tax credit from line 632 of page 7		0 x 25/9 = 0		
Foreign business income tax credit from line 636 of page 7		0 x 3 = 0		
		0	0	
		6,831,448 x 26 2/3% =		1,821,719 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)			1,647,745	
Deduct: Corporate surtax from line 600 of page 7			76,512	
Net amount			1,571,233	1,571,233 E
Refundable portion of Part I tax – Amount C, D, or E, whichever is less	450			0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year	460	40	
Deduct: Dividend refund for the previous taxation year	465	0	
		40	40 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		36	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480	0	
		36	36 B
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	485		76

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	9,449,520	x 1/3	3,149,840 A
Refundable dividend tax on hand at the end of the taxation year from line 485 above			76 B
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)			76

Richmond Hill Hydro Inc. 866351190RC0001 2011-12-31

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 2,595,950 A

Corporate surtax calculation

Base amount from line A above	2,595,950	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	683,145	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0 a	
28.00% of taxed capital gains	0 b	0 6
Part I tax otherwise payable (line A plus lines C and D minus line F)	0 c	
Total of lines 2 to 6		683,145 7
Net amount (line 1 minus line 7)		1,912,805 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 76,512 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	6,831,448		
Deduct:			
Amount on line 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	6,831,448	6,831,448	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) 2,672,462 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	683,145	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	341,572	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		1,024,717	1,024,717 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 1,647,745 G

Richmond Hill Hydro Inc. 866351190RC0001 2003-12-31

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	1,647,745
Part I.3 tax payable from Schedule 33, 34, or 35	704	159,842
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	36
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		1,807,623

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		1,807,623 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	76	
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	1,807,547	
Total credits	890	1,807,623	1,807,623 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 PSOTKA (Last name in block letters) 951 MICHAEL (First name in block letters) 954 VICE-PRESIDENT, FINANCE (Position, office or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 905-737-2501 Telephone number

Is contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☐ 2 No ☒

958 LORETTA WHITEMAN (Name in block letters) 959 905-737-2506 Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

Richmond Hill Hydro Inc. **Sch. 001**
Account/Business No.: 866351190RC0001 **Year Ended: 2003-12-31**

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements				5,343,403 A
Additions:				
Provision for income taxes - current		101	2,740,700	
Interest and penalties on taxes		103	6,979	
Amortization of tangible assets		104	6,114,787	
Charitable donations from Schedule 2		112	8,320	
Non-deductible meals and entertainment expenses		121	4,506	
Reserves from financial statements - balance at the end of the year		126	895,619	
Subtotal of additions			9,770,911	9,770,911
Other Additions:				
Miscellaneous Other Additions:				
600 Funds from dvlp re: distrib assets (para 12(1)(x))		290	5,589,577	
601 Post Employment benefits expensed in fin. state.		291	156,809	
602 Bond Issue Cost Amortized		292	35,726	
603a Provision for bad debt	30,000			
603b Ontario Specified Tax Credits	3,636			
603c	0			
	33,636	293	33,636	
604a Gifts to employees	4,000			
604b	0			
	4,000	294	4,000	
Subtotal of Other Additions		199	5,819,748	5,819,748
Total Additions		500	15,590,659	15,590,659
Deductions:				
Gain on disposal of assets per financial statements		401	12,204	
Capital cost allowance from Schedule 8		403	8,236,563	
Cumulative eligible capital deduction from Schedule 10		405	184,332	
Subtotal of Deductions			8,433,099	8,433,099
Other Deductions:				
Miscellaneous Other Deductions:				
700 Funds from dvlprs re:distrib.asset-elect ss.13(7.4)		390	5,589,577	
701 Deduction pursuant to 20(1)(e)		391	71,511	
Subtotal of Other Deductions		499	5,661,088	5,661,088
Total Deductions		510	14,094,187	14,094,187
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)				6,839,875

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2)

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt, Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*
Richmond Hill Hydro Inc.

Ontario Corporations Tax Account No. (MOF)
1800184

Mailing Address
1150 Elgin Mills Road East
Richmond Hill
ON CA L4C-4Y6

This CT23 Return covers the Taxation Year
Start: year month day 2003-01-01
End: year month day 2003-12-31

Has the mailing address changed since last filed CT23 Return? [ ] Yes
Date of Change: year month day

Date of Incorporation or Amalgamation
year month day 2000-10-11

Registered/Head Office Address
1150 Elgin Mills Road East
Richmond Hill
ON CA L4C-4Y6

Ontario Corporation No. (MCBS): 1444238

Location of Books and Records
1150 Elgin Mills Road East
Richmond Hill
ON CA L4C-4Y6

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 866351190RC0001

Name of person to contact regarding this CT23 Return: LORETTA WHITEMAN
Telephone No.: 905-737-2506
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
[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): 0

If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS)

[X] No change

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*
MICHAEL PSOTKA

Title: [ ] D Director [X] O Officer [ ] P Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 3 of 24
Richmond Hill Hydro Inc.	1800184	2003-12-31	

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [X] 1 Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent): 100%

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

2
1 [ ] Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing

[ ] Amended Return

[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required

[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)

[ ] Final Taxation Year before Amalgamation

[ ] Floating Fiscal Year End

[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[X]	[ ]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Corporation's Legal Name: Richmond Hill Hydro Inc.
Ontario Corporations Tax Account No. (MOF): 1800184
Taxation Year End: 2003-12-31

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).

Net [illegible] (loss) for Ontario purposes (per reconciliation schedule, page 15)			±	From 690	6,839,875.
Subt[illegible]haritable donations			–	1	8,320.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*			–	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3			–	3	107.
Subtract: Federal Part VI.1 tax	0. X 9/4		–	4	0.
Subtract: Prior years' losses applied – Non-capital losses			–	5	0.
Net capital losses (page 16) From 715	0. X inclusion rate	50.000000% =	–	From 704	0.
Farm losses			–	714	0.
Restricted farm losses			–	From 724	0.
Limited partnership losses			–	From 734	0.
Taxable Income (Non-capital loss)			–	From 754	0.
Addition to taxable income for unused foreign tax deduction for federal purposes			=	10	6,831,448.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)			+ 11	0.	
			= 20	6,831,448.	

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 6,831,448. x 30 100.0000% (Ontario Allocation) x 12.5000% x (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 365 ÷ Total Days 73 365) = + 29 853,931.

From 10 (or 20 if applicable) 6,831,448. x 30 100.0000% (Ontario Allocation) x 14.0000% x (Days after Dec. 31, 2003 and before Jan. 1, 2005: 34 0 ÷ Total Days 73 365) = + 32 0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 853,931.

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	6,839,768.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51 6,831,448.		
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.		
	= 6,831,448.	54	6,831,448.
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 0 ÷ Total Days 73 365) X From 55 200,000 ÷ 200,000 =+ 43 0.

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.

200,000 x (Days after Dec 31, 2003 and before Jan 1, 2005: 31 0 ÷ Total Days 73 365) [illegible]n 55 200,000 ÷ 200,000 =+ 47 0.

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% * Ontario Allocation x	56	320,000. =	60 320,000.

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)).*

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 5 of 24
Richmond Hill Hydro Inc.	- 1800184	2003-12-31	DOLLARS ONLY

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan 1, 2003		Total Days		
6.50 %	x	28	0	÷ 73	365	= + 79	.0000
7.00 %	x	31	365	÷ 73	365	= + 89	7.0000
8.50 %	x	34	0	÷ 73	365	= + 90	.0000

IDSBC Rate for Taxation Year 79 + 89 + 90 = 78 **7.0000**

Claim From 60 **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 **6,831,448.**

If you are a member of an associated group (X) 81 ☐ (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
			+ 82 **0.**
			+ 83
			+ 84
			= 85 **6,831,448.**

Aggregate Taxable Income 80 + 82 + 83 + 84 , etc.

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2003		Total Days		
Subtract: 280,000	x	28	0	÷ 73	365	= + 113	0.
320,000	x	31	365	÷ 73	365	= + 115	320,000.
400,000	x	34	0	÷ 73	365	= + 116	0.

113 + 115 + 116 = **320,000.** - 114 **320,000.**

(If negative, enter nil) = 86 **6,511,448.**

Calculation of Specified Rate for Surtax

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan 1, 2003		Total Days		
4.3330 %	x	28	0	÷ 73	365	= + 95	.0000
4.6670 %	x	31	365	÷ 73	365	= + 96	4.6670
4.6670 %	x	34	0	÷ 73	365	= + 97	.0000

Specified rate of surtax for Taxation Year 95 + 96 + 97 = 94 **4.6670**

From 86 **6,511,448.** x From 94 **4.6670** % = 87 **303,889.**

From 87 **303,889.** x From 60 **320,000.** ÷ From 114 **320,000.** = 88 **303,889.**

Surtax Lesser of 70 or 88 = 100 **22,400**

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits	+	120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	–	From 56	320,000.
Add: Adjustment for Surtax on Canadian-controlled private corporations			
From 100 22,400. + From 30 100.0000 % * Ontario Allocation + From 78 7.0000 % =		121	320,000.
Lesser of 56 or 121	+	122	320,000.
120 – 56 + 122	=	130	0.
Taxable Income	+	From 10	6,831,448.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	–	From 56	320,000.
Add: Adjustments for Surtax on Canadian-controlled private corporations	+	From 122	320,000.
Subtract: Taxable Income 10 6,831,448. x Allocation % to junsdictions 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	6,831,448.

Claim

Number of Days in Taxation Year

143 0. Lesser of 130 or 142	x From 30 100.0000 % * Ontario Allocation	x 1.5000 % x	Days after Sept 30, 2001 and before Jan 1, 2004: 33 0 – Total Days: 73 365	= +	154	0.
143 0. Lesser of 130 or 142	x From 30 100.0000 % * Ontario Allocation	x 2.0000 % x	Days after Dec 31, 2003 and before Jan 1, 2005: 34 0 – Total Days: 73 365	= +	156	0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

*Note: *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*. ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 853,931.

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 7 of 24
Richmond Hill Hydro Inc.	1800184	2003-12-31	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 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F . . . . . + 192 3,636.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates From 6596 — 194 0
Eligible Credit From 6598 Summary Schedule G . . . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* . . . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) . . . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) . . . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* . . . . . + 201 0.

Other (specify) _____ . . . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 3,636.

= 225 3,636.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . . . = 230 850,295.

Income Tax 190 − 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)*. . . . . .

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
Richmond Hill Hydro Inc.	1800184	2003-12-31

DOLLARS ONLY

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	126,131,646.
* Total Revenue of the corporation	+ 241	89,692,538.

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	126,131,646.
Aggregate Total Revenue 241 + 244 + 246 + 248 , etc.	= 250	89,692,538.

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 8,083,996. (If negative, enter zero) X From 30 100.0000 (Ontario Allocation) % X 4.0000 = 276 323,360.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* ..... – 277 0.

Subtract: Income Tax ..... – From 190 853,931.

Net CMT Payable (If negative, enter Nil on Page 17.) ..... = 280 0.

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from ***Page 7*** to ***Income tax Summary, on Page 17.***

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to ***Page 17*** and transfer 280 to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From 2307 39,132.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) ..... + From 190 853,931.

Gross CMT Payable ..... + From 276 323,360.

Subtract: Foreign Tax Credit for CMT purposes ..... – From 277 0.

If 276 – 277 is negative, enter NIL in 290 ..... = 323,360. – 290 323,360.

Income Tax eligible for CMT Credit ..... = 300 530,571.

B. Income tax (after deduction of specified credits) ..... + From 230 850,295.

Subtract: CMT credit used to reduce income taxes ..... – 310 39,132.

Income Tax ..... = 320 811,163.

Transfer to page 17

If A 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	CT23 Page 9 of 24
Richmond Hill Hydro Inc.	1800184	2003-12-31	DOLLARS ONLY

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 430 ***on page 10 then proceed to page 13.***

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax Items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed. Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.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	39,555,813.
Retained earnings (if deficit, deduct) (Int.B. 3012)	± 351	3,039,863.
Capital and other surpluses, excluding appraisal surplus (Inf.B.3012)	+ 352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+ 353	11,001,636.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	25,000,000.
Bonds and debentures payable (Int.B. 3013)	+ 356	35,000,000.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+ 361	1,448,785.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+ 362	0.
Subtotal	= 370	115,046,097.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	− 371	5,590,736.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	− 372	0.
Total Paid-up Capital	= 380	109,455,361.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	− 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electicity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	− 382	0.
Net Paid-up Capital	= 390	109,455,361.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	139,180.
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	139,180.

continued on Page 10

Corporation's Legal Name	Ontario Corporations Tax Account No (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

DOLLARS ONLY

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total assets per balance sheet	+	420	126,131,646.
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	126,131,646.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	5,590,736.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	120,540,910.

Investment Allowance (410 + 450) x 390 — Not to exceed 410	=	460	126,380.
Taxable Capital 390 - 460	=	470	109,328,981.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	89,692,538.
Total Assets (as adjusted) From 430		126,131,646.

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 470 109,328,981.
- 5,000,000.
471 104,328,981. X From 30 100.0000% (Ontario Allocation) X .3000% X 555 365/365** (366 if leap year) (Days in taxation year) = + 523 312,987.

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
Richmond Hill Hydro Inc.	1800184	2003-12-31

Capital Tax Calculation *continued from page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. ☐ 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

***Calculation** Do NOT complete this calculation if ss.69(2.1) election is filed*

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt form capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc.			= 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. + From 540 0. x 0 ..... = 541 0.

Transfer to 542 in Section D on page 12

S.s.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.

+	From 470	0.										
−	542	0.										
=	471	0.	x	From 30	100.0000% Ontario Allocation	x	.3000%	x	555 365 ** 365 (366 if leap year)	.....	= + 523	0.

Days in taxation year

Total Capital Tax for the taxation year

Transfer to 543 and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From 470	0.	x	From 30	100.0000% Ontario Allocation	x	.3000%	.....	= +	561	0.	
−	Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form							.....	− From	995	0.	
									=	562	0.	

Capital Tax	 562	0.	x	555 365 ** 365 (366 if leap year)	.....	=	563	0.	
									Transfer to 543 and complete the return from that point

** ...ing taxation year, refer to Guide*

Capital Tax *before application of specified credits*	.....	=	543 312,987.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	.....	−	546 0.
Capital Tax 543 − 546 *(amount cannot be negative)*	.....	=	550 312,987.

Transfer to Page 17

continued on Page 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in 550 on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)

565 0. x 0.6% x From 30 ____ % x Days in taxation year: 555 0 ÷ ** 0 (366 if leap year) = + 569 0.

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1

Ontario Allocation

570 0. x 571 0.00 % x From 30 ____ % x Days in taxation year: 555 0 ÷ ** 0 (366 if leap year) = + 574 0.

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate *(Refer to Guide)*

Ontario Allocation

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) 569 + 574 ..... = 575 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – 585 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions 575 – 585 ..... = 586 0.

Transfer to 543 on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... 587 0. x 2% .... = 588 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – 589 0.

Premium Tax 588 – 589 ..... = 590 0.

Transfer to page 17

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

DO NOT SUBMIT

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 6,839,875.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	8,236,563.
Federal cumulative eligible capital deduction	+ 602	184,332.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

612	0.	x 5 ÷ 12.5000 x	Days after Sept. 30, 2001 and before Jan. 1, 2004	33	365	÷ 73	365	= + 633	0.
612	0.	x 5 ÷ 14.0000 x	Days after Dec. 31, 2003 and before Jan. 1, 2005	34	0	÷ 73	365	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 =	0.	+ 613	0.
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161		+ 615	0.
Add any negative amount in 473 from Ont. CT23 Schedule 161		+ 616	0.
Federal allowable business investment loss		+ 620	0.
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		+ 614	0.
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614		=	8,420,895. 640 8,420,895.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	8,236,563.
Ontario cumulative eligible capital deduction	+ 651	184,332.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	0.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(Applies only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	8,420,895.

Transfer to Page 15

continued on Page 15

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

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 6,839,875.

Total of Additions ..... From = 640 8,420,895.

Subtotal of deductions on page 14 ..... From = 681 8,420,895.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x Gross-up of CCA 100 / From 30 .0000 Ontario Allocation] – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: [665 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: [667 0. x 100.00% x 100 / From 30 100.0000 Ontario Allocation] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x 100 / From 30 100.0000 Ontario Allocation] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative in line 454 of federal form T661 ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 8,420,895. 680 8,420,895.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 6,839,875.

Transfer to Page 4

Corporation's Legal Name	Ontario corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

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 (7)	701 0	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 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	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) The extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1994-12-31				850 0	870 0
801 8th preceding taxation year 1995-12-31				851 0	871 0
802 7th preceding taxation year 1996-12-31				852 0	872 0
803 6th preceding taxation year 1997-12-31	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1998-12-31	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 1999-12-31	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2000-12-31	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2003-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

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 loss 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 0	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		901		911 0	921 0	931 0	941 0
ii) 2nd preceding		902		912 0	922 0	932 0	942 0
iii) 1st preceding		903		913 0	923 0	933 0	943 0
Total loss to be carried back				From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward				919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		811,163.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		312,987.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		1,124,150.
Subtract: Payments	- 960		1,136,784.
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		-12,634.
If payment due	Enclosed * 990		0.
If overpayment: Refund *(Refer to Guide)*	= 975		12,634.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

MICHAEL PSOTKA

Title

VICE-PRESIDENT, FINANCE

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Amounts deducted for IT in excess of amounts booked

Cumulative CCA Claimed - Prior Years	9,794,826.00
CCA Claimed - Current Year	8,236,563.00
Cumulative CEC Claimed - Prior Years	248,947.00
CEC Claimed - Current Year	184,332.00
	0.00
	0.00
Less:	
Depreciation - Prior Years	-6,896,629.00
Depreciation - Current Year	-5,977,303.00
	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	5,590,736.00

Loans and Advances
CT

Current portion of customer deposits	1,341,680.00
Customer deposits - non current	5,569,907.00
Subdivision liability	4,058,114.00
Maitenance Deposit Liability	31,935.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	11,001,636.00

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

DOLLARS ONLY

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 **5,343,403.**

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	+ 2101	0.	
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 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	107.	
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, under fed.s.191.1(1) 0. X 9/4	+ 2108	0.	
Subtotal	=	107.	- 2109 **107.**

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+ 2110	2,740,700.	
Provision for deferred income taxes (debits) / cost of future income taxes	+ 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 s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.	
Subtotal	=	2,740,700.	+ 2115 **2,740,700.**

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	8,083,996.
** 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 19.)*		= 2133	8,083,996.

Deduct: * CMT losses: pre-1994 Loss	+ From	2210	0.	
* CMT losses: other eligible losses	+	2211	0.	
	=		0.	- 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 **8,083,996.**

Transfer to CMT Base on Page 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

CT23 Schedule B & C
Page 19 of 24

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	0.
Add:	Current year's losses	+ 2202	0.		
	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		=	0.	+ 2207	0.
Adjustments (attach schedule)				± 2208	0.
CMT losses available	2201 + 2207 ± 2208			= 2209	0.
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210	0.		
	Other eligible losses utllized 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	0.

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	9th preceding taxation year 2000-12-31	2260 0	2280 0
2241	8th preceding taxation year 2001-12-31	2261 0	2281 0
2242	7th preceding taxation year 2002-12-31	2262 0	2282 0
2243	6th preceding taxation year 2003-12-31	2263 0	2283 0
2244	5th preceding taxation year	2264 0	2284 0
2245	4th preceding taxation year	2265 0	2285 0
2246	3rd preceding taxation year	2266 0	2286 0
2247	2nd preceding taxation year	2267 0	2287 0
2248	1st preceding taxation year	2268 0	2288 0
224[illegible]	Current taxation year	2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1) ..... + 2301 39,132.

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 39,132.

Transfer to Page 8

Subtract: CMT Credit utilized during the year to reduce income tax (Page 8) + From 310 39,132.

CMT Credit expired during the year ..... + 2308 0.

Subtotal ..... = 39,132. - 2309 39,132.

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	9th preceding taxation year 2000-12-31	2360 0	2380 0
2341	8th preceding taxation year 2001-12-31	2361 0	2381 0
2342	7th preceding taxation year 2002-12-31	2362 0	2382 0
2343	6th preceding taxation year 2003-12-31	2363 0	2383 0
2344	5th preceding taxation year	2364 0	2384 0
2345	4th preceding taxation year	2365 0	2385 0
2346	3rd preceding taxation year	2366 0	2386 0
2347	2nd preceding taxation year	2367 0	2387 0
2348	1st preceding taxation year	2368 0	2388 0
2349	Current taxation year	2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2003-12-31

DOLLARS ONLY

Schedule F:
Summary of Co-operative Education Tax Credit Claimed

Complete a separate entry for each student work placement which ended during the corporation's taxation year. The tax credit is for co-op work placements and leading-edge technology work placements. A work placement is generally considered to be a full-time work assignment for up to 4 months in duration.

Example: If a corporation, with a December 31, 2001 taxation year end, hires an eligible student from September 1, 2001 until April 30, 2002, this would be considered 2 work placements. The first work placement is September 1, 2001 to December 31, 2001 and would be claimed in the 2001 taxation year. The second placement is January 1, 2002 to April 30, 2002 and must be claimed in the 2002 taxation year.

Qualifying Work Placements

Name of University/College and Education Program	Name of Student	Social Insurance No. of Student	Work Placement Start and End Dates (year month day)	Eligible Costs of Placement (ECP)	* Credit Claimed (See notes below) (max. $1,000 per work placement)
UNIVERSITY OF WATERLOO	YIU KAN YUEN KEN		From 2003-05-01 To 2003-08-01	5749 9,214	5775 921
UNIVERSITY OF WATERLOO	BERLIN PHILIP		From 2003-01-01 To 2003-04-01	5750 8,829	5776 883
UNIVERSITY OF WATERLOO	BERLIN PHILIP		From 2003-09-01 To 2003-12-01	5751 8,829	5777 883
UNIVERSITY OF WATERLOO	NARAYANAN RAMASAMY		From 2003-01-01 To 2003-04-01	5752 9,485	5778 949
			From To	5753 0	5779 0
			From To	5754 0	5780 0
			From To	5755 0	5781 0
			From To	5756 0	5782 0
			From To	5757 0	5783 0
			From To	5758 0	5784 0
If insufficient space, attach schedule			**Totals**	5774 36,357	5798 3,636

Transfer to 192 *Page 7 of the Tax Return*

Note: Enter corporation's salaries & wages paid in the preceding taxation year [A] $ 1,503,755.

If $600,000 or greater use 10%. If [A] is $400,000 or less use 15%.

If [A] is over $400,000 but less than $600,000 use the following formula to calculate the rate. Rate = .15 – [.05 (From [A] 1,503,755. – $400,000) ÷ $200,000]

Indicate rate used: 10.00% *** Credit claimed equals ECP multiplied by rate.**

Calculation of Tax Rates for the

- Incentive Deduction for Small Business Corporations (IDSBC) (Small Business Tax Credit) (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

		Days after December 31, 1998 and before January 1, 2000		Total Days		
7.00%	x	0	/	365	=	.0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
6.50%	x	0	/	365	=	.0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
7.00%	x	365	/	365	=	7.0000%
		Days after Dec 31, 2003 and before Jan 1, 2005		Total Days		
8.50%	x	0	/	365	=	.0000%
IDSBC Rate for the Taxation Year					=	7.0000%

ichmond Hill Hydro Inc.
ccount/Business No.: 866351190RC0001 Year Ended: 2003-12-31 Sch. 010

rt 2 - Amount to be included in income arising from disposition

e this part only if the amount at line K is negative)

mount from line K above (show as a positive amount)			0 N
otal of cumulative eligible capital deductions from income for axation years beginning after June 30, 1988	400	0 1	
otal of all amounts which reduced cumulative eligible capital in he current or prior years under subsection 80(7)	401	0 2	
Total of cumulative eligible capital deductions claimed for axation 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 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
Li **minus** line O (cannot be negative)			0 P
Am 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

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS
(2000 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 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.

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	1,448,785
Capital stock (or members' contributions if incorporated without share capital)	103	39,555,813
Retained earnings	104	3,039,863
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	11,001,637
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	60,000,000
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

Richmond Hill Hydro Inc.
Account/Business No.: 866351190RC0001 Year Ended: 2003-12-31 Sch. 033

Part 1 - Capital (cont'd)

Portion 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) 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 (see note below)	112	0		
	Subtotal	115,046,098	115,046,098	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	0		
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	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		115,046,098	

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 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		0
A loan or advance to another corporation (other than a financial institution)	402		0
A bond, debenture, note, mortgage, hypothecary claim, 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, 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		0
An interest in a partnership (see note 1 below)	407		0
Investment allowance for the year	490		0

Richmond Hill Hydro Inc. **Sch 033**
Account/Business No.: 866351190RC0001 **Year Ended: 2003-12-31**

Part 2 - Investment allowance (cont'd)

Notes:

1) Where the corporation has an interest in a partnership, the carrying value at the end of the taxation year, of that interest is deemed to be equal to that proportion of the total of the carrying value of each asset of the partnership described in 401 to 405 above, at the end of its last fiscal period ending at or before the end of the year, that the corporation's share of the partnership's income or loss is of the partnership's income or loss for that period.

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, in certain circumstances, 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)		115,046,098	C
Deduct: Investment allowance for the year (line 490)		0	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	115,046,098	

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)	115,046,098	X	Taxable income earned in Canada	610	6,831,448	**Taxable capital employed in Canada**	690	115,046,098
			Taxable income		6,831,448			

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 4 - Taxable capital employed in Canada (cont'd)

Completed by a corporation that was a non-resident of Canada throughout the year and carried on 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	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 through a permanent establishment in Canada	712	0	
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	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

Note

Complete line 713 only if the country in which the corporation is resident imposed neither a capital tax for the year on similar assets, nor 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 I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)		115,046,098	
Deduct: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36)	801	10,000,000	
Excess of taxable capital employed in Canada over capital deduction	811	105,046,098	

Gross Part I.3 Tax

Year	Line 811		Number of days		Number of days in the taxation year				
Before 2004	105,046,098	x	(365	/	365)	x	.2250% =	236,354	1
2004	105,046,098	x	(0	/	365)	x	.2000% =	0	2
2005	105,046,098	x	(0	/	365)	x	.1750% =	0	3

Total Gross Part I.3 tax (add lines 1, 2, and 3)		236,354	236,354 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 236,354 x (Number of days in the year 365 / 365) = 0 G

Gross Part I.3 tax (amount F or G, whichever applies)	620	236,354	

Part 6 - 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) 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, the lesser of a and b, below:

a)	line 600 from the T2 return				0	
b)	line 700 from the T2 return				0	0 H

In any other case, the lesser of c and d below:

c)	line 600 from the T2 return	76,512	x	line 690 of this schedule 115,046,098 / line 500 of this schedule 115,046,098	=	76,512	
d)	line 700 from the T2 return					1,647,745	76,512 I

Current-year surtax credit available (amount H or I, whichever applies) 830 76,512

Part 7 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)							76,512
Taxable capital employed in Canada (line 690 or 790, whichever applies)						115,046,098	
Deduct:	Capital deduction claimed for the year					10,000,000	
Excess of taxable capital employed in Canada over capital deduction						105,046,098 a	
Less:	**Gross Part I.3 tax**						
	Line a	105,046,098	x	.2250%	=	236,354	236,354 b

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount b	236,354	x	Number of days in the year 365 / 365	=		0 c

Current-year unused surtax credit (if negative, enter "0") 850 0

Enter this amount at line 600 on Schedule 37

' For the purposes of the calculation of current-year unused surtax credit, the calculation is performed on a capital deduction based on $10 millions and a specified percentage of 0.225%.

Richmond Hill Hydro Inc. **Sch. 033**
Account/Business No.: 866351190RC0001 **Year Ended: 2003-12-31**

Part 8 - Calculation of net Part I.3 tax payable

Part I.3 tax (line 820)			236,354	J
Deduct:				
Current-year surtax credit applied (the lesser of lines 820 and 830)	861	76,512		
Unused surtax credit from previous years applied	862	0		
Subtotal (cannot exceed amount on line 820)		76,512	76,512	K
Net Part I.3 tax payable (amount J minus amount K)	870		159,842	

Enter this amount at line 704 of the T2 return

Richmond Hill Hydro Inc. **Attached Sch**
Account/Business No.: 866351190RC0001 Year Ended: 2003-12-31

Loans and Advances
LCT

Current portion of customer deposits	1,341,680.00
Customer deposits- non current	5,569,907.00
Subdivision liability	4,058,114.00
Maitenance Deposit Liability	31,936.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	11,001,637.00

Disposition of Balance Recorded in Account 1562 D

Distributor	**PowerStream Inc. - Richmond Hill**
OEB File Number	**0**
Filing Year	**2004**

Consolidation 2004

	Richmond Hill
Rate Base (wires-only)	104,354,290
1999 return from RUD Sheet #7	2,530,302
Amount allowed in 2001	2,042,310
Amount allowed in 2002	2,042,310
Amount allowed in 2005	
Other	
Regulatory Net Income REGINFO E53	6,614,922
Depreciation & Amortization	5,536,188
Capital Cost Allowance and CEC	4,271,174
Interest Expense Deemed/ Incurred	3,069,847
Total Regulatory Income Tax	1,857,656
Income Tax Rate used for gross- up (exclude surtax)	37.50%
	2,972,250
Income Tax (proxy tax is grossed-up)	2,972,250
LCT (proxy tax is grossed-up)	253,479
Ontario Capital Tax (no gross-up since it is deductible)	298,063
Total PILs for Rate Adjustment	3,523,792

Allocation of 2004 Annual PIL's Proxy

Original Annual 2004	Richmond Hill
Days	366
Income Tax	2,972,250
LCT	253,479
OCT	298,063
Total PIL's Proxy	3,523,792

To May 31, 2004	**Richmond Hill**
Days	152
Income Tax	1,234,377
LCT	105,270
OCT	123,786
Total PIL's Proxy	**1,463,433**

To Dec 31, 2004	Richmond Hill
Days	214
Income Tax	1,737,873
LCT	148,209
OCT	174,277
Total PIL's Proxy	2,060,359

	A	B	C	D
1	**PILs TAXES - EB-2008-381**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - Richmond Hill**			Colour Code
4	**Reporting period: 2004**			**Input Cell**
5				**Formula in Cell**
6	**Days in reporting period:**	152	days	
7	**Total days in the calendar year:**	366	days	
8				
9	**BACKGROUND**			
10	Has the utility reviewed section 149(1) ITA to			
11	confirm that it is not subject to regular corporate			
12	tax (and therefore subject to PILs)?		Y/N	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		
22		LCT		
23				
24	Accounting Year End		Date	31-Dec-04
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			104,354,290
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			8,657,232
42				
43	1999 return from RUD Sheet #7			2,530,302
44				
45	Total Incremental revenue			6,126,930
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			2,042,310
48	Amount allowed in 2002			2,042,310
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			46,959,431
57				
58	Return at target ROE			4,639,592
59				
60	Debt			57,394,860
61				
62	Deemed interest amount in 100% of MARR			4,017,640
63				
64	Phase-in of interest - Year 1 (2001)			2,122,054
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			3,069,847
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			3,069,847
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			4,017,640
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: PowerStream Inc. - Richmond Hill**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	152	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	6,614,922		-2,428,318		4,186,604	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	5,536,188		-3,067,219		2,468,969	
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			618,453		618,453	
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			72,883		72,883	
28	"Material Items from "TAXREC 2" worksheet	6			1,756,907		1,756,907	
29	Other Additions (not "Material") "TAXREC 2"	6			42,925		42,925	
30	**Items on which true-up does not apply "TAXREC 3"**				1,578,674		1,578,674	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	4,271,174		-1,142,830		3,128,344	
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	3,069,847		-1,741,470		1,328,377	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			553,116		553,116	
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			1,756,907		1,756,907	
47	Other Deductions (not "Material") "TAXREC 2"	12			37,224		37,224	
48	**Items on which true-up does not apply "TAXREC 3"**				103,219		103,219	
49								
50	TAXABLE INCOME/ (LOSS)		4,810,089		(991,861)	Before loss C/F	3,818,228	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5031%		36.12%	
54								
55	REGULATORY INCOME TAX		1,857,656		-478,629	Actual	1,379,027	
56								
57								
58	Miscellaneous Tax Credits	14			108	Actual	108	
59								
60	**Total Regulatory Income Tax**		1,857,656		-478,737	Actual	1,378,919	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	104,354,290		2,927,057		107,281,347	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		99,354,290		2,927,057		102,281,347	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax (pro-rated)		123,786		3,996	**Overpaid**	127,782	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	104,354,290		8,687,566		113,041,856	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		94,354,290		48,687,566		63,041,856	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		212,297		-159,791		52,506	
82	Less: Federal Surtax 1.12% x Taxable Income	21	53,873		-11,109		42,764	
83								
84	Net LCT (pro-rated)		65,794		-148,682		9,742	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: PowerStream Inc. - Richmond Hill**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	152	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up) (pro-rated)	22	1,234,377			**Actual 2004**	1,379,027	
91	LCT (proxy tax is grossed-up)	23	105,270			**Actual 2004**	9,742	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	123,786			**Actual 2004**	127,782	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	1,463,433			**Actual 2004**	1,516,551	
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			618,453			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			1,756,907			
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			553,116			
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			1,756,907			
119								
120	Total TRUE-UPS before tax effect	26		=	65,337			
121								
122	Income Tax Rate (including surtax) from **2004** Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	23,600			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				23,600			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				36,307			
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)			=	4,810,089			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX (pro-rated)			=	721,545			
141								
142	Less: Revised Miscellaneous Tax Credits			-	108			
143								
144	Total Revised Regulatory Income Tax			=	721,437			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) (pro-rated)			-	771,486			
147								
148	Regulatory Income Tax Variance			=	(20,785)			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: PowerStream Inc. - Richmond Hill**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	152	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	104,354,290			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	99,354,290			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax (pro-rated)			=	123,786			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	123,786			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				104,354,290			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	54,354,290			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount (pro-rated)				45,147			
169	Less: Federal surtax (pro-rated)			-	22,373			
170	Revised Net LCT			=	22,773			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	65,794			
173	Regulatory Federal LCT Variance			=	(43,020)			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	**Income Tax (grossed-up)**			+	(31,977)			
178	**LCT (grossed-up)**			+	(66,185)			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(98,163)			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	36,307			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(61,855)			
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)				4,017,640			
194	Interest phased-in (Cell C36)				3,069,847			
195								
196	Variance due to phase-in of debt component of MARR in rates				947,793			
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)				1,328,377			
202	Total deemed interest (REGINFO CELL D61) (pro-rated)				1,668,528			
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**				947,793			
209								
210								

	A	B	C	D	E
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: PowerStream Inc. - Richmond Hill**				
8	**Reporting period: 2004**				
9	**Taxation Year's start date:**				
10	**Taxation Year's end date:**				
11	**Number of days in taxation year:**		152	days	
12					
13	**Please enter the Materiality Level :**		117,399	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-6,655,573		-6,655,573
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	2,468,969		2,468,969
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	4,186,604	0	4,186,604
51	Less: Interest expense for accounting purposes	-	1,328,377		1,328,377
52	Provision for payments in lieu of income taxes	-	1,295,007		1,295,007
53	**Net Income (loss)**	=	1,563,220	0	1,563,220
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	+	1,295,007	0	1,295,007
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	2,468,969	0	2,468,969
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	+	618,453	0	618,453
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	***Items on which true-up does not apply "TAXREC 3"***		1,578,674	0	1,578,674
67	Material addition items from TAXREC 2	+	1,756,907	0	1,756,907
68	Other addition items (not Material) from TAXREC 2	+	42,925	0	42,925
69					
70	*Subtotal*		7,760,935	0	7,760,935
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	A	B	C	D	E
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	Amortization Addback Understated	+	57,625		57,625
77	*Addback of Intangibles Understated*	+	15,258		15,258
78		+			0
79		+			0
80	*Total Other Additions*	=	72,883	0	72,883
81					
82	Total Additions	=	7,833,818	0	7,833,818
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)		72,883	0	72,883
94	Total Other Additions		72,883	0	72,883
95					
96	BOOK TO TAX DEDUCTIONS:				
97	Capital cost allowance	-	3,056,938		3,056,938
98	Cumulative eligible capital deduction	-	71,406		71,406
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*	-	553,116	0	553,116
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		103,219	0	103,219
109	Interest capitalized for accounting deducted for tax	-			0
110	Material deduction items from TAXREC 2	-	1,756,907	0	1,756,907
111	Other deduction items (not Material) from TAXREC 2	-	37,224	0	37,224
112					
113	Subtotal	=	5,578,810	0	5,578,810
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	=	5,578,810	0	5,578,810
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	=	3,818,228	0	3,818,228
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	3,818,228	0	3,818,228
140					

	A	B	C	D	E	
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)	+	844,583		844,583	
143	Net Ontario Income Tax (Must agree with tax return)	+	534,444		534,444	
144	Subtotal	=	1,379,027	0	1,379,027	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	1,379,027	0	1,379,027	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	Divide Ontario
151	Blended Income Tax Rate		36.12%	**********	36.12%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	1,379,027	0	1,379,027	
157	Ontario Capital Tax	+	127,782		127,782	
158	Federal Large Corporations Tax	+	9,742		9,742	
159						
160	**Total income and capital taxes**	=	1,516,551	0	1,516,551	
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: PowerStream Inc. - Richmond Hill**					
8	**Reporting period: 2004**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		553,116		553,116	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		553,116	0	553,116	
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		618,453		618,453	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		618,453	0	618,453	
65						
66						
67						

	A	B	C	D	E
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: PowerStream Inc. - Richmond Hill**				
9	**Reporting period: 2004**				
10	**Number of days in taxation year:**		152		
11	**Materiality Level:**		117,399		
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	Funds from Dev	+	1,756,907		1,756,907
38	Ontario Specified Tax Credit	+	108		108
39	Organization Cost Expensed	+	42,817		42,817
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	=	1,799,832	0	1,799,832
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	Funds from Dev		1,756,907	0	1,756,907
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
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: PowerStream Inc. - Richmond Hill**				
9	**Reporting period: 2004**				
10	**Number of days in taxation year:**		152		
11	**Materiality Level:**		117,399		
12					
13					
77			0	0	0
78					
79	Total Material additions		1,756,907	0	1,756,907
80	Other additions less than materiality level		42,925	0	42,925
81	Total Additions		1,799,832	0	1,799,832
82					
83	Deduct:				
84	Gain on disposal of assets per f/s	-	37,224		37,224
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	Funds from Dev	-	1,756,907		1,756,907
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	=	1,794,131	0	1,794,131
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	Other deductions: (Please explain in detail the nature of the item)		1,756,907	0	1,756,907
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		1,756,907	0	1,756,907
123	Other deductions less than materiality level		37,224	0	37,224
124	Total Deductions		1,794,131	0	1,794,131
125					
126					

	A	B	C	D	E
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: PowerStream Inc. - Richmond Hill**				**Version 2009.1**
9					
10					
11	**Reporting period: 2004**				
12	**Number of days in taxation year:**		152		
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	+	1,906		1,906
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	+	6,216		6,216
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	Bond Issue Cost Amortized	+	68,754		68,754
45		+			0
46	Reserves From Financial Statements (REG Assets)	+	1,501,798		
47	**Total Additions on which true-up does not apply**	=	1,578,674	0	76,876
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	Deduction Pursuant to 20(1)e	-	29,800		29,800
70	Rebate Cheques and postage costs capitalized	-	73,390		73,390
71		-			0
72	Taxable Dividends	-	29		29

	A	B	C	D	E	
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: PowerStream Inc. - Richmond Hill**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	103,219	0	103,219	
74						
75						
76						

PILs TAXES - EB-2008-381
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: PowerStream Inc. - Richmond Hill
Reporting period: 2004

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 2004 and Capital Tax Exemptions for 2004

Income Range / Expected Rates	Year	0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate					
Current year	***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 / Year		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
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: PowerStream Inc. - Richmond Hill**														**Version 2009.1**
4	**Reporting period: 2004**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		-61,855		-61,855		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)**	+/-							36,307						36,307
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
20	**Deferral Account Variance Adjustment (5)**	+/-							-98,163						-98,163
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		-61,855		-61,855		-61,855		-61,855

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.

SHEET 1 - December 31, 2002 Regulatory Assets

V1

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0112
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

Enter the total applied-for regulatory asset amounts for each account in the appropriate cells below:
(These amounts should correspond to your December 31, 2002 regulatory filings with the OEB.)

Description	**Account Number**		**Applied-for Amount Balance as at Dec. 31, 2002**	
RSVA - Wholesale Market Service Charge	1580		$2,053,233	
RSVA - Retail Transmission Network Charge	1584		$508,863	
RSVA - Retail Transmission Connection Charge	1586		-$1,613,402	
RSVA - Power	1588		$1,093,131	
Sub-Total			$2,041,825	
RSVA - One-time Wholesale Market Service	1582		$0	
Other Regulatory Assets	1508		$73,391	
Retail Cost Variance Account - Retail	1518		$0	
Retail Cost Variance Account - STR	1548		$0	
Misc. Deferred Debits - incl. Rebate Cheques	1525		$0	
Deferred Payments in Lieu of Taxes	1562		$0	
PILs Contra Account	1563		$0	
Qualifing Transition Costs	1570		$475,155	
Pre-Market Opening Energy Variances Total	1571		$3,250,523	
Pre-Market Opening Energy Variances - 2001		$344,070		
Pre-Market Opening Energy Variances - 2002		$2,906,453		
Extra-Ordinary Event Losses	1572		$0	
Deferred Rate Impact Amounts	1574		$0	
Other Deferred Credits	2425		-$163,547	
Total Applied-for Regulatory Assets		**(a)**	$5,677,348	
(1) Total of 4 RSVA Accounts		**(b)**	$2,041,825	Approved for 2004 Final Recovery
4 RSVA accounts as a percent of total: (b) / (a)			36.0%	
(2) 30.5 % of (a)		**(c)**	$1,731,591	

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)	$1,731,591	Approved for Final 2004 Rate Recovery
Gross Up for Recovery over 11 months: Amount (c) x 12/11	$1,889,008	Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.)
Remaining Final Amount to be recovered in future periods (b) - (c)	$310,234	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)		$0	Approved for 2004 Rate Recovery
Final 4 RSVA Amount as shown at (b)		$0	
Gross Up for Recovery over 11 months: Amount (b) x 12/11		$0	Enter this amount on Sheet 3
Interim Amount to be recovered (c) - (b)	**(d)**	$0	
Gross Up for Recovery over 11 months: Amount (d) x 12/11		$0	Enter this amount on Sheet 5
Total Final + Interim Amount for Recovery (b) + (d) (no gross up)		$0	

Rate Implementation

	Check Box Yes or No
Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.	yes
Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.	

SHEET 2 - 2002 Base Rate Schedule

V1

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

Enter the values for your 2002 Base Rates as shown in your 2002 RA Model at Sheet 4.
This is the version of the model that was used to determine your current OEB approved rate schedule.
(This removes the impact of the recovery of Q4 2001 PILs, 2002 PILs, and any Z-factors or Interim Transition Cost approvals from Existing Rates).
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0097
MONTHLY SERVICE CHARGE (Per Customer)	$12.53

RESIDENTIAL (TIME OF USE)

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

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0087
MONTHLY SERVICE CHARGE (Per Customer)	$32.03

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.4014
MONTHLY SERVICE CHARGE (Per Customer)	$286.06

GENERAL SERVICE > 50 KW (TIME OF USE)

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	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

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	$3.1532
MONTHLY SERVICE CHARGE (Per Connection)	$0.79

OR

STREET LIGHTING (TIME OF USE)

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

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES BELOW.
Please enter these charges exactly as they are entered on your current approved rate schedule.
Please add your own specific charges as necessary.

New Account Setup	$	42.00
Change of Occupancy	$	10.00
Account History		
Administration Fee	$	-
Current Year Data	$	-
Each Additional Year Data	$	-
Arrear's Certificate	$	15.00
Late Payment		1.50%
Returned Cheque	$	25.00
Collection of Account Charge	$	25.00
Repeat final bill fee	$	20.00
Income tax letter	$	15.00
Temporary service disconnection	$	50.00
Reference letter	$	15.00
Compliance letter for easements & other legal inquires	$	50.00
Repeat field locates	$	100.00
Application for pole attachments	$	300.00
Markup drawing for plant location	$	100.00
Trouble call due to customers internal problem: reg. hours	$	150.00
Trouble call due to customers internal problem: after hours	$	300.00
Reconnect/disconnect at customers request	$	15.00
Dispute meter	$	100.00
Theft of power investigation fee	$	120.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	$	29.00
At Meter - After Hours	$	59.00
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 3 - Calculating Rate Increases using 2002 LDC Data and adding the 4 major 2004 RSVA related Approved

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This schedule requires LDCs to input the 2002 statistics which will be used to allocate Regulatory Assets related to the 4 major RSVA accounts.
The 4 RSVA related accounts will be allocated to the customer classes on the basis of kWh sales.

Enter the Approved Regulatory Asset recovery from Sheet 1 at either cell D57 or D72. $ 1,889,008.42
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	-	423,240,573	39,395	$11,437,965.00	41.3%	$ 780,905.58
GENERAL SERVICE <50 KW CLASS	-	149,896,941	4,221	$2,866,120.44	14.6%	$ 276,569.32
GENERAL SERVICE >50 KW NON TIME OF USE	1,158,819	445,465,467	469	$5,563,645.56	43.5%	$ 821,911.91
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	0	0	0	$0.00	0.0%	$ -
SENTINEL LIGHTS	0	0	0	$0.00	0.0%	$ -
STREET LIGHTING CLASS	16,109	5,214,787	12,365	$160,225.00	0.5%	$ 9,621.61
TOTALS		1,023,817,768	56,450	$20,027,956.00	1.00	$ 1,889,008.42
		Allocated Total for 4 major RSVA accounts ==>				$ 1,889,008.42

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)	$ 780,905.58	$ -	$ 780,905.58
(B) RETAIL kWh in 2002	423,240,573		
(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)	$0.001845		

General Service <50kW Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)	$ 276,569.32	$ -	$ 276,569.32

(B) RETAIL kWh in 2002	149,896,941
(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)	$0.001845

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	$ 821,911.91	$ -	$ 821,911.91
(B) RETAIL KW in 2002	1,158,819		
(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)	$0.709267		

General Service >50kW ClassTOU .

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

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

	VARIABLE CHARGE RECOVERY 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)	$ -	$ -	$ -
(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!		

Streetlighting 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 G29 above)	$ 9,621.61	$ -	$ 9,621.61
(B) RETAIL KW in 2002	16,109		
(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)	$0.597282		

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

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of the 4 major RSVA accounts.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0115
MONTHLY SERVICE CHARGE (Per Customer)	$12.53

RESIDENTIAL (TIME OF USE)

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

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0105
MONTHLY SERVICE CHARGE (Per Customer)	$32.03

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.1107
MONTHLY SERVICE CHARGE (Per Customer)	$286.06

GENERAL SERVICE > 50 KW (TIME OF USE)

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	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

OR

SENTINEL LIGHTS (TIME OF USE)

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

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.7505
MONTHLY SERVICE CHARGE (Per Connection)	$0.79

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.5973
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

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

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate interim approved Regulatory Asset amounts required to achieve the 25% threshold. (If the 4 major RSVA accounts do not total to 25% or more of total Reguatory Assets applied for.)

The interim Regulatory Assets will be allocated to the customer classes on the basis of distribution revenue.

Enter the Interim Regulatory Asset recovery from Sheet 1 at cell D76. $ -

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2002 Interim Reg. Asset Allocations
RESIDENTIAL CLASS	-	423,240,573	39,395	$11,437,965.00	57.1%	$ -
GENERAL SERVICE <50 KW CLASS	-	149,896,941	4,221	$2,866,120.44	14.3%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	1,158,819	445,465,467	469	$5,563,645.56	27.8%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	0	0	0	$0.00	0.0%	$ -
SENTINEL LIGHTS	0	0	0	$0.00	0.0%	$ -
STREET LIGHTING CLASS	16,109	5,214,787	12,365	$160,225.00	0.8%	$ -
TOTALS		1,023,817,768	56,450	$20,027,956.00	1.00	$ -
		Allocated Total for additional interim amounts ==>				$ -

Residential Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	423,240,573		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

General Service <50kW Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	$ -	$ -	$ -

(B) RETAIL kWh in 2002	149,896,941
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	1,158,819		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

General Service >50kW ClassTOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	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)	$ -	$ -	$ -
(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!		

Streetlighting Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	16,109		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

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

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of interim Regulatory Asset Amounts if required to achieve the 25% Regulatory Asset threshold.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0115
MONTHLY SERVICE CHARGE (Per Customer)	$12.53

RESIDENTIAL (TIME OF USE)

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

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0105
MONTHLY SERVICE CHARGE (Per Customer)	$32.03

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.1107
MONTHLY SERVICE CHARGE (Per Customer)	$286.06

GENERAL SERVICE > 50 KW (TIME OF USE)

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	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

OR

SENTINEL LIGHTS (TIME OF USE)

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

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.7505
MONTHLY SERVICE CHARGE (Per Connection)	$0.79

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.5973
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

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

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares
RESIDENTIAL CLASS	-	423,240,573	39,395	$11,437,965.00	57.1%
GENERAL SERVICE <50 KW CLASS	-	149,896,941	4,221	$2,866,120.44	14.3%
GENERAL SERVICE >50 KW NON TIME OF USE	1,158,819	445,465,467	469	$5,563,645.56	27.8%
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%
INTERMEDIATE USE	0	0	0	$0.00	0.0%
LARGE USER CLASS	0	0	0	$0.00	0.0%
SENTINEL LIGHTS	0	0	0	$0.00	0.0%
STREET LIGHTING CLASS	16,109	5,214,787	12,365	$160,225.00	0.8%
TOTALS		1,023,817,768	56,450	$20,027,956.00	1.00
		Allocated Total for additional interim amounts ==>			

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)	$ 2,012,437.49	$ -	$ 2,012,437.49
(B) RETAIL kWh in 2002	423,240,573		
(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)	$0.004755		

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)	$ 504,275.74	$ -	$ 504,275.74
(B) RETAIL kWh in 2002	149,896,941		

(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)	$0.003364

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)	$ 978,888.20	$ -	$ 978,888.20
(B) RETAIL KW in 2002	1,158,819		
(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)	$0.844729		

General Service >50kW ClassTOU

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G26 above)	$ -	$ -	$ -
(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 kWh charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery

		Percentage		Percentage		
		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		SERVICE CHARGE RECOVERY		TOTAL 2004 ALLOCATED PILs Proxy Recovery
		Percentage		Percentage		
		1.000		0.000		100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G28 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!				

Streetlighting Class

The 2004 PILs proxy 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 2004 PILs Proxy Recovery (Total in Cell G29 above)	$	28,190.57	$	-	$	28,190.57
(B) RETAIL KW in 2002		16,109				
(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)		$1.749989				

ED-2003-0019
905-737-2523

$ 3,523,792.00

2004 PILs Proxy Allocations	
$	2,012,437.49
$	504,275.74
$	978,888.20
$	-
$	-
$	-
$	-
$	28,190.57
$	3,523,792.00
$	3,523,792.00

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0163
MONTHLY SERVICE CHARGE (Per Customer)	$12.53

RESIDENTIAL (TIME OF USE)

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

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0139
MONTHLY SERVICE CHARGE (Per Customer)	$32.03

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.9554
MONTHLY SERVICE CHARGE (Per Customer)	$286.06

GENERAL SERVICE > 50 KW (TIME OF USE)

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	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

OR

SENTINEL LIGHTS (TIME OF USE)

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

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.5005
MONTHLY SERVICE CHARGE (Per Connection)	$0.79

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$2.3473
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 9 - Adjustment to Maintain the Current Service Charge Level

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This sheet adjusts the resulting fixed Monthly Service Charge to maintain the charge at current levels.
The kWh distribution rate is then adjusted to maintain revenue neutrality in the class.

Input the current approved Monthly Service Charge in the following table at Column E.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Current Approved Fixed Charge
RESIDENTIAL CLASS	-	423,240,573	39,395	$16.06
GENERAL SERVICE <50 KW CLASS	-	149,896,941	4,221	$40.60
GENERAL SERVICE >50 KW NON TIME OF USE	1,158,819	445,465,467	469	$391.75
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00
INTERMEDIATE USE	0	0	0	$0.00
LARGE USER CLASS	0	0	0	$0.00
SENTINEL LIGHTS	0	0	0	$0.00
STREET LIGHTING CLASS	16,109	5,214,787	12,365	$0.95
TOTALS		1,023,817,768	56,450	

Residential Class

Revenue from Current Monthly Service Charge		$7,592,204	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$5,923,432	
Difference		$1,668,772	
Variable Rate Adjustment	$/kWh	$ 0.0039	
Adjusted Variable Rate	$/kWh		$ 0.0124

Residential 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	$/kWh	$ -	
Adjusted Variable Rate	$/kWh		$ -

General Service <50 kW Class

Revenue from Current Monthly Service Charge		$2,056,471	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$1,622,384	
Difference		$434,088	
Variable Rate Adjustment	$/kWh	$ 0.0029	
Adjusted Variable Rate	$/kWh		$ 0.0110

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

Revenue from Current Monthly Service Charge		$2,204,769	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$1,609,946	
Difference		$594,823	

Variable Rate Adjustment	$/kW	$ 0.5133	
Adjusted Variable Rate	$/kW		$ 3.4421

General Service >50 kW Class (Time of Use)

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

General Service Intermediate Use Class

Revenue from Current Monthly Service Charge		$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!

Sentinal Lights (Non 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!

OR

Sentinal Lights (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!

Streetlighting (Non Time of Use)

Revenue from Current Monthly Service Charge		$140,961	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$117,220	
Difference		$23,741	
Variable Rate Adjustment	$/kW	1.4738	
Adjusted Variable Rate	$/kW		$ 4.0267

OR

Streetlighting (Time of Use)

Revenue from Current Monthly Service Charge		$140,961	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$140,961	
Variable Rate Adjustment	$/kW	8.75	

Adjusted Variable Rate	$/kW	$ (6.4032)

Richmond Hill Hydro Inc.
Schedule of Distribution Rates and Charges
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)	$16.06
Distribution Volumetric Rate	(per kWh)	$0.0124

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kWh)	$0.0000

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$40.60
Distribution Volumetric Rate	(per kWh)	$0.0110

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$391.75
Distribution Volumetric Rate	(per kW)	$3.4421

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000

LARGE USE

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000

Richmond Hill Hydro Inc.
Schedule of Distribution Rates and Charges
Effective April 1, 2004 until February 28, 2005
(continued)

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.95
Distribution Volumetric Rate	(per kW)	$4.0267

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000

SPECIFIC SERVICE CHARGES

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

New Account Setup	$	42.00
Change of Occupancy	$	10.00
Account History		
Administration Fee	$	-
Current Year Data	$	-
Each Additional Year Data	$	-
Arrear's Certificate	$	15.00
Late Payment		1.50%
Returned Cheque	$	25.00
Collection of Account Charge	$	25.00
Repeat final bill fee	$	20.00
Income tax letter	$	15.00
Temporary service disconnection	$	50.00
Reference letter	$	15.00
Compliance letter for easements & other legal inquires	$	50.00
Repeat field locates	$	100.00
Application for pole attachments	$	300.00
Markup drawing for plant location	$	100.00

Trouble call due to customers internal problem: reg. hours	$	150.00
Trouble call due to customers internal problem: after hours	$	300.00
Reconnect/disconnect at customers request	$	15.00
Dispute meter	$	100.00
Theft of power investigation fee	$	120.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	$	29.00
At Meter - After Hours	$	59.00
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 Cr Winter	$	-
(discontinued at Market Summer	$	-

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

(commodity price constant)

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount. The 2004 bill does not include the new tiered commodity rate that will come into effect on April 1, 2004.

Note: Enter your current kWh rates, not the rates on Sheet 2.

Enter your Current Distribution kWh Charge. Monthly Service Charge is Transferred from Sheet 9

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL					2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)						
ENTER DESIRED CONSUMPTION LEVEL	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
100 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06		MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06			
DISTRIBUTION kWh	100	0.0124	$	1.24		DISTRIBUTION kWh	100	0.0124	$ 1.24			
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			$	23.99		Adjusted 2004 BILL			$ 23.99	$ (0.00)	0.0%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
250 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06		MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06			
DISTRIBUTION kWh	250	0.0124	$	3.10		DISTRIBUTION kWh	250	0.0124	$ 3.09			
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			$	35.89		Adjusted 2004 BILL			$ 35.87	$ (0.01)	0.0%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
500 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06		MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06			
DISTRIBUTION kWh	500	0.0124	$	6.20		DISTRIBUTION kWh	500	0.0124	$ 6.18			
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			$	55.71		Adjusted 2004 BILL			$ 55.69	$ (0.02)	0.0%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
750 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06		MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06			
DISTRIBUTION kWh	750	0.0124	$	9.30		DISTRIBUTION kWh	750	0.0124	$ 9.27			
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			$	75.54		Adjusted 2004 BILL			$ 75.50	$ (0.03)	0.0%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
1000 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06		MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06			

DISTRIBUTION kWh	1000	0.0124	$	12.40	DISTRIBUTION kWh	1000	0.0124	$	12.36		
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			$	95.36	Adjusted 2004 BILL			$	95.32	$ (0.04)	0.0%

MONTHLY CONSUMPTION OF 1500 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06		
DISTRIBUTION kWh	1500	0.0124	$	18.60	DISTRIBUTION kWh	1500	0.0124	$	18.54		
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			$	135.01	Adjusted 2004 BILL			$	134.95	$ (0.06)	0.0%

MONTHLY CONSUMPTION OF 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06		
DISTRIBUTION kWh	2000	0.0124	$	24.80	DISTRIBUTION kWh	2000	0.0124	$	24.71		
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			$	174.66	Adjusted 2004 BILL			$	174.57	$ (0.09)	0.0%

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

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

ENTER DESIRED CONSUMPTION LEVEL 1000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a		$40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60		
DISTRIBUTION kWh	1000	0.0105	$	10.50	DISTRIBUTION kWh	1000	0.0110	$	11.01		
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			$	117.00	Adjusted 2004 BILL			$	117.51	$ 0.51	0.4%

MONTHLY CONSUMPTION 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60		
DISTRIBUTION kWh	2000	0.0105	$	21.00	DISTRIBUTION kWh	2000	0.0110	$	22.03		
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			$	193.40	Adjusted 2004 BILL			$	194.43	$ 1.03	0.5%

MONTHLY CONSUMPTION 4000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
RHHI Large MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60		
DISTRIBUTION kWh	4000	0.0105	$	42.00	DISTRIBUTION kWh	4000	0.0110	$	44.05		

OTHER CHARGES kWh	4000	0.0229	$	91.60	OTHER CHARGES kWh	4000	0.0229	$	91.60		
COST OF POWER kWh	4000	0.0430	$	172.00	COST OF POWER kWh	4000	0.0430	$	172.00		
CURRENT 2003 BILL			$	346.20	Adjusted 2004 BILL			$	348.25	$ 2.05	0.6%

MONTHLY CONSUMPTION 10,000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60		
DISTRIBUTION kWh	10000	0.0105	$	105.00	DISTRIBUTION kWh	10000	0.0110	$	110.13		
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			$	804.60	Adjusted 2004 BILL			$	809.73	$ 5.13	0.6%

MONTHLY CONSUMPTION 15,000 KWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60		
DISTRIBUTION kWh	15000	0.0105	$	157.50	DISTRIBUTION kWh	15000	0.0110	$	165.20		
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			$	1,186.60	Adjusted 2004 BILL			$	1,194.30	$ 7.70	0.6%

GENERAL SERVICE > 50 KW NON TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates fo
Consumption has not been adjusted for line losses.

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

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a		$391.75	MONTHLY SERVICE CHARGE	n/a	n/a	$	391.75		
DISTRIBUTION kW	50	3.0889	$	154.45	DISTRIBUTION kW	50	3.4421	$	172.10		
OTHER CHARGES kW	50	3.9100	$	195.50	OTHER CHARGES kW	50	3.9100	$	195.50		
OTHER CHARGES kWh	18,100	0.0132	$	238.92	OTHER CHARGES kWh	18,100	0.0132	$	238.92		
COST OF POWER kWh	18,100	0.0550	$	995.50	COST OF POWER kWh	18,100	0.0550	$	995.50		
CURRENT 2003 BILL			$	1,976.12	Adjusted 2004 BILL			$	1,993.77	$ 17.66	0.9%

MONTHLY CONSUMPTION 100kW, 78,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $		IMPACT DOLLARS	IMPACT %
RHHI average MONTHLY SERVICE CHARGE	n/a	n/a	$	391.75	MONTHLY SERVICE CHARGE	n/a	n/a	$	391.75		
DISTRIBUTION kW	100	3.0889	$	308.89	DISTRIBUTION kW	100	3.4421	$	344.21		
OTHER CHARGES kW	100	3.9100	$	391.00	OTHER CHARGES kW	100	3.9100	$	391.00		
OTHER CHARGES kWh	78,000	0.0132	$	1,029.60	OTHER CHARGES kWh	78,000	0.0132	$	1,029.60		
COST OF POWER kWh	78,000	0.0550	$	4,290.00	COST OF POWER kWh	78,000	0.0550	$	4,290.00		
CURRENT 2003 BILL			$	6,411.24	Adjusted 2004 BILL			$	6,446.56	$ 35.32	0.6%

MONTHLY CONSUMPTION 210kW, 270,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $		IMPACT DOLLARS	IMPACT %
RHHI Large MONTHLY SERVICE CHARGE	n/a	n/a	$	391.75	MONTHLY SERVICE CHARGE	n/a	n/a	$	391.75		
DISTRIBUTION kW	210	3.0889	$	648.67	DISTRIBUTION kW	210	3.4421	$	722.84		
OTHER CHARGES kW	210	3.9100	$	821.10	OTHER CHARGES kW	210	3.9100	$	821.10		

OTHER CHARGES kWh	270,000	0.0132	$ 3,564.00	OTHER CHARGES kWh	270,000	0.0132	$ 3,564.00			
COST OF POWER kWh	270,000	0.0550	$ 14,850.00	COST OF POWER kWh	270,000	0.0550	$ 14,850.00			
CURRENT 2003 BILL			$ 20,275.52	Adjusted 2004 BILL			$ 20,349.69	$ 74.17	0.4%	

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	$ 391.75	MONTHLY SERVICE CHARGE	n/a	n/a	$ 391.75		
DISTRIBUTION kW	1000	3.0889	$ 3,088.90	DISTRIBUTION kW	1000	3.4421	$ 3,442.09		
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			$ 34,670.65	Adjusted 2004 BILL			$ 35,023.84	$ 353.19	1.0%

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	$ 391.75	MONTHLY SERVICE CHARGE	n/a	n/a	$ 391.75		
DISTRIBUTION kW	3000	3.0889	$ 9,266.70	DISTRIBUTION kW	3000	3.4421	$ 10,326.28		
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			$ 89,588.45	Adjusted 2004 BILL			$ 90,648.03	$ 1,059.58	1.2%

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	$ 391.75	MONTHLY SERVICE CHARGE	n/a	n/a	$ 391.75		
DISTRIBUTION kW	4000	3.0889	$ 12,355.60	DISTRIBUTION kW	4000	3.44209	$ 13,768.38		
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			$ 151,147.35	Adjusted 2004 BILL			$ 152,560.13	$ 1,412.78	0.9%

GENERAL SERVICE >50 KW TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates fo
Consumption has not been adjusted for line losses.

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

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	60	0.0000	$ -	DISTRIBUTION kW	60	0.0000	$ -		
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			$ 1,275.83	$ -	0.0%

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	0.0000	$	-	
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			$	3,149.38	$ - 0.0%

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	0.0000	$	-	
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			$	8,926.90	$ - 0.0%

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	0.0000	$	-	
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			$	31,493.80	$ - 0.0%

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	0.0000	$	-	
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			$	80,841.40	$ - 0.0%

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	0.00000	$	-	
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			$	139,615.20	$ - 0.0%

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 accurate estimates fo
Consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL										
MONTHLY CONSUMPTION	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
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	0.0000	$ -		
	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			$ 67,201.40	$ -	0.0%
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	0.0000	$ -		
	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			$ 80,841.40	$ -	0.0%
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	0.0000	$ -		
	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			$ 98,695.20	$ -	0.0%
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	0.0000	$ -		
	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			$ 139,615.20	$ -	0.0%

LARGE USE CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.7369/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for Consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL										
MONTHLY CONSUMPTION	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
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	0.0000	$ -		
	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			$ 205,381.40	$ -	0.0%

MONTHLY CONSUMPTION 15000kW, 10,000,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	15000	0.0000	$	-	DISTRIBUTION kW	15000	0.0000	$ -		
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			$ 703,053.50	$ -	0.0%

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

(commodity price increase on April 1, 2004)

NAME OF UTILITY	RICHMOND HILL HYDRO INC	**LICENCE NUMBER**	ED-2003-0019
NAME OF CONTACT	DIANNE PETRUCCI	**PHONE NUMBER**	905-737-2523
E- Mail Address	petruccid@rhhydro.com		
VERSION NUMBER	V1		
Date	15-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill also includes the new tiered commodity rate that will come into effect on April 1, 2004.

Note: All Rates are transferred from Sheets 10 and 11.

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL	**CURRENT 2003 BILL**				**2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**					
100 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06		
DISTRIBUTION kWh	100	0.0124	$	1.24	DISTRIBUTION kWh	100	0.0124	$ 1.24		
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			$	23.99	Adjusted 2004 BILL			$ 24.39	$ 0.40	1.6%
MONTHLY CONSUMPTION OF 250 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06		
DISTRIBUTION kWh	250	0.0124	$	3.10	DISTRIBUTION kWh	250	0.0124	$ 3.09		
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			$	35.89	Adjusted 2004 BILL			$ 36.87	$ 0.99	2.8%
MONTHLY CONSUMPTION OF 500 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06		
DISTRIBUTION kWh	500	0.0124	$	6.20	DISTRIBUTION kWh	500	0.0124	$ 6.18		
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			$	55.71	Adjusted 2004 BILL			$ 57.69	$ 1.98	3.6%
MONTHLY CONSUMPTION OF 750 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06		
DISTRIBUTION kWh	750	0.0124	$	9.30	DISTRIBUTION kWh	750	0.0124	$ 9.27		
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			$	75.54	Adjusted 2004 BILL			$ 78.50	$ 2.97	3.9%
MONTHLY CONSUMPTION OF 1000 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06		

DISTRIBUTION kWh	1000	0.0124	$	12.40	DISTRIBUTION kWh	1000	0.0124	$	12.36		
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			$	95.36	Adjusted 2004 BILL			$	101.32	$ 5.96	6.2%

MONTHLY CONSUMPTION OF 1500 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06		
DISTRIBUTION kWh	1500	0.0124	$	18.60	DISTRIBUTION kWh	1500	0.0124	$ 18.54		
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			$	135.01	Adjusted 2004 BILL			$ 146.95	$ 11.94	8.8%

MONTHLY CONSUMPTION OF 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.06		
DISTRIBUTION kWh	2000	0.0124	$	24.80	DISTRIBUTION kWh	2000	0.0124	$ 24.71		
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			$	174.66	Adjusted 2004 BILL			$ 192.57	$ 17.91	10.3%

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**

MONTHLY CONSUMPTION OF 1000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$ 40.60		
DISTRIBUTION kWh	1000	0.0105	$	10.50	DISTRIBUTION kWh	1000	0.01101	$ 11.01		
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	$ 49.00	$ 6.00
					COST OF POWER kWh	250	0.0550	$ 13.75		
CURRENT 2003 BILL			$	117.00	Adjusted 2004 BILL			$ 123.51	$ 6.51	5.6%

MONTHLY CONSUMPTION OF 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$ 40.60		
DISTRIBUTION kWh	2000	0.0105	$	21.00	DISTRIBUTION kWh	2000	0.0110	$ 22.03		
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			$	193.40	Adjusted 2004 BILL			$ 212.43	$ 19.03	9.8%

MONTHLY CONSUMPTION OF 4000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
RHHI Large	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$ 40.60		

DISTRIBUTION kWh	4000	0.0105	$	42.00	DISTRIBUTION kWh	4000	0.0110	$	44.05	
OTHER CHARGES kWh	4000	0.0229	$	91.60	OTHER CHARGES kWh	4000	0.0229	$	91.60	
COST OF POWER kWh	4000	0.0430	$	172.00	COST OF POWER kWh	750	0.0470	$	35.25	
					COST OF POWER kWh	3250	0.0550	$	178.75	
CURRENT 2003 BILL			$	346.20	Adjusted 2004 BILL			$	390.25	$ 44.05	12.7%

MONTHLY CONSUMPTION OF 10000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	
DISTRIBUTION kWh	10000	0.0105	$	105.00	DISTRIBUTION kWh	10000	0.0110	$	110.13	
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			$	804.60	Adjusted 2004 BILL			$	923.73	$ 119.13	14.8%

MONTHLY CONSUMPTION OF 15000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	MONTHLY SERVICE CHARGE	n/a	n/a	$	40.60	
DISTRIBUTION kWh	15000	0.0105	$	157.50	DISTRIBUTION kWh	15000	0.0110	$	165.20	
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			$	1,186.60	Adjusted 2004 BILL			$	1,368.30	$ 181.70	15.3%

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
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26e étage
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Télécopieur: (416) 440-7656

Ontario

March 11, 2004

Michael Psotka
Vice President, Finance & Administration & CFO
Richmond Hill Hydro Inc.
1150 Elgin Mills Road East
P.O. Box 418
Richmond Hill ON
L0H 1G0

Dear Mr. Psotka:

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-2004-0088
EB-2004-0074

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

AND IN THE MATTER OF an Application by Richmond Hill Hydro Inc. for an order or orders approving or fixing just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

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

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

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

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

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

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

THE BOARD ORDERS THAT:

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

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

DATED at Toronto, March 11, 2004

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Secretary

RP-2004-0088
EB-2004-0074

Interim Rates
Richmond Hill Hydro Inc.
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RESIDENTIAL			
	Monthly Service Charge	(per month)	$16.06
	Distribution Volumetric Rate	(per kWh)	$0.0124
GENERAL SERVICE < 50 KW			
	Monthly Service Charge	(per month)	$40.60
	Distribution Volumetric Rate	(per kWh)	$0.0110
GENERAL SERVICE > 50 KW (Non Time of Use)			
	Monthly Service Charge	(per month)	$391.75
	Distribution Volumetric Rate	(per kW)	$3.4421
STREET LIGHTING (Non Time of Use)			
	Monthly Service Charge	(per connection)	$0.95
	Distribution Volumetric Rate	(per kW)	$4.0267
UNMETERED SCATTERED LOADS			
	Monthly Service Charge	(per month)	$40.60
	Distribution Volumetric Rate	(per kWh)	$0.0110

PowerStream Inc.
Account 1562 Disposition
Interest Expense - January 1, 2004 to May 31, 2004

Richmond Hill Hydro	**Full year**	**Jan to May**	**Notes**
Interest per Financial Statements		$ 1,328,377	
Interest expense for Interest Adjustment		$ 1,328,377	

Deemed Interest Expense	$ 4,017,640	1,668,528	1

Conclusion:

Actual interest expense is less than deemed interest expense.

Notes

1. Effective Jun 1, 2004, Markham Hydro, Hydro Vaughan and Richmond Hill Hydro were amalgamated forming PowerStream Inc. This resulted in a short fiscal and tax year for MHDI. Deemed interest has been prorated based on the number of days as shown below.

Days Jan 1/04 to May 31/04	152	41.53%
Total days in 2004	366	

Financial Statements of

RICHMOND HILL HYDRO INC.

May 31, 2004

Deloitte.

Deloitte & Touche LLP
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Tel: (416) 601-6150
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www.deloitte.ca

Auditors' Report

To the Shareholders of
Richmond Hill Hydro Inc.

We have audited the balance sheet of Richmond Hill Hydro Inc. as at May 31, 2004 and the statements of earnings and retained earnings and of cash flows for the five months ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at May 31, 2004 and the results of its operations and its cash flows for the five months then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
August 27, 2004

RICHMOND HILL HYDRO INC.
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May 31, 2004

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Statement of Cash Flows	3
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RICHMOND HILL HYDRO INC.
Balance Sheet
May 31, 2004

	May 31, 2004 (Note 2)	December 31, 2003
ASSETS		
CURRENT		
Cash	$ **14,435,389**	$ 14,698,485
Accounts receivable (including related party transactions (Note 11))	**5,622,464**	7,706,135
Unbilled revenue	**10,258,289**	9,862,814
Inventory	**3,325,800**	3,123,739
Prepaid expenses	**288,062**	408,846
	33,930,004	35,800,019
CAPITAL ASSETS (Note 5)	**86,579,463**	87,984,507
OTHER ASSETS		
Regulatory assets (Note 6)	-	945,275
Unamortized bond costs	**1,277,606**	1,343,770
Intangibles	-	58,075
	1,277,606	2,347,120
	$ **121,787,073**	$ 126,131,646
LIABILITIES		
CURRENT		
Bank loan (Note 8)	**25,000,000**	25,000,000
Accounts payable and accrued liabilities	$ **8,816,834**	$ 9,155,853
Income taxes payable (Note 7)	**1,037,147**	1,939,504
Due to related parties (Note 11)	**5,825**	885,860
Liability for subdivision development	**2,247,916**	4,058,114
Current portion of customer deposits (Note 16)	**4,559,000**	1,341,680
	41,666,722	42,381,011
LONG-TERM DEBT (Note 9)	**35,000,000**	35,000,000
OTHER		
Regulatory liabilities (Note 6)	**669,629**	-
Customer deposits, less amount included under current liabilities (Note 16)	**2,670,332**	5,569,907
Employee future benefits (Note 4)	**618,453**	553,116
Other liabilities	**48,194**	31,936
	4,006,608	6,154,959
	80,673,330	83,535,970
EQUITY		
SHARE CAPITAL		
Authorized and issued - 2,002 common shares	**39,555,813**	39,555,813
RETAINED EARNINGS	**1,557,930**	3,039,863
	41,113,743	42,595,676
	$ **121,787,073**	$ 126,131,646

APPROVED BY

. . . . . Chairman

. . . . . Chief Financial Officer

RICHMOND HILL HYDRO INC.
Statement of Earnings and Retained Earnings
Five months ended May 31, 2004

	2004 (5 Months) (Note 2)	2003 (12 Months)
SERVICE REVENUE		
Residential	**$ 16,010,602**	$ 41,643,410
General service	**21,204,771**	44,416,210
Street lighting	**264,072**	921,399
	37,479,445	86,981,019
COST OF POWER PURCHASED	**28,006,099**	63,159,507
GROSS MARGIN	**9,473,346**	23,821,512
OTHER REVENUE	**850,017**	2,711,519
	10,323,363	26,533,031
OPERATING EXPENSES		
High voltage transformation	**70,756**	144,532
Distribution	**1,036,223**	2,709,132
Utilization	**192,552**	288,991
Billing and collection	**633,368**	1,495,997
Administration and general	**1,670,130**	4,182,639
Property taxes	**108,330**	257,597
	3,711,359	9,078,888
EARNINGS BEFORE AMORTIZATION, INTEREST AND TAXES	**6,612,004**	17,454,143
AMORTIZATION OF CAPITAL ASSETS (net of $101,194; 2003 - $281,500 charged to other accounts)	**2,748,257**	6,556,040
AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION	**(322,858)**	(578,737)
INTEREST EXPENSE	**1,328,377**	3,392,737
INCOME BEFORE INCOME TAXES	**2,858,228**	8,084,103
INCOME TAX EXPENSES (Note 7)	**1,295,007**	2,740,700
NET INCOME	**1,563,221**	5,343,403
RETAINED EARNINGS, BEGINNING OF PERIOD	**3,039,863**	7,145,981
DIVIDENDS	**(3,045,154)**	(9,449,521)
RETAINED EARNINGS, END OF PERIOD	**$ 1,557,930**	$ 3,039,863

RICHMOND HILL HYDRO INC.
Statement of Cash Flows
Five months ended May 31, 2004

	2004 (5 Months)	2003 (12 Months)
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net income	**$ 1,563,221**	$ 5,343,403
Items not affecting cash		
Amortization of capital assets	**2,849,451**	6,837,540
Amortization of contributions in aid of construction	**(322,858)**	(578,737)
Amortization of debenture discount	**66,164**	155,429
Amortization of employee benefit transitional amount	**28,350**	68,040
Provision for recovery of regulatory assets	**-**	(1,946,305)
Gain on sale of capital assets	**(37,224)**	(12,204)
Write off of intangible assets	**42,817**	
	4,189,921	9,867,166
Changes in non-cash working capital items		
Accounts receivable	**2,083,671**	(2,375,836)
Unbilled revenue	**(395,475)**	4,543,580
Inventory	**(202,061)**	3,172
Prepaid expenses	**120,784**	(14,909)
Accounts payable and accrued liabilities	**(339,019)**	(1,349,583)
Income taxes payable	**(902,357)**	1,822,489
Due to related party	**(880,035)**	885,860
	3,675,429	13,381,939
INVESTING		
Additions to capital assets	**(2,863,199)**	(7,785,040)
Decrease in regulatory assets	**1,614,904**	2,841,924
Proceeds from sale of capital assets	**37,224**	12,204
	(1,211,071)	(4,930,912)
FINANCING		
Decrease in other liabilities	**16,258**	(46,490)
Capital returned to shareholders	**-**	(10,000,000)
Payment of dividends	**(3,045,154)**	(9,449,521)
Contributions in aid of capital construction	**1,756,908**	5,589,577
Employee future benefits liability	**36,987**	88,769
(Decrease) increase in liability for subdivision development	**(1,810,198)**	901,165
Increase in customer deposits	**317,745**	1,037,917
	(2,727,454)	(11,878,583)
NET CASH OUTFLOW FOR THE PERIOD	**(263,096)**	(3,427,556)
CASH, BEGINNING OF PERIOD	**14,698,485**	18,126,041
CASH, END OF PERIOD	**$ 14,435,389**	$ 14,698,485
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	**$ 1,328,377**	$ 3,385,717
Income taxes paid	**$ 1,221,705**	$ 1,041,648

RICHMOND HILL HYDRO INC.
Notes to the Financial Statements
May 31, 2004

1. NATURE OF OPERATIONS AND OWNERSHIP STRUCTURE

The principal activity of the Corporation is to distribute electricity to the residents of the Town of Richmond Hill, under the license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the OEB and adjustments to the distribution and power rates require OEB approval.

As of the close of business at May 31, 2004, Richmond Hill Hydro Inc. (the "Corporation") was owned equally by Hydro Vaughan Distribution Inc. ("HVDI") and Markham Hydro Distribution Inc. ("MHDI"). The Corporation was incorporated October 11, 2000 under the laws of the Province of Ontario and commenced operations on November 1, 2000.

Effective after the close of business on May 31, 2004, the Corporation amalgamated with its co-owners (Hydro Vaughan Distribution Inc. and Markham Hydro Distribution Inc.) pursuant to Articles of Amalgamation dated June 1, 2004 and as a result the three Corporations became one entity, and commenced operations as PowerStream Inc. on June 1, 2004.

2. BASIS OF PRESENTATION

As a result of the amalgamation which occurred subsequent to year end (Note 1), the Balance Sheet has been provided as at May 31, 2004 and the Statements of Earnings and Retained Earnings, and of Changes in Financial Position have been provided for the period of January 1, 2004 to May 31, 2004.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and reflect the following policies as set forth in the Accounting Procedures Handbook issued by the Ontario Energy Board (OEB) under the authority of the Ontario Energy Board Act, 1998.

Revenue recognition and cost of power

Service revenue related to the distribution and sale of electricity is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the period. The related cost of power is recorded on the basis of power used.

Inventory

Inventory is valued at lower of cost and replacement cost with cost being determined using the weighted average method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are capitalized at cost that is comprised of material, labour, and charges for truck time plus overheads. Amortization is provided for on the straight-line basis over the useful life of the asset as summarized below:

	Useful life
Buildings	60 years
Transformer stations	40 years
Distribution systems	25-35 years
Plant and equipment	5-15 years

Intangibles

Intangibles consisting of corporate restructuring costs that are comprised principally of professional fees were written off during the year in recognition of the amalgamation of the Corporation (Note 1).

Contributions in aid of capital construction

Contributions for capital construction consist of third party contributions collected after January 1, 2000, which are used toward the cost of constructing distribution assets and are recorded with capital assets as a contra account. Contributions are amortized at rates corresponding with the useful life of the related capital assets.

Liability for subdivision development

The Corporation collects funds by way of cash payments or letters of credit from developers wishing to develop land in its service territory. Through the Distribution System Code, Chapter 3, the OEB has provided guidelines as to what proportion of the development costs are to be provided by the developer and the Local Distribution Company. The Corporation runs a financial model for each development based on the OEB guidelines to determine the amount of funds to be collected from the developer.

As a result of Bill 210 and various other legislation, the set of inputs and assumptions used in the model changes from time to time. For example, factors that frequently change are the rate of completion of a development project compared to the original timetable and hydro consumption patterns. The Corporation records a liability for the amount that it has collected from developers for work the Corporation has not yet completed and for amounts that it has over-collected based on the most recent set of model inputs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting for income taxes

Under the Electricity Act, 1998, the Corporation is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are recorded in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) and modified by the Electricity Act, 1998 and related regulations.

The Corporation provides for payments-in-lieu of corporate income taxes using the taxes payable method.

Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Future income taxes are expected to be reflected in future rates and accordingly, are not recognized in the financial statements.

Regulatory assets

The Ontario Government, through the establishment of rules affecting the electricity industry, allows for the establishment or continuation of deferral accounts for certain items until disposition can be addressed by the Ontario Energy Board ("OEB") during its rate setting process. In November 2003, the Province announced its intention to permit electricity distributors to make applications to the OEB for recovery of the regulatory assets (based on year-end balances as at December 31, 2002) to be phased in over a four-year period effective March 1, 2004 (see Note 5).

The Corporation records regulatory assets for amounts that it believes are likely to be collected in the future as a result of the OEB's rate setting process. Regulatory assets have been accrued for market ready costs and retail settlement variance accounts. The Corporation has also accrued interest on the variances and assets as allowed by the OEB. The Corporation received approval on March 11, 2004 for the recovery of 30% of its retail settlement variance account as at December 31, 2002. The recovery of these accounts commenced effective April 1, 2004.

If, as a result of future changes to the regulatory environment, it becomes unlikely that the Corporation will recover the regulatory assets, the accounts would be charged to operations in the period in which that determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Regulatory assets (continued)

The principal regulatory assets of the Corporation are comprised of the following:

Deferred Qualifying Transition Costs

Deferred qualifying transition costs consist of qualifying capital costs and related expenditures incurred in the preparation for electricity market opening, May 1, 2002. Recovery of the deferred costs is regulated by the OEB.

Payments in Lieu of Income Taxes (PILs) Variance

Payments in Lieu of Income Taxes variance consists of the difference between the amounts of PILs approved by the OEB for recovery through the rates and the actual amount of PILs collected from customers.

Retail Settlement Variance Accounts

The retail settlement variance accounts arise from the amount charged by the Independent Market Operator ("IMO") for electricity as compared to the amount billed to customers based on the OEB's approved rates.

Employee future benefits other than pension

Richmond Hill Hydro Inc. pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services.

The new accounting standard for employee future benefits was applied on the prospective basis. The transitional obligation resulting from this treatment is being amortized over the average remaining service period of employees (11 years).

Business protection plan rebate ("BPPR") or ("MPMA")

Consumers other than designated consumers who annually utilize more than 250,000 KWh continue to be eligible to receive rebates from the IMO to the extent that electricity prices exceed certain prescribed thresholds. The Corporation is required to pass these rebates through to eligible consumers and other market participants (i.e. retailers). The Corporation applies these rebate amounts to consumers and market participants as a credit to the customer account or in accounts payable and accrued liabilities.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates. The allowance for rate regulated assets is the asset that requires the most significant management estimate.

4. EMPLOYEE FUTURE BENEFITS

The accrued benefit liability for active employees and retirees of Richmond Hill Hydro Inc. and the former Hydro Electric Commission at January 1, 2003 amounting of $396,307 was determined by actuarial valuation. The expense for the five months ended May 31, 2004 determined by management, based on an actuarial valuation as at January 1, 2003 using a discount rate of 6.5%, was approximately $48,000.

Information about the employee future benefits is as follows:

	May 31, 2004	December 31, 2003
Unamortized transitional obligation, beginning of year	**$ 523,620**	$ 591,660
Unamortized transitional obligation, end of year	**$ (495,270)**	$ (523,620)
Estimated accrued benefit liability, beginning of year	**$ 553,116**	$ 396,307
Expense for the year	**48,522**	132,269
Amortization of transitional obligation	**28,350**	68,040
Benefits paid during the year	**(11,535)**	(43,500)
Estimated accrued benefit liability, end of year	**$ 618,453**	$ 553,116

The main actuarial assumptions employed for the January 1, 2003 valuation were as follows:

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed to be 2.75% in 2003 and thereafter.

(b) Interest (discount) rate

The present value as at May 31, 2004 of the future benefits was determined using a discount rate of 6.5%.

(c) Salary levels

Future general salary and wage levels were assumed to increase at a rate that management believes fairly reflects inflation.

(d) Health costs

Health costs were assumed to increase at the CPI rate plus a further increase of 10.5% annually, graded down by 1% per year to a 4.5% ultimate rate.

(e) Dental costs

Dental costs were assumed to increase at 4.5% for 2003 and thereafter.

RICHMOND HILL HYDRO INC.
Notes to the Financial Statements
May 31, 2004

5. CAPITAL ASSETS

	May 31, 2004			December 31, 2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 367,577	$ -	$ 367,577	$ 371,815
Buildings	916,296	192,911	723,385	730,901
Transformer station	16,733,512	2,548,654	14,184,858	14,122,982
Distribution systems	155,685,104	69,634,789	86,050,315	85,982,364
Plant and equipment	6,208,850	3,682,633	2,526,217	2,615,284
	179,911,339	76,058,987	103,852,352	103,823,346
Contributions in aid of construction	19,020,116	1,747,227	17,272,889	15,838,839
	$ 160,891,223	$ 74,311,760	$ 86,579,463	$ 87,984,507

6. REGULATORY ASSETS (LIABILITIES)

	May 31, 2004	December 31, 2003
Bill 210 implementation costs	$ 73,391	$ 73,391
Costs associated with preparation for market opening	475,155	475,155
Pre-market opening variance account	3,250,523	3,250,523
	3,799,069	3,799,069
Allowance for above regulatory assets	(2,053,695)	(2,053,695)
	1,745,374	1,745,374
Regulatory asset recovery	(113,105)	-
Retail settlement variance account	(2,301,898)	(800,099)
Net regulatory assets (liabilities)	$ (669,629)	$ 945,275

On December 23, 2003, the Ontario Government announced that regulatory assets would be recoverable through rates over 4 years commencing on April 1, 2004. The Corporation received approval on March 11, 2004 for the recovery of 30% of its retail settlement variance account December 31, 2002 year end balance. The OEB is in the process of conducting its prudence review of all regulatory accounts. The Corporation has made a provision to mitigate the risk of non-recovery of the full amount of regulatory assets recorded as well as for the potential over collection of payments-in-lieu of tax (PILs).

At May 31, 2004, the Corporation has a PILs variance of $309,796 for over-recovery. Due to the accounting method used by the Corporation for recording of the PILs variance, the net effect of the over recovery is $Nil on the regulatory assets since there is a corresponding contra account. This accounting method is in accordance with the OEB guidelines.

RICHMOND HILL HYDRO INC.
Notes to the Financial Statements
May 31, 2004

7. INCOME TAXES

The provision for income taxes under the taxes payable method for the period ending May 31, 2004 is $1,295,007 (2003 - $2,740,700).

Future income taxes have not been recorded in the accounts as they are expected to be reflected through future distribution revenues. As at May 31, 2004 future income tax assets of $13,400,000 (2003 - $13,182,000) have not been recorded on the balance sheet. Future income tax benefits of $218,000 (2003 - $1,644,000) have not been reflected in the income tax provision for the period ended May 31, 2004.

Significant components of the Corporation's future taxes as at May 31 are as follows:

	May 31, 2004	December 31, 2003
Regulatory assets	**$ 866,000**	$ 402,000
Employee future benefits	**224,000**	200,000
Capital assets	**11,510,000**	11,683,000
Financing cost	**(38,000)**	(33,000)
Intangible assets	**838,000**	930,000
	$ 13,400,000	$ 13,182,000

8. BANK LOAN AND OTHER CREDIT FACILITIES

(a) Bank loan

	May 31, 2004	December 31, 2003
Non-revolving credit facility, repayable in full on or before June 30, 2005. A Bankers' Acceptance fee of 0.3% per annum applies, subject to a minimum fee of $500 per transaction, payable at the time of each acceptance.	**$ 25,000,000**	$ 25,000,000

During the year 2004, the Corporation renewed its $25,000,000 non-revolving credit facility with a major chartered bank.

The loan is repayable in full on June 30, 2005 with quarterly interest payments at a variable rate based on Bankers Acceptance (base rate 2.09%). The credit may be extended for successive periods of up to 364 days at the absolute discretion of the Bank, upon the Corporation's written request at least 60 days prior to the maturity date.

8. BANK LOAN AND OTHER CREDIT FACILITIES (continued)

(b) Non-revolving credit facility

The Corporation has a $10,000,000 line of credit available from a major chartered bank. The purpose is to assist in the financing of the day-to-day operating requirements and to pay for periodic capital expenditures. This facility is a 364 day revolving term loan which may be renewed for successive 364 day periods at the discretion of the bank. The Corporation can avail itself to funds by either direct advances (bearing interest at prime less 0.30%) or through Bankers' Acceptances (stamping fee of 30 basis points). The Corporation has no balance outstanding on this facility at May 31, 2004 (December 31, 2003 - Nil).

(c) Letter of credit

The Corporation has a $12,000,000 (2003 - $12,000,000) letter of credit facility with a major chartered bank. The purpose is to provide prudential support to the Independent Electricity Market Operator (IMO) of the Ontario electricity wholesale market.

The bank has issued a letter of credit on behalf of the Corporation payable to the IMO in the amount of $4,285,420 (2003 - $4,285,420). Each purchaser of electricity in Ontario must post with the IMO prudential support based on future expected purchases. If the Corporation defaults in its monthly payments to the IMO, the IMO has the right to draw on the Letter of Credit.

9. LONG-TERM DEBT

	May 31, 2004	December 31, 2003
Unsecured debentures maturing August 15, 2012, payment required in full. Interest of 6.45% payable in arrears semi-annually on August 15 and February 15.	**$ 35,000,000**	$ 35,000,000

In August 2002, the Corporation raised gross proceeds of $35,000,000 through a private placement bond offering.

A special purpose corporation, Electricity Distributors Finance Corporation ("EDFIN"), managed by Mearie Management Inc., was created to pool the bond financing requirements of five local distribution companies ("LDC") within the province of Ontario. Each LDC has executed a debenture which is a direct and unsecured obligation of the LDC. Each debenture is several and not joint and each LDC is liable for only its own obligation and not that of any other LDC.

RICHMOND HILL HYDRO INC.
Notes to the Financial Statements
May 31, 2004

10. SHARE CAPITAL

	May 31, 2004	December 31, 2003
Share capital	**$ 39,555,813**	$ 39,555,813

11. RELATED PARTY TRANSACTIONS

The following summarizes the Corporation's related party transactions with its shareholders, Hydro Vaughan Distribution Inc. (HVDI) and Markham Hydro Distribution Inc. (MHDI) for the five months ended May 31, 2004, not otherwise disclosed in the financial statements:

Balances

	May 31, 2004	December 31, 2003
Due to MHDI	**$ -**	$ 448,360
Due to HVDI	**$ -**	$ 437,500
Accounts receivable from MHDI	**$ 79,685**	$ 127,947
Accounts receivable from HVDI	**$ 8,989**	$ 4,272

Transactions

	May 31, 2004	December 31, 2003
Dividend payments		
Hydro Vaughan Distribution	**$ 1,522,577**	$ 4,724,760
Markham Hydro Distribution Inc.	**$ 1,522,577**	$ 4,724,761
Sales		
Markham Hydro Distribution Inc.		
Feeders on Transformer Station #2	**$ 218,286**	$ 561,740
Hydro Vaughan Distribution Inc.		
Software modifications	**$ -**	$ 15,444
Sale of materials and services	**$ 24,069**	$ -
Operating Expenses		
Metering services purchased from Markham Hydro Distribution Inc.	**$ 5,825**	$ 15,044
Training received from Markham Hydro Distribution Inc.	**$ -**	$ 5,186

All transactions are considered in the normal course of business and have been measured at the same amounts as for similar arms length transactions.

12. PENSION AGREEMENT

The Corporation makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay.

For the five months ended May 31, 2004, the current service pension costs charged to expenses was $142,793 (2003 - 12 months - $118,234). In 2002, the Corporation and its employees were in a contribution holiday due to a surplus in the OMERS fund.

13. COMMITMENTS

Lease commitments as at May 31, 2004 for the premises at 1150 Elgin Mills Road East and for equipment under lease obligations were as follows:

Year ending December 31,	
2004	$ 754,032
2005	$ 15,771

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the financial instruments included in the financial statements, other than derivative financial instruments and long-term debt, approximates their carrying amounts due to the short-term maturity of those instruments.

The fair value amount of the EDFIN debenture payable in the amount of $35,000,000 was $36,708,000 as at May 31, 2004 based on market quoted prices. The yield to maturity on the long-term debt is 6.45% as at May 31, 2004.

15. CLASS ACTION ON LATE PAYMENT CHARGES

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 Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario that 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 are not permitted under Section 347(1)(b) of the Criminal Code.

The Electricity Distributors 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 the Corporation, and as such no accrual of any potential liability has been recognized.

16. CONSUMER SECURITY DEPOSITS

The Ontario Energy Board (OEB) amended its Distribution System Code for electricity distributors on February 3, 2004 to include requirements for security deposits in order to ensure consumers receive consistent and equitable treatment. Amendments have been made to the length of time and the maximum amounts to be retained by the distributor. The OEB's maximum time period for retention of deposits differs by rate class as follows: residential customers 1 year; non-residential customers < 50 kw - 5 years; non-residential customers > 50 kw - 7 years.

The Corporation currently retains deposits (approximately $4,559,000) for customers in excess of the OEB's maximum amount. The Corporation will modify its security deposit policy in accordance with the requirements set out by the distribution system code and refund all affected consumers prior to the end of the transition period of February 1, 2005.

17. GUARANTEES

Effective January 1, 2004, the Company adopted the new Canadian accounting guideline AcG-14, which requires certain disclosures of guarantees.

In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. The Company's primary guarantees subject to the disclosure requirements of AcG-14 are as follows:

(a) The Company has provided indemnities under lease agreements for the use of operating facilities. Under the terms of these agreements the Company agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

(b) Indemnity has been provided to all directors and or officers of the Company for various items including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Company. The maximum amount of any potential future payment cannot be reasonably estimated.

(c) In the normal course of business, the Company has entered into agreements that include indemnities in favour of third parties, such as engagement letters with advisors and consultants and leasing contracts. These indemnification agreements may require the Company to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

17. GUARANTEES (continued)

The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Company has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

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.

All forms, 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.

RETAIN THIS COPY FOR YOUR FILES

Identification

Business Number (BN) 001 866351190RC0001

Corporation's name

002 Richmond Hill Hydro 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 1150 Elgin Mills Road East

012

City	Province, territory, or state
015 Richmond Hill	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L4C-4Y6

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 1150 Elgin Mills Road East

032

City	Province, territory, or state
035 Richmond Hill	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 L4C-4Y6

040 **Type of corporation at the end of the taxation year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2004-01-01	061 2004-05-31
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 [X]

If *Yes*, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes [X] 2 No [ ]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments – continued from page 2

Guide item		Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?		92 *
153	Is the corporation claiming a film or video production services tax credit refund?		T1177
4	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? 282 _____
(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 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	Dist. of electricity	285	100%
286		287	0%
288		289	0%

d 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	3,691,497	A
Deduct: Charitable donations from Schedule 2	311	0	
Gifts to Canada, a province, or a territory from Schedule 2	312	0	
Cultural gifts from Schedule 2	313	0	
Ecological gifts from Schedule 2	314	0	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	29	
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		29	B
Subtotal (amount A minus amount B) (if negative, enter "0")		3,691,468	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	0	D
Taxable income (amount C plus amount D)	360	3,691,468	
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)		3,691,468	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 — 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 152	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	152 / 152	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 152	x 3% =	0 C.1

Resource deduction – total of amounts B, C, and C.1 ..... 438 — 0 D
(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 3,691,468 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	F
Amount QQ from Part 13 of Schedule 27		0	G
Taxable resource income from line 435 above		0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	J
Aggregate investment income from line 440 of page 6		0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0	L
Total of amounts F, G, H, I, J, K, and L		0	0 M

Amount E minus amount M (if negative, enter "0") ..... 3,691,468 N

Amount N	3,691,468	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 152	x 1% =	0
Amount N	3,691,468	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 152	x 3% =	0 O
Amount N	3,691,468	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 152	x 5% =	0 P
Amount N	3,691,468	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	152 / 152	x 7% =	258,403 Q

General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q ..... 258,403 R
(enter amount R on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	T
Amount QQ from Part 13 of Schedule 27		0	U
Taxable resource income from line 435 above		0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	W
Total of amounts T, U, V, and W		0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 152	x 1% =	0
Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 152	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 152	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	152 / 152	x 7% =	0 BB

General tax reduction - total of amounts year 2001, Z, AA, and BB ..... 0 CC
(enter amount CC on line 639 of page 7)

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 1,402,758 A

Corporate surtax calculation

Base amount from line A above	1,402,758	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	369,147	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0	a	
28.00% of taxed capital gains	0	b	0 6
Part I tax otherwise payable (line A plus lines C and D minus line F)	0	c	
Total of lines 2 to 6			369,147 7
Net amount (line 1 minus line 7)			1,033,611 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 41,344 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	3,691,468		
Deduct:			
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	3,691,468	3,691,468	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) 1,444,102 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	369,147	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	258,403	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		627,550	627,550 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 816,552 G

Summary of tax and credits

ederal tax

Part I tax payable from page 7	700	816,562
Part I.3 tax payable from Schedule 33, 34, or 35	704	10,927
art II surtax payable from Schedule 46	708	0
art IV tax payable from Schedule 3	712	10
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		827,489

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		827,489 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	10	
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	827,479	
Total credits	890	827,489	827,489 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Last name in block letters 951 First name in block letters 954 Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☐ 2 No ☒

8 LORETTA WHITEMAN Name in block letters

959 905-737-2506 Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements		1,563,220 A

Additions:

Provision for income taxes - current	101	1,295,007	
Interest and penalties on taxes	103	6,216	
Amortization of tangible assets	104	2,468,969	
Non-deductible meals and entertainment expenses	121	1,906	
Reserves from financial statements - balance at the end of the year	126	1,501,798	
Subtotal of additions		5,273,896	5,273,896

Other Additions:

Miscellaneous Other Additions:

600	Funds from dvlp re: distrib assets (para 12(1)(x))		290	1,756,907	
601	Post Employment benefits expensed in fin. state.		291	65,337	
602	Bond Issue Cost Amortized		292	14,877	
603a	Organization Costs Expensed	42,817			
603b	Ontario Specified Tax Credits	108			
603c		0			
		42,925	293	42,925	
Subtotal of Other Additions			199	1,880,046	1,880,046
	Total Additions		500	7,153,942	7,153,942

Deductions:

Gain on disposal of assets per financial statements	401	37,224	
Cost allowance from Schedule 8	403	3,056,938	
Cumulative eligible capital deduction from Schedule 10	405	71,406	
Subtotal of Deductions		3,165,568	3,165,568

Other Deductions:

Miscellaneous Other Deductions:

700	Funds from dvlprs re:distrib.asset-elect ss.13(7.4)	390	1,756,907	
701	Deduction pursuant to 20(1)(e)	391	29,800	
702	Rebate cheques and postage costs capitalized	392	73,390	
	Subtotal of Other Deductions	499	1,860,097	1,860,097
	Total Deductions	510	5,025,665	5,025,665

Net income (loss) for income tax purposes 3,691,497
(enter on line 300 on the T2 return)

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2004
2003

CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*
Richmond Hill Hydro Inc.

Ontario Corporations Tax Account No. (MOF)
1800184

Mailing Address
1150 Elgin Mills Road East
Richmond Hill
ON CA L4C-4Y6

This CT23 Return covers the Taxation Year
Start: year month day 2004-01-01
End: year month day 2004-05-31

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 2000-10-11

Registered/Head Office Address
1150 Elgin Mills Road East
Richmond Hill
ON CA L4C-4Y6

Ontario Corporation No. (MCBS): 1444238

Location of Books and Records
1150 Elgin Mills Road East
Richmond Hill
ON CA L4C-4Y6

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 866351190RC0001

Name of person to contact regarding this CT23 Return: LORETTA WHITEMAN
Telephone No.: 905-737-2506
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
[X] *Not Applicable*

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS).

[X] No change

Preferred Language/*Langue de préférence*
[X] English *anglais* [ ] French *français*

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

Title: [ ] D Director [X] O Officer [ ] P Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 3 of 24
Richmond Hill Hydro Inc.	1800184	2004-05-31	

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [1] [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent): 100%

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.): if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.): If applicable, enter

Specify major business activity

2 [1] [ ] Family Farm Corporation s.1 (2)

2 [ ] Family Fishing Corporation s.1 (2)

3 [ ] Mortgage Investment Corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage Subsidiary s.61 (4)

6 [ ] Bank s.1 (2)

7 [ ] Loan and Trust Corporation s.61 (4)

8 [ ] Non-resident Corporation s.2(2)(a) or (b)

9 [ ] Non-resident Corporation s.2(2)(c)

10 [ ] Mutual Fund Corporation s.48

11 [ ] Non-resident owned investment Corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee Corporation

15 [ ] Branch of Non-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative Corporation

23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing

[ ] Amended Return

[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required

[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)

[X] 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]

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

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).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	3,691,497.
S : Charitable donations	–		1	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–		2	0.
Subtract: Taxable dividends deductible per federal T2 SCH 3	–		3	29.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–		4	0.
Subtract: Federal Part VI.1 tax 0. X 9/3	–		5	0.
Subtract: Prior years' losses applied – Non-capital losses	–	From	704	0.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000%	–		714	0.
Farm losses	–	From	724	0.
Restricted farm losses	–	From	734	0.
Limited partnership losses	–	From	754	0.
Taxable Income (Non-capital loss)	=		10	3,691,468.
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	3,691,468.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	3,691,468.	x	30	100.0000%	x	12.5000%	x	Days after Sept. 30, 2001 and before Jan. 1, 2004 33: 0	+	Total Days 73: 152	= +	29	0.
From 10 (or 20 if applicable)	3,691,468.	x	30	100.0000%	x	14.0000%	x	Days after Dec. 31, 2003 34: 152	+	Total Days 73: 152	= +	32	516,806.

Ontario Allocation

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 **516,806.**

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	3,691,468.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51	3,691,468.	
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.	
	=		3,691,468.	54 3,691,468.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	104,110.	

Ontario Business Limit Calculation

280,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003 28: 0	** 366	= +	43	0.		
320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004 31: 0	** 366	= +	46	0.		
400,000 x	Days after Dec. 31, 2003 34: 152	** 366	= +	47	166,120.		
Business Limit for Ontario purposes	43 + 46 + 47		=	44	166,120. x	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated. 48: 100.0000%	= 45 166,120.
Income eligible for the IDSBC			From	30	100.0000%	x	56 166,120. = 60 166,120.

**** 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 a floating taxation year and use 366 for a leap year.*

*** **Note:** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** **Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days In Taxation Year

6.50%	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0	÷ [73]	Total Days 152	= +	[79]	.0000
7.00%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷ [73]	Total Days 152	= +	[89]	.0000
8.50%	x	Days after Dec. 31, 2003 [34] 152	÷ [73]	Total Days 152	= +	[90]	8.5000

IDSBC Rate for Taxation Year [79] + [89] + [90] = [78] 8.5000

Claim From [60] 166,120. x From [78] 8.5000% = [70] 14120.

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] 8,888,666.

If you are a member of an associated group (X) [81] ☐ (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
			+ [82] 0.
			+ [83] .
			+ [84] .

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85] 8,888,666.

Number of Days In Taxation Year

Subtract 280,000	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0	÷ [73]	Total Days 152	= +	[113]	0.
320,000	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷ [73]	Total Days 152	= +	[115]	0.
400,000	x	Days after Dec. 31, 2003 [34] 152	÷ [73]	Total Days 152	= +	[116]	400,000.

[113] + [115] + [116] = 400,000. − [114] 400,000.

(If negative, enter nil) = [86] 8,488,666.

Number of Days In Taxation Year

Calculation of Specified Rate for Surtax 4.3330%	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0	÷ [73]	Total Days 152	= +	[95]	.0000
4.6670%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷ [73]	Total Days 152	= +	[96]	.0000
4.6670%	x	Days after Dec. 31, 2003 [34] 152	÷ [73]	Total Days 152	= +	[97]	4.6670

Specified rate of surtax for Taxation Year [95] + [96] + [97] = [94] 4.6670

From [86] 8,488,666. x From [94] 4.6670% = [87] 396,166.

From [87] 396,166. x From [60] 166,120. + From [114] 400,000. = [88] 164,528.

Surtax Lesser of [70] or [88] = [100] 14,120

continued on Page 6

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* 110 0

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits			+	120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IOSBC)			–	From 56	166,120.
Add: Adjustment for Surtax on Canadian-controlled private corporations					
From 100 14120. + From 30 100.0000 % * Ontario Allocation + From 78 8.5000 % = 121 166,120.					
Lesser of 56 or 121			+	122	166,120.
120 – 56 + 122			=	130	0.
Taxable Income			+	From 10	3,691,468.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)			–	From 56	166,120.
Add: Adjustments for Surtax on Canadian-controlled private corporations			+	From 122	166,120.
Subtract: Taxable Income 10 3,691,468. 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	3,691,468.

Claim

Number of Days In Taxation Year

143 0. Lesser of 130 or 142	x From 30 100.0000 % * Ontario Allocation	x 1.5000 % x	Days after Sept. 30, 2001 and before Jan. 1, 2004 33 0	Total Days + 73 152	= +	154	
143 0. Lesser of 130 or 142	x From 30 100.0000 % * Ontario Allocation	x 2.0000 % x	Days after Dec. 31, 2003 34 0	Total Days + 73 152	= +	156	0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*. ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 516,806.

continued on Page 7

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 7 of 24
Richmond Hill Hydro Inc.	1800184	2004-05-31	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] 0.

Co-operative Education Tax Credit (CETC) (s.43.4) *Applies* to employment of eligible students.
Eligible Credit From [5798] Summary Schedule F ..... + [192] 108.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From [5899] either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + [193] 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
No. of Graduates From [6596] [194] 0
Applies to employment of eligible unemployed post secondary graduate.
Eligible Credit From [6598] Summary Schedule G ..... + [195] 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From [6900] OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* ..... + [196] 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From [6700] Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) ..... + [197] 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From [7100] OBRITC Claim Form *(Attach original Claim Form)* ..... + [198] 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From [7300] either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + [199] 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From [7400] Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) ..... + [200] 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From [7500] OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* ..... + [201] 0.

Other (specify) _____ ..... + 201.1 0.

Total Specified Tax Credits [191] + [192] + [193] + [195] + [196] + [197] + [198] + [199] + [200] + [201] + 201.1 = [220] 108.

Specified Tax Credits *Applied to reduce Income Tax* ..... = [225] 108.

Income Tax [190] − [225] **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* ..... = [230] 516,698.

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
Richmond Hill Hydro Inc.	1800184	2004-05-31

DOLLARS ONLY

Corporate Minimum Tax (CMT)

ermination 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	121,787,073.
* **Total Revenue of the corporation**	+ 241	92,041,142.

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	121,787,073.
Aggregate Total Revenue	241 + 244 + 246 + 248 , etc. = 250	92,041,142.

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.)*

s CMT Payable	CMT Base From 2135	2,858,198. (If negative, enter zero)	X From 30	100.0000 (Ontario Allocation) % X	4.0000% =	276	114,32
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*					–	277	0.
Subtract: Income Tax					– From	190	516,806.
Net CMT Payable (If negative, enter Nil on Page 17.)					=	280	0.

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from ***Page 7*** to ***Income tax Summary, on Page 17.***

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to ***Page 17*** and transfer 280 to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available From 2307 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)			+ From	190	516,806.
Gross CMT Payable	+ From 276	114,328.			
Subtract: Foreign Tax Credit for CMT purposes	– From 277	0.			
If 276 – 277 is negative, enter NIL in 290	=	114,328.	–	290	114,328.
Income Tax eligible for CMT Credit			=	300	402,478.
B. Income Tax (after deduction of specified credits)			+ From	230	516,698.
Subtract: CMT credit used to reduce income taxes			–	310	0.
Income Tax			=	320	516,698.

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
Richmond Hill Hydro Inc.	1800184	2004-05-31

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and enter on page 10 then proceed to page 13.***

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	39,555,813.
Retained earnings (if deficit, deduct) (Int.B. 3012)	± 351	1,557,930.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+ 352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+ 353	9,525,442.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	25,000,000.
Bonds and debentures payable (Int.B. 3013)	+ 356	35,000,000.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359	0.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+ 361	2,120,251.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+ 362	0.
Subtotal	= 370	112,759,436.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	− 371	6,293,681.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	− 372	0.
Total Paid-up Capital	= 380	106,465,755.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	− 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	− 382	0.
Net Paid-up Capital	= 390	106,465,755.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	0.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
Shares in partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	0.

continued on Page 10

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

DOLLARS ONLY

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Assets per balance sheet	+	420	121,787,073.
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	121,787,073.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	6,293,681.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	115,493,392.

Investment Allowance (410 + 450) x 390 — Not to exceed 410	=	460	0.
Taxable Capital 390 - 460	=	470	106,465,755.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	38,329,462.
Total Assets (as adjusted) From 430		121,787,073.

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	106,465,755.									
-	5,000,000.									
= 471	101,465,755.	X From 30	100.0000%	X	.3000%	X	555 152 / ** 366 (366 if leap year)	Days in taxation year	= + 523	126,416.
			Ontario Allocation							

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	CT23 Page 11 of 24
Richmond Hill Hydro Inc.	1800184	2004-05-31	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 (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. ☐ 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

***Calculation** Do NOT complete this calculation if ss.69(2.1) election is filed*

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc.			= 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. + From 540 0. x 0 ..... = 541 0.
Transfer to 542 in Section D on page 12

.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.

+ From 470	0.										
− 542	0.										
= 471	0.	x From 30	100.0000%	x	.3000%	x	555	152 / 366 **	.....	= + 523	0.
			Ontario Allocation				Days in taxation year (366 if leap year)				Total Capital Tax for the taxation year

Transfer to 543 and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From 470	0.	x From 30	100.0000%	x	.3000%	.....	= + 561	0.
			Ontario Allocation					

− Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form	− From 995	0.
	= 562	0.

Capital Tax 562	0.	x	555	152 / 366 **	.....	= 563	0.
			Days in taxation year (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	126,416.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	− 546	0.
Capital Tax 543 − 546 *(amount cannot be negative)*	= 550	126,416.

Transfer to Page 17

continued on Page 13

Corporation's Legal Name: Richmond Hill Hydro Inc

Ontario Corporations Tax Account No. (MOF): 1800184

Taxation Year End: 2004-05-31

DOLLARS ONLY

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. (Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1) x 0.6% x From [30] ____% (Ontario Allocation) x [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.

Days in taxation year

[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) = + [574] 0.

Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

** *If floating taxation year, refer to Guide.*

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... - [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] - [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers. ..... - [589] 0.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... = [590] 0.

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Premium Tax [588] - [589] .....

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

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 3,691,497.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	3,056,938.
Federal cumulative eligible capital deduction	+ 602	71,406.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

612 0. x 5 ÷ 12.5000 x (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 0 ÷ Total Days: 73 152) = + 633 0.

612 0. x 5 ÷ 14.0000 x (Days after Dec. 31, 2003: 34 152 ÷ Total Days: 73 152) = + 634 0.

Total add-back amount for Management fees, etc. 633 + 634 = 0. + 613 0.

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161 + 615 0.

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 0.

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 3,128,344. 640 3,128,344.
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	3,056,938.
Ontario cumulative eligible capital deduction	+ 651	71,406.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	0.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(Applies only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
total of deductions for this page 650 to 659 + 661 + 674 + 675	681	3,128,344.

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

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 3,691,497.

Total of Additions ..... From = 640 3,128,344.

Sub Total of deductions on page 14 ..... From = 681 3,128,344.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x (Gross-up of CCA 100 / From 30 100.0000 Ontario Allocation)] - From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: [665 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: [667 0. x 100.00% x (100 / From 30 100.0000 Ontario Allocation)] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI) (*Applies* to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 671 0.

Educational Technology Tax Incentive (*Applies* to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation)] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in 477 **from Ont. CT23 Schedule 161** ..... + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 3,128,344. 680 3,128,344.

Net income (loss) for Ontario Purposes 600 + 640 - 680 ..... = 690 3,691,497.

Transfer to Page 4

Corporation's Legal Name	Ontario corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

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) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	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 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year 1995-12-31				850 0	870 0
801	8th preceding taxation year 1996-12-31				851 0	871 0
802	7th preceding taxation year 1997-12-31				852 0	872 0
803	6th preceding taxation year 1998-12-31	820 0	830 0	840 0	853 0	873 0
804	5th preceding taxation year 1999-12-31	821 0	831 0	841 0	854 0	874 0
805	4th preceding taxation year 2000-12-31	822 0	832 0	842 0	855 0	875 0
806	3rd preceding taxation year 2001-12-31	823 0	833 0	843 0	856 0	876 0
807	2nd preceding taxation year 2002-12-31	824 0	834 0	844 0	857 0	877 0
808	1st preceding taxation year 2003-12-31	825 0	835 0	845 0	858 0	878
	Current taxation year 2004-05-31	826 0	836 0	846 0	859 0	879 0
Total		829 0	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

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.

- 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 0	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	901		911 0	921 0	931 0	941 0
ii) 2nd preceding	902		912 0	922 0	932 0	942 0
iii) 1st preceding	903		913 0	923 0	933 0	943 0
Total loss to be carried back			From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward			919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		516,698.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		126,416.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		643,114.
Subtract: Payments	– 960		394,226.
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		248,888.
If payment due	Enclosed * 990		248,888.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Title

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Amounts deducted for IT in excess of amounts booked

Cumulative CCA Claimed - Prior Years	18,031,389.00
CCA Claimed - Current Year	3,056,938.00
Cumulative CEC Claimed - Prior Years	433,279.00
CEC Claimed - Current Year	71,406.00
	0.00
Less:	0.00
Depreciation - Prior Years	-12,873,932.00
Depreciation - Current Year	-2,425,399.00
	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	6,293,681.00

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

B Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) u he Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 1,563,220.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	+ 2101	0.		
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 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	29.		
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, under fed.s.191.1(1) 0. x 9/3	+ 2108	0.		
Subtotal	=	29.	- 2109	29.

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+ 2110	1,295,007.		
Provision for deferred income taxes (debits) / cost of future income taxes	+ 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 s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.		
Subtotal	=	1,295,007.	+ 2115	1,295,007.

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 2,858,198.

** 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 19.***) = 2133 2,858,198.

Deduct: * CMT losses: pre-1994 Loss	+ From	2210	0.		
* CMT losses: other eligible losses	+	2211	0.		
	=		0.	- 2134	0.

* losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

CMT Base = 2135 2,858,198.

Transfer to CMT Base on Page 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

CT23 Schedule B & C

DOLLARS ONLY

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	0.			
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	=	0.	+ 2207	0.	
Adjustments (attach schedule)			± 2208	0.	
CMT losses available 2201 + 2207 ± 2208			= 2209	0.	
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	0.	

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	9th preceding taxation year 1995-12-31	2260 0	2280 0
2241	8th preceding taxation year 1996-12-31	2261 0	2281 0
2242	7th preceding taxation year 1997-12-31	2262 0	2282 0
2243	6th preceding taxation year 1998-12-31	2263 0	2283 0
2244	5th preceding taxation year 1999-12-31	2264 0	2284 0
2245	4th preceding taxation year 2000-12-31	2265 0	2285 0
2246	3rd preceding taxation year 2001-12-31	2286 0	2286 0
2247	2nd preceding taxation year 2002-12-31	2267 0	2287 0
2248	1st preceding taxation year 2003-12-31	2268 0	2288 0
[	Current taxation year 2004-05-31	2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

CT23 Schedule D & E

DOLLARS ONLY

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	9th preceding taxation year 1995-12-31	2360 0	2380 0
2341	8th preceding taxation year 1996-12-31	2361 0	2381 0
2342	7th preceding taxation year 1997-12-31	2362 0	2382 0
2343	6th preceding taxation year 1998-12-31	2363 0	2383 0
2344	5th preceding taxation year 1999-12-31	2364 0	2384 0
2345	4th preceding taxation year 2000-12-31	2365 0	2385 0
2346	3rd preceding taxation year 2001-12-31	2366 0	2386 0
2347	2nd preceding taxation year 2002-12-31	2367 0	2387 0
2348	1st preceding taxation year 2003-12-31	2368 0	2388 0
[illegible]	Current taxation year 2004-05-31	2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Richmond Hill Hydro Inc.	1800184	2004-05-31

DOLLARS ONLY

Schedule F:
Summary of Co-operative Education Tax Credit Claimed

Complete a separate entry for each student work placement which ended during the corporation's taxation year. The tax credit is for co-op work placements and leading-edge technology work placements. A work placement is generally considered to be a full-time work assignment for up to 4 months in duration.

Example: If a corporation, with a December 31, 2001 taxation year end, hires an eligible student from September 1, 2001 until April 30, 2002, this would be considered 2 work placements. The first work placement is September 1, 2001 to December 31, 2001 and would be claimed in the 2001 taxation year. The second placement is January 1, 2002 to April 30, 2002 and must be claimed in the 2002 taxation year.

Qualifying Work Placements

Name of University/College and Education Program	Name of Student	Social Insurance No. of Student	Work Placement Start and End Dates (year month day)	Eligible Costs of Placement (ECP)	* Credit Claimed (See notes below) (max. $1,000 per work placement)
University of Waterloo	Yiu Kan Yuen Ken		From 2004-01-01 To 2004-04-30	5749 1,078	5775 108
			From To	5750 0	5776 0
			From To	5751 0	5777 0
			From To	5752 0	5778 0
			From To	5753 0	5779 0
			From To	5754 0	5780 0
			From To	5755 0	5781 0
			From To	5756 0	5782 0
			From To	5757 0	5783 0
			From To	5758 0	5784 0
				5774 1,078	5798 108

If insufficient space, attach schedule

Totals

Transfer to 192 *Page 7 of the Tax Return*

Note: Enter corporation's salaries & wages paid in the preceding taxation year A $ 1,792,443.

If A is $600,000 or greater use 10%. If A is $400,000 or les use 15%.

If A is over $400,000 but less than $600,000 use the following formula to calculate the rate: Rate = .15 – [.05 (From A 1,792,443. – $400,000) + $200,

Indicate rate used: 10.00%. *** Credit claimed equals ECP multiplied by rate.**

Part 2 - Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

A· 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
L· **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

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS

- 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 or 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	2,120,251
Capital stock (or members' contributions if incorporated without share capital)	103	39,555,813
Retained earnings	104	1,557,930
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	9,525,442
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	60,000,000
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 (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	0		
	Subtotal	112,759,436	112,759,436	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
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	0		
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 at the end of the year	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		112,759,436	

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	0
A loan or advance to another corporation (other than a financial institution)	402	0
A bond, debenture, note, mortgage, hypothecary claim, 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, 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	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	0

Part 2 - Investment allowance (cont'd)

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)		112,759,436	C
Deduct: Investment allowance for the year (line 490)		0	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	112,759,436	

Part 4 - Taxable capital employed in Canada

T completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	112,759,436	X	Taxable income earned in Canada / Taxable income	610	3,691,468 / 3,691,468 =	**Taxable capital employed in Canada**	690	112,759,436

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 9 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			52,271	T
Deduct:				
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	41,344		
Unused surtax credit form previous years applied (amount from line 320 on Schedule 37)	862	0		
Subtotal (cannot be more than amount on line 820)		41,344	41,344	U
Net Part I.3 tax payable (amount T minus amount U)	870		10,927	

Enter this amount at line 704 of the T2 return.

Loans and Advances
LCT

Current portion of customer deposits	4,559,000.00
Customer deposits- non current	2,670,332.00
Subdivision liability	2,247,916.00
Maitenance Deposit Liability	48,194.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	9,525,442.00

Part 4 - Taxable capital employed in Canada (cont'd)

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 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		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 through a permanent establishment in Canada	712	0	
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	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

Note: 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 I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)								112,759,436	
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801							50,000,000	
Excess of taxable capital employed in Canada over capital deduction	811							62,759,436	

Year	Line 811		Number of days		Number of days in the taxation year					
Before 2004	62,759,436	x	(0	/	152)	x	.2250%	=	0	F
2004	62,759,436	x	(152	/	152)	x	.2000%	=	125,519	G
2005	62,759,436	x	(0	/	152)	x	.1750%	=	0	H
2006	62,759,436	x	(0	/	152)	x	.1250%	=	0	I
2007	62,759,436	x	(0	/	152)	x	.0625%	=	0	J
							Subtotal (add amounts F to J)		125,519	K

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

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 125,519 x Number of days in the year 152 / 365 = 52,271 L

Gross Part I.3 tax (amount K or L, whichever applies)	820		52,271

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)					112,759,436	M
Deduct: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003)					10,000,000	N
			Excess (amount M minus amount N) (if negative, enter "0")		102,759,436	O
Amount O	102,759,436	x .2250%	=		231,209	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	231,209	x	Number of days in the year / 365	152	96,284	Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) [821] 96,284

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.

F 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	0	a		
b) line 700 from the T2 return	0	b	0	R

In any other case, enter amount c or d at line S, whichever is less:

c) line 600 from the T2 return	41,344	x	line 690 of this schedule / line 500 of this schedule: 112,759,436 / 112,759,436	=	41,344	c	
d) line 700 from the T2 return					816,552	d	41,344 S

Current-year surtax credit available (amount R or S, whichever applies) [830] 41,344

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		41,344
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		96,284
Current-year unused surtax credit (if negative, enter "0")	[850]	0

Enter this amount at line 600 on Schedule 37.

TAX FILE COPY

Deloitte & Touche LLP
5140 Yonge Street, Suite 1700
Toronto, ON M2N 6L7
Canada

Tel: (416) 601 6150
Fax: (416) 229 2524
www.deloitte.ca

May 26, 2003

Ms. Audrey Wise
Corporations Tax Branch
33 King Street West, 4th Floor
Oshawa, ON L1H 8E9

Dear Ms. Wise:

Richmond Hill Hydro Inc. (MOF A/C # 1800184)

On behalf of our above named client, we are requesting that the December 31, 2001 PIL's tax return be amended as follows to include the election under subsection 7(7) of Ontario Regulation 162/01 to have subsection 7(6) apply. As a result of the election, the amount of CCA claimed increased by $848,757 to $1,734,282, and the amount of non-capital loss carry forward has increased to $3,262,052. This adjustment also impacts the computation of Ontario's capital tax. The effect is a decrease in capital tax payable. We include amended federal and Ontario schedules 004 and 008 and an amended CT-23 reflecting these changes.

CCA claimed as originally filed	$885,525
Revised CCA claimed	$1,734,282
Increase in CCA claimed	$848,757
Non-capital loss previously filed	$2,413,295
Revised non-capital loss carry forward	$3,262,052

Ontario taxable capital as originally filed	$117,440,250
Revised taxable capital	116,604,696
Decrease in taxable capital	$835,554

Capital tax as originally filed	$85,023
Revised capital tax	84,391
Decrease in capital tax payable	$632

We would appreciate the above adjustments and the issuance of Notices of Reassessment together with a refund of overpaid capital tax be made as soon as possible.

If you have any questions in regards to the above, please do not hesitate to contact the undersigned at (416) 643-8982.

Yours very truly,

Jay Pon
Firm Director

Enclosures

c: Mr. Michael Psotka, Richmond Hill Hydro Inc.

Richmond Hill Hydro Inc.

ELECTION UNDER SUBSECTION 7(7) OF ONTARIO REGULATION 162/01 MADE UNDER THE ELECTRICITY ACT, 1998

The company hereby elects to have subsection 7(6) of Regulation 162/01, as amended by Regulation 172/02, apply with respect to the property transferred to Richmond Hill Hydro Inc. under a transfer by-law from The Town of Richmond Hill.

_____

AMENDED

ırt 6 - Analysis of balance of losses by year of origin

- Non-capital losses

ar of gin	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
urrent	N/A	3,262,052	0	0	N/A	0	3,262,052
001	0	N/A	0	N/A	0	0	0
000	0	N/A	0	N/A	0	0	0
999	0	N/A	0	N/A	0	0	0
998	0	N/A	0	N/A	0	0	0
997	0	N/A	0	N/A	0	0	0
996	0	N/A	0	N/A	0	0	0
.995	0	N/A	0	N/A	0	0	0 *
Total	0	3,262,052	0	0	0	0	3,262,052

— 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

mond Hill Hydro Inc.
unt/Business No.: 866351190RC0001 Year Ended: 2001-12-31 AMENDED

mary of Capital Cost Allowance

: co poration electing under regulation 1101(5q)? [101] N

ss .] -	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]
	0	92,079,584	-1,817,102	0	4,639,611	4	0	0	872,426	89,390,056
	0	23,906,000	0	0	0	6	0	0	361,537	23,544,463
	0	7,404,212	0	0	203,172	20	0	0	363,011	7,041,201
	0	1,493,912	0	0	100,394	30	0	0	105,373	1,388,539
	0	125,000	0	0	0	100	0	0	31,507	93,493
	0	17,000	0	0	8,500		0	0	428	16,572
al	0	125,025,708	-1,817,102	0	4,951,677		0	0	1,734,282	121,474,324

Continuity of Losses Carried Forward

NON-CAPITAL LOSSES

Year	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Expired	Balance at End of Year
Current	N/A	3,262,052	0	0	N/A	N/A	N/A	3,262,052
2001	0	N/A	0	N/A	0	N/A	N/A	0
2000	0	N/A	0	N/A	0	N/A	N/A	0
1999	0	N/A	0	N/A	0	N/A	N/A	0
1998	0	N/A	0	N/A	0	N/A	N/A	0
1997	0	N/A	0	N/A	0	N/A	N/A	0
1996	0	N/A	0	N/A	0	N/A	N/A	0
1995	0	N/A	0	N/A	0	N/A	0	0
TOTAL	0	3,262,052	0	0	0	N/A	0	3,262,052

FARM LOSSES

Year	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Expired	Balance at End of Year
Current	N/A	0	0	0	N/A	N/A	N/A	0
2001	0	N/A	0	N/A	0	N/A	N/A	0
2000	0	N/A	0	N/A	0	N/A	N/A	0
1999	0	N/A	0	N/A	0	N/A	N/A	0
1998	0	N/A	0	N/A	0	N/A	N/A	0
1997	0	N/A	0	N/A	0	N/A	N/A	0
1996	0	N/A	0	N/A	0	N/A	N/A	0
1995	0	N/A	0	N/A	0	N/A	N/A	0
1994	0	N/A	0	N/A	0	N/A	N/A	0
1993	0	N/A	0	N/A	0	N/A	N/A	0
1992	0	N/A	0	N/A	0	N/A	0	0
TOTAL	0	0	0	0	0	N/A	0	0

RESTRICTED FARM LOSSES

Year	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers	Loss Carried Back	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Expired	Balance at End of Year
Current	N/A	0	0	0	N/A	N/A	N/A	0
2001	0	N/A	0	N/A	0	N/A	N/A	0
2000	0	N/A	0	N/A	0	N/A	N/A	0
1999	0	N/A	0	N/A	0	N/A	N/A	0
1998	0	N/A	0	N/A	0	N/A	N/A	0
1997	0	N/A	0	N/A	0	N/A	N/A	0
1996	0	N/A	0	N/A	0	N/A	N/A	0
1995	0	N/A	0	N/A	0	N/A	N/A	0
1994	0	N/A	0	N/A	0	N/A	N/A	0
1993	0	N/A	0	N/A	0	N/A	N/A	0
1992	0	N/A	0	N/A	0	N/A	0	0
TOTAL	0	0	0	0	0	N/A	0	0

hmond Hill Hydro Inc.
p. Tax Ac No. : 1800184 ıar Ended: 2001-12-3

mary of Capital Cost Allowance

ıe corporation electing under regulation 1101(5g)? [Y/N] N

; er	2 Ontario unde-preciated capital cost at the beginning of the year (unde-preciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario unde-preciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced unde-preciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario unde-preciated capital cost at the end of the year (column 6 minus column 12)
	0	92,079,584	-1,817,102	0	90,262,482	4,639,611	85,622,871	4	0	0	872,426	89,390,056
	0	23,906,000	0	0	23,906,000	0	23,906,000	6	0	0	361,537	23,544,463
	0	7,404,212	0	0	7,404,212	203,172	7,201,040	20	0	0	363,011	7,041,201
	0	1,493,912	0	0	1,493,912	100,394	1,393,518	30	0	0	105,373	1,388,539
0	0	125,000	0	0	125,000	0	125,000	100	0	0	31,507	93,493
2	0	17,000	0	0	17,000	8,500	8,500		0	0	428	16,572
tal	0	125,025,708	-1,817,102	0	123,208,606	4,951,677	118,256,929		0	0	1,734,282	121,474,324
								Enter in boxes	[650]	[650]	[650] on the CT23	

:e 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).

:e 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

:e 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

:e 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.

AMENDED
EB-2012-0161
Appendix 5
Schedule 5-21
Page 7 of 27
Filed: May 4, 2012

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5005

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001123 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2003/11/03	2 of 5

REASSESSMENT NO. 42 REPLACING ASSESSMENT DATED: 2002/09/27

Tax: Federal and Provincial PIL		145,179.00
Assessment Interest		1,442.68CR
Total Reassessment Liability		143,736.32

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	162,863.13CR	
Refunds	18,467.22	
Sub-Total		144,395.91CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		659.59CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Mathematical error in computation of Taxable Paid-up Capital.

Adjustment to the computation of Capital Tax.

Adjustment to the computation of taxable income (non-capital loss).

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5005

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2002/09/27	1 of 5

ASSESSMENT NO. 12

Tax: Federal and Provincial PIL		145,811.00
Assessment Interest		1,402.95CR
Total Assessment Liability		144,408.05

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	162,863.13CR	
Sub-Total		162,863.13CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		18,455.08CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

002 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 **to** 2002/12/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2003/07/23	3 of 5

ASSESSMENT NO. 29

Tax: Federal and Provincial PIL		1,041,669.00
Assessment Interest		6,576.78
Total Assessment Liability		1,048,245.78

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,041,659.52CR	
Sub-Total		1,041,659.52CR
TAXATION YEAR BALANCE DUE **		6,586.26

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 3 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 **to** 2003/12/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2004/08/17	4 of 5

ASSESSMENT NO. 68

Tax: Federal and Provincial PIL		2,931,697.00
Assessment Interest		25,152.75
Total Assessment Liability		2,956,849.75

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,944,331.40CR	
Sub-Total		2,944,331.40CR
TAXATION YEAR BALANCE DUE **		12,518.35

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 0 5 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 **to** 2004/05/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2004/12/09	5 of 5

ASSESSMENT NO. 76

Tax: Federal and Provincial PIL		1,470,940.00
Assessment Interest		7,897.72
Total Assessment Liability		1,478,837.72

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,471,167.00CR	
Sub-Total		1,471,167.00CR
TAXATION YEAR BALANCE DUE **		7,670.72

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Short taxation year - Capital Tax pro-rated.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5005

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001 1231

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2003/11/03	2 of 5

REASSESSMENT NO. 42 REPLACING ASSESSMENT DATED: 2002/09/27

Tax: Federal and Provincial PIL	145,179.00
Assessment Interest	1,442.68CR
Total Reassessment Liability	143,736.32

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	162,863.13CR	
Refunds	18,467.22	
Sub-Total		144,395.91CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		659.59CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Mathematical error in computation of Taxable Paid-up Capital.

Adjustment to the computation of Capital Tax.

Adjustment to the computation of taxable income (non-capital loss).

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5005

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
- Print your account # on the back of cheque or money order. **Payment cannot be made at financial institutions.**
- Check all transactions for accuracy. If you have any questions, please contact the Ministry within 30 days of the Statement of Account/Notice of (Re)Assessment date.
- Recently mailed payments may not appear on the Statement of Account.

Notice of Objection:

If you do not agree with a Notice of (Re)Assessment or any items marked by an asterisk (*) on the Statement of Account, you have the right to file a Notice of Objection with the Tax Appeals Branch **within 180 days from the issue date on the front of the form.**

Notice of Objection forms can be obtained by contacting the Ministry of Finance at:

Telephone

- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail

Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

- www.trd.fin.gov.on.ca

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2002/09/27	1 of 5

ASSESSMENT NO. 12

Tax: Federal and Provincial PIL		145,811.00
Assessment Interest		1,402.95CR
Total Assessment Liability		144,408.05

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	162,863.13CR	
Sub-Total		162,863.13CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		18,455.08CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
- Print your account # on the back of cheque or money order. **Payment cannot be made at financial institutions.**
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Notice of Objection:

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Notice of Objection forms can be obtained by contacting the Ministry of Finance at:

Telephone

- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail

Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

- www.trd.fin.gov.on.ca

006

PX5001

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 **to** 2002/12/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2003/07/23	3 of 5

ASSESSMENT NO. 29

Tax: Federal and Provincial PIL		1,041,669.00
Assessment Interest		6,576.78
Total Assessment Liability		1,048,245.78

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,041,659.52CR	
Sub-Total		1,041,659.52CR
TAXATION YEAR BALANCE DUE **		6,586.26

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
- Print your account # on the back of cheque or money order. **Payment cannot be made at financial institutions.**
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Notice of Objection:

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Notice of Objection forms can be obtained by contacting the Ministry of Finance at:

Telephone

- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail

Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

- www.trd.fin.gov.on.ca

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2003 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 **to** 2003/12/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2004/08/17	4 of 5

ASSESSMENT NO. 68

Tax: Federal and Provincial PIL		2,931,697.00
Assessment Interest		25,152.75
Total Assessment Liability		2,956,849.75

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,944,331.40CR	
Sub-Total		2,944,331.40CR
TAXATION YEAR BALANCE DUE **		12,518.35

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
- Print your account # on the back of cheque or money order. **Payment cannot be made at financial institutions.**
- Check all transactions for accuracy. If you have any questions, please contact the Ministry within 30 days of the Statement of Account/Notice of (Re)Assessment date.
- Recently mailed payments may not appear on the Statement of Account.

Notice of Objection:

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Notice of Objection forms can be obtained by contacting the Ministry of Finance at:

Telephone
- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail
Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet
- www.trd.fin.gov.on.ca

006

PX5001

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800184

35
PX5003

RICHMOND HILL HYDRO INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 0 5 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 **to** 2004/05/31

	Account No.	Assessment Date (year, month, day)	Page
RICHMOND HILL HYDRO INC.	**1800184**	2004/12/09	5 of 5

ASSESSMENT NO. 76

Tax: Federal and Provincial PIL		1,470,940.00
Assessment Interest		7,897.72
Total Assessment Liability		1,478,837.72

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,471,167.00CR	
Sub-Total		1,471,167.00CR
TAXATION YEAR BALANCE DUE **		7,670.72

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Short taxation year - Capital Tax pro-rated.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

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- Check all transactions for accuracy. If you have any questions, please contact the Ministry within 30 days of the Statement of Account/Notice of (Re)Assessment date.
- Recently mailed payments may not appear on the Statement of Account.

Notice of Objection:

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Notice of Objection forms can be obtained by contacting the Ministry of Finance at:

Telephone

- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail

Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

- www.trd.fin.gov.on.ca

Richmond Hill Hydro Inc.
a/c # 1800184

Reconciliation of Notice of Reassessment for Y/E December 31, 2003

	Per Filing & 8/17/2004 Assessment		Per 4/25/2007 Reassessment	
Federal taxes	1,807,623			
Dividend refund	(76)			
Net federal tax		1,807,547		1,807,547
Gross Ontario income tax	850,295		850,295	
Prior year CMT credit applied	(39,132)		(12,464)*	
Net Ontario income tax	811,163		837,831	
Capital tax	312,987		312,987	
Total Ontario taxes		1,124,150		1,150,818
Total PILs		2,931,697		2,958,365
Difference			26,668	
Dividend refund			(76)	
Difference per Powerstream			26,592	

* Corporate Minimum Tax was decreased from 39,132 to 12,464 (difference of 26,668) for 12/31/2002 taxation year per 4/25/2007 NOR due to increase in Ontario income tax on reassessment

2004

Ontario

Ministry of Revenue
Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 to 2004/05/31

RICHMOND HILL HYDRO INC.

Account No.	Reassessment Date (year, month, day)	Page
1800184	2008/12/04	1 of 1

REASSESSMENT NO. 125 REPLACING ASSESSMENT DATED: 2004/12/09

Tax: Federal and Provincial PIL		1,516,551.00
Assessment Interest		A 27,793.05
Total Reassessment Liability		1,544,344.05

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers		
Sub-Total	1,478,837.72CR	
TAXATION YEAR BALANCE DUE **		1,478,837.72CR
		65,506.33

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Statement of Adjustments sent under separate cover.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

A Per email from Ajay @ 11:20 this amount was included in income (i.e exposed). ∴ s.1 addback is required.

Tax (Re)Assessment Enquiries:
• Toronto 416 218-3283 • FAX 416 730-5593

Account Billing Enquiries & Change of Address Information:
• Toll-Free 1 800 262-0784 ext. 3036 • FAX 905 433-5197

0-4
0-4

Ontario

PO Box 622
33 King St. West
Oshawa ON L1H 8H6

CP 622
33 rue King ouest
Oshawa ON L1H 8H6

Statement of Adjustments re Taxes Assessed
Relevé des redressements de cotisations

Ministry of Revenue
Ministère du Revenu

Tax Compliance Branch
Direction de l'observation fiscale

Account Number / N° de compte	Taxation Year End / Fin de l'année d'imposition
1800184	31 May, 2004

Name of Corporation / Raison sociale de la compagnie

Richmond Hill Hydro Inc.

Income Tax

Taxable income as reported	$3,691,468	
Add: Amortization addback understated	57,625	
Addback of amortized bond cost understated	53,877	
Addback of intangibles understated	15,258	
Revised taxable income	$3,818,228	

Revised Federal Income Tax

Part 1 tax @ 38%	$1,450,927	
Corporate surtax @ 4%	42,764	
Federal tax abatement @ 10%	(381,822)	
General tax reduction for CCPC @ 7%	(267,276)	
Dividend refund as reported	(10)	
Federal income tax payable		$ 844,583

Revised Ontario Income Tax

Tax thereon @ 14%	$ 534,552	
Less: Specified tax credit as reported	(108)	
Ontario income tax payable		534,444

Revised Federal Part 1.3 Tax

As per schedule 1	9,742

Revised Ontario Capital Tax

As per schedule 2	127,782

Total Payments in Lieu of Taxes

$1,516,551

Dennis K. Mah MRK 668

"DESIGNATED ASSESSMENT"
The items marked with an asterisk above are designated parts of this assess-ment. This description is authorized by section 92 of the Corporations Tax Act, for assessments which correspond to those issued by Revenue Canada under the Income Tax Act (Canada). It is not necessary to serve a Notice of Objection to those portions of the ...essment. The Corporation and the Minister will be bound by the final ...osition of a federal Notice of Objection or Appeal.

If you wish not to be bound by the disposition of the corresponding federal objection or appeal, you must serve a Notice of Objection on the prescribed form in accordance with section 84. See under "Notice of Objection" on the accompanying "Notice of Re-Assessment"

"COTISATION DÉSIGNÉE"
Les postes ci-dessus marqués d'un astérisque sont les parties désignées de cette cotisation. Cette description est autorisée en vertu de l'article 92 de la Loi sur l'imposition des corporations, pour les cotisations qui correspondent à celles établies par Revenu Canada en vertu de la Loi de l'impôt sur le revenu (Canada). Il n'est pas nécessaire de signifier un Avis d'opposition pour ces parties des cotisations. La compagnie et le ministre seront liés par la décision finale relative à l'avis fédéral d'opposition ou d'appel.

Si vous désirez ne pas être lié par la décision relative à l'opposition ou à l'appel fédéral correspondant, vous pouvez signifier un avis d'opposition sur la formule prévue à cette fin conformément à l'article 84. Voir "Avis d'opposition" sur l'Avis de nouvelle cotisation ci-joint.

Schedule 1

Richmond Hill Hydro Inc.
Account No. 1800184

Fiscal year ended: 31 May, 2004

Revised Federal Part 1.3 Tax

Excess of taxable capital employed in Canada as reported	$62,759,436
Add: Advances and deposits in other liabilities	282,420
Excess of taxable capital employed in Canada as revised	$63,041,856
Gross Part 1.3 tax @ 0.200% @ 152/365	$ 52,506
Less: Current year surtax credit as revised	42,764
Federal Part 1.3 tax payable	$ 9,742

DRAFT

Schedule 2

Richmond Hill Hydro Inc.
Account No. 1800184

Fiscal year ended 31 May. 2004

Revised Ontario Capital Tax

Taxable capital as reported	$106,465,755
Add: Cumulative amortization /CCA differences	533,172
Advances and deposits in other current liabilities	282,420
Revised taxable capital	$107,281,347
Less: Capital tax exemption	5,000,000
Revised net taxable capital	$102,281,347
Capital tax thereon @ 0.3% @ 152/365	$ 127,782

DRAFT

5/4

Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	**PowerStream Inc. - Vaughan**
OEB File Number	**0**
Filing Year	**2001**

	A	B	C	D
1	**PILs TAXES**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - Vaughan**			Colour Code
4	**Reporting period: 2001**			**Input Cell**
5				**Formula in Cell**
6	**Days in reporting period:**	92	days	
7	**Total days in the calendar year:**	365	days	
8				
9	**BACKGROUND**			
10	Has the utility reviewed section 149(1) ITA to			
11	confirm that it is not subject to regular corporate			
12	tax (and therefore subject to PILs)?		Y/N	Y
13				
14	Was the utility recently acquired by Hydro One			
15	and now subject to s.89 & 90 PILs?		Y/N	N
16				
17	Is the utility a non-profit corporation?		Y/N	N
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)			
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N
20		LCT	Y/N	N
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		0%
22		LCT		0%
23				
24	Accounting Year End		Date	31-Dec-01
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			180,841,143
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			15,002,581
42				
43	1999 return from RUD Sheet #7			10,038,003
44				
45	Total Incremental revenue			4,964,578
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			1,654,859
48	Amount allowed in 2002			
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			81,378,514
57				
58	Return at target ROE			8,040,197
59				
60	Debt			99,462,629
61				
62	Deemed interest amount in 100% of MARR			6,962,384
63				
64	Phase-in of interest - Year 1 (2001)			5,426,413
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			5,426,413
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			5,426,413
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			6,962,384
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: PowerStream Inc. - Vaughan**							
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	2,923,216		-4,180,218		-1,257,002	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	1,933,436		466,770		2,400,206	
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			986,000		986,000	
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"**				0		0	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	915,114		1,677,213		2,592,327	
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	1,356,603		125,397		1,482,000	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			860,000		860,000	
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"**				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		2,584,934		(5,390,057)	Before loss C/F	(2,805,123)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-40.6200%		0.00%	
54								
55	REGULATORY INCOME TAX		1,050,000		-1,050,000	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		1,050,000		-1,050,000	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	180,841,143		34,709,475		215,550,618	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		175,841,143		34,709,475		210,550,618	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		131,881		27,330	**Overpaid**	159,211	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	180,841,143		26,600,977		207,442,120	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		170,841,143		26,600,977		197,442,120	
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)		96,098		15,876		111,974	
82	Less: Federal Surtax 1.12% x Taxable Income	21	7,238		-7,238		0	
83								
84	Net LCT		88,860		23,114		111,974	
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: PowerStream Inc. - Vaughan**							
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)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,735,538			**Actual 2001**	0	
91	LCT (proxy tax is grossed-up)	23	146,877			**Actual 2001**	111,974	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	131,881			**Actual 2001**	159,211	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	2,014,295			**Actual 2002**	271,185	
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			986,000			
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			860,000			
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		=	126,000			
121								
122	Income Tax Rate (including surtax) from **2001** Utility's tax return			x	40.62%			
123								
124	Income Tax Effect on True-up adjustments			=	51,181			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				51,181			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				39.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				84,597			
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)			=	2,584,934			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	40.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	1,050,000			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	1,050,000			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	1,050,000			
147								
148	Regulatory Income Tax Variance			=	0			
149								

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	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: PowerStream Inc. - Vaughan**							
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			=	180,841,143			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	175,841,143			
154								
155	Rate - Tab Tax Rates cell C54			x	0.30%			
156								
157	Revised Ontario Capital Tax			=	132,965			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	131,881			
159	Regulatory Ontario Capital Tax Variance			=	1,084			
160								
161	**Federal LCT**							
162	Base				180,841,143			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	170,841,143			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				96,888			
169	Less: Federal surtax			-	28,951			
170	Revised Net LCT			=	67,937			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	88,860			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				39.50%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	1,084			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	1,084			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	84,597			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	85,681			
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)				6,962,384			
194	Interest phased-in (Cell C36)				5,426,413			
195								
196	Variance due to phase-in of debt component of MARR in rates				1,535,971			
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)				1,482,000			
202	Total deemed interest (REGINFO CELL D61)				1,740,596			
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**				1,535,971			
209								
210								
211								

	A	B	C	D	E
1	5/4 **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: PowerStream Inc. - Vaughan**				
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 :**		203,446	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-1,143,204		-1,143,204
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	$2,400,206		2,400,206
44	Ontario Capital Tax	-			0
45	Reg Assets	-			0
46	Municipal property taxes	-			0
47	Federal LCT	-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	-1,257,002	0	-1,257,002
51	Less: Interest expense for accounting purposes	-	1,482,000		1,482,000
52	Provision for payments in lieu of income taxes	-	112,000		112,000
53	**Net Income (loss)**	=	-2,851,002	0	-2,851,002
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	+	112,000	0	112,000
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	2,400,206	0	2,400,206
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	+	986,000	0	986,000
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*		3,498,206	0	3,498,206
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	A	B	C	D	E
1	5/4 **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	DEPRECIATION DIFFERENCE	+			0
77		+			0
78		+			0
79		+			0
80	*Total Other Additions*	=	0	0	0
81					
82	Total Additions	=	3,498,206	0	3,498,206
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	-	2,539,925		2,539,925
98	Cumulative eligible capital deduction	-	52,402		52,402
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*	-	860,000	0	860,000
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	=	3,452,327	0	3,452,327
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	=	3,452,327	0	3,452,327
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	=	-2,805,123	0	-2,805,123
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	(2,805,123)	0	(2,805,123)
140					

	A	B	C	D	E	
1	5/4 **PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		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	+	159,211		159,211	
158	Federal Large Corporations Tax	+	111,974		111,974	
159						
160	**Total income and capital taxes**	=	271,185	0	271,185	
161						
162						

	A	B	C	D	E	F
1	5/4 **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: PowerStream Inc. - Vaughan**					
8	**Reporting period: 2001**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		860,000		860,000	
48	Other - Please describe				0	
49					0	
50	**Total (**carry forward to the TAXREC worksheet)		860,000	0	860,000	
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		986,000		986,000	
60	Regulatory Reserves				0	
61					0	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		986,000	0	986,000	
64						
65						

	A	B	C	D	E
1	~~5/4~~				
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: PowerStream Inc. - Vaughan**				
9	**Reporting period: 2001**				
10	**Number of days in taxation year:**		92		
11	**Materiality Level:**		203,446		
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
1	~~5/4~~				
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: PowerStream Inc. - Vaughan**				
9	**Reporting period: 2001**				
10	**Number of days in taxation year:**		92		
11	**Materiality Level:**		203,446		
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
1	~~5/4~~				
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: PowerStream Inc. - Vaughan**				**Version 2009.1**
9					
10					
11	**Reporting period: 2001**				
12	**Number of days in taxation year:**		92		
13					
14					
15					
16	**Section C: Reconciliation of accounting income to taxable income**				
17	**Add:**				
18					
19	Recapture of capital cost allowance	+			0
20	CCA adjustments	+			0
21	CEC adjustments	+			0
22	Gain on sale of non-utility eligible capital property	+			0
23	Gain on sale of utility eligible capital property	+			0
24	Loss from joint ventures or partnerships	+			0
25	Deemed dividend income	+			0
26	Loss in equity of subsidiaries and affiliates	+			0
27	Loss on disposal of utility assets	+			0
28	Loss on disposal of non-utility assets	+			0
29	Depreciation in inventory -end of year	+			0
30	Depreciation and amortization adjustments	+			0
31	Dividends credited to investment account	+			0
32	Non-deductible meals	+			0
33	Non-deductible club dues	+			0
34	Non-deductible automobile costs	+			0
35	**Donations - amount per books**				0
36	Interest and penalties on unpaid taxes				0
37	Management bonuses unpaid after 180 days of year end				0
38	Imputed interest expense on Regulatory Assets				0
39		+			0
40	**Ontario capital tax adjustments**	+			0
41	**Changes in Regulatory Asset balances**	+			0
42		+			0
43	*Other Additions: (please explain in detail the nature of the item)*	+			0
44		+			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	**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

	A	B	C	D	E	
4	5/4 **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: PowerStream Inc. - Vaughan**				**Version 2009.1**	
74						
75						

	A	B	C	D	E	F
1	5/4 PILs TAXES					G
2	Corporate Tax Rates				Version 2009.1	
3	Exemptions, Deductions, or Thresholds					
4	Utility Name: PowerStream Inc. - Vaughan					
5	Reporting period: 2001					
6						
7						Table 1
8	Rates Used in 2001 RAM PILs Applications for 2002					
9	Income Range		0		200,001	
10	RAM 2002		to		to	>700,000
11		Year	200,000		700,000	
12	Income Tax Rate					
13	*Proxy Tax Year*	*2002*				
14	*Federal (Includes surtax)*		13.12%		26.12%	26.12%
15	*and Ontario blended*		6.00%		6.00%	12.50%
16	*Blended rate*		19.12%		34.12%	38.62%
17						
18	Capital Tax Rate		0.300%			
19	LCT rate		0.225%			
20	Surtax		1.12%			
21	Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
22	Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing					
24						
25						Table 2
26	Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2002					
27	Income Range		0		200,001	
28	Expected Rates		to		to	>700,000
29		Year	200,000		700,000	
30	Income Tax Rate					
31	*Current year*	*2001*				
32	*Federal (Includes surtax)*	*2001*	13.12%		26.12%	26.12%
33	*Ontario*	*2001*	6.00%		6.00%	12.50%
34	*Blended rate*	*2001*	19.12%		32.12%	38.62%
35						
36	Capital Tax Rate	*2001*	0.300%			
37	LCT rate	*2001*	0.225%			
38	Surtax	*2001*	1.12%			
39	Ontario Capital Tax Exemption *** 2001	MAX $5MM	5,000,000			
40	Federal Large Corporations Tax Exemption *** 2001	MAX $10MM	10,000,000			
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.					
42						
43						Table 3
44	Input Information from Utility's Actual 2001 Tax Returns					
45	Income Range		0		200,001	
46			to		to	>700,000
47		Year	200,000		700,000	
48	Income Tax Rate					
49	*Current year*	*2001*				
50	*Federal (Includes surtax)*		13.12%		28.12%	28.12%
51	*Ontario*		6.00%		6.00%	12.50%
52	*Blended rate*		19.12%		34.12%	40.62%
53						
54	Capital Tax Rate		0.300%			
55	LCT rate		0.225%			
56	Surtax		1.12%			
57	Ontario Capital Tax Exemption *	MAX $5MM	5,000,000			
58	Federal Large Corporations Tax Exemption *	MAX $10MM	10,000,000			
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11;					
60	federal T2 Schedule 36					
61						
62						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	**PILs TAXES**															
2	**Analysis of PILs Tax Account 1562:**															
3	**Utility Name: PowerStream Inc. - Vaughan**														**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		85,681		85,681		85,681		85,681		85,681		0	
12	**Board-approved PILs tax proxy from Decisions (1**	+/-													0	
14	**True-up Variance Adjustment Q4, 2001 (2**	+/-	84,597												84,597	
16	**True-up Variance Adjustment (3**	+/-													0	
18	**Deferral Account Variance Adjustment Q4, 2001 (4**	+/-	1,084												1,084	
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**		85,681		85,681		85,681		85,681		85,681		85,681		85,681	
28																
29																
30																
31	**Uncollected PILs**															
32																
33	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepaye															
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.															
35																
36	**Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**															
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																

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PowerStream Inc.
Account 1562 Disposition
Interest Expense - Year/Quarter ending Dec 31, 2001

		Split			
	Days	273	92	365	
Hydro Vaughan Interest Expense	**Full year**	**Jan 1 to Sep 30**	**Oct 1 to Dec 31/01**	**Total**	Note
per Financial Statements	$ 3,187,323				
Promissory note	$ 45,000,000				
rate paid from Oct 1/2001	7.00%				
	$ 787,500	$ -	$ 787,500	$ 787,500	
Note payable - Hydro Vaughan Holdings	$ 37,571,740				
interest for all of 2001 at 5.9%	2,289,789	$1,712,637	$ 577,152	$ 2,289,789	
Other	$ 110,034	$ 82,526	$ 27,509	$ 110,034	
Total for Oct 1 -Dec 31/01		$1,795,162	$ 1,392,161	$ 3,187,323	
less interest on investment in RHHI	$ (375,000)	$ (280,479)	$ (94,521)	$ (280,479)	1
less interest on increase in Rate base	$ (59,384)	$ (44,416)	$ (14,968)	$ (44,416)	2
Interest deducted for purposes of Interest Adjustment	$ 2,752,939	$1,470,267	$ 1,282,672	$ 2,862,428	
1999 Rate base	$ 180,841,143				
Deemed interest	$ 6,962,384		$ 1,754,902		

Notes
Interest expense deducted has been determined by taking the interest expense per the financial statement and analyzing this to determine what portion belongs in the Oct 1, 2001 to Dec 31, 2001 period.
Further adjustments were made to eliminate interest expense on non-distribution items (investment in Richmond Hill Hydro) and deemed interest on increase in rate base.

1. Richmond Hill acquired Dec 27/01 - additional payment of $62,071,103, financed by bank indebtedness of $61,877,860, with interest at bank's prime rate.
   Deposit of $7.5 million from 2000 FS. Purchase closed Dec 27/01 so interest mainly on deposit for year.

Interest expense on deposit	7,500,000	5.00%	375,000

2. Calculation of deemed interest on actual rate base:

2001 Actual Rate Base		
Average Net Fixed Assets	154,829,649	
Working capital allowance (WCA)		
COP and OM&A	183,692,904	
	15.00%	
WCA	27,553,936	
Total Rate base	**182,383,585**	
Deemed debt	100,310,972	55.0%
Deemed interest	7,021,768	7.00%
Increase in deemed interest	59,384	

Actual interest expense deducted has been reduced by the amount of the deemed interest on the on the increase in actual rate base for purposes of the interest adjustment.

Financial Statements of

HYDRO VAUGHAN DISTRIBUTION INC.

Year ended December 31, 2001

KPMG LLP
Chartered Accountants
3700 Steeles Avenue West
Suite 600
Vaughan ON L4L 3K8

Telephone (905) 264-4100
Telefax (905) 856-2160
Toronto Line (416) 366-KPMG
www.kpmg.ca

AUDITORS' REPORT TO THE SHAREHOLDER

We have audited the balance sheet of Hydro Vaughan Distribution Inc. as at December 31, 2001 and the statements of earnings, retained earnings (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Vaughan, Canada

April 12, 2002

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is the Canadian member firm of KPMG International, a Swiss association.

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HYDRO VAUGHAN DISTRIBUTION INC.

Balance Sheet

December 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	$ 35,204,166	$ 39,335,513
Accounts receivable	20,008,273	11,465,336
Unbilled revenue	15,986,841	16,915,055
Inventory	1,622,340	1,605,122
Prepaids and other	289,340	143,490
	73,110,960	69,464,516
Long term investment (note 3)	70,102,539	7,500,000
Deferred transition costs	686,838	102,479
Capital assets (note 4)	158,962,860	153,257,433
	$ 302,863,197	$ 230,324,428
Liabilities and Shareholder's Equity		
Current liabilities:		
Bank indebtedness (note 5)	$ 61,877,860	$ –
Accounts payable and accrued liabilities	25,318,538	20,121,055
Due to related parties (note 6)	38,587,320	36,574,067
	125,783,718	56,695,122
Customers' deposits (note 7)	9,672,642	9,383,137
Note payable, City of Vaughan (note 8)	45,000,000	–
Shareholder's equity:		
Share capital (note 8)	120,342,256	165,342,256
Retained earnings (deficit)	2,064,581	(1,096,087)
	122,406,837	164,246,169
Restructuring (note 1)		
Commitments (note 10)		
Contingencies (note 11)		
	$ 302,863,197	$ 230,324,428

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

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HYDRO VAUGHAN DISTRIBUTION INC.

Statement of Earnings

For the year ended December 31, 2001, with comparative figures for the period from incorporation on October 24, 2000 to December 31, 2000

	2001	2000
Service revenue:		
Residential	$ 48,582,007	$ 7,239,506
General service	125,732,251	19,760,489
Large user	21,920,266	3,213,161
Street lighting	659,890	99,692
	196,894,414	30,312,848
Cost of power:		
Power purchased	174,286,484	28,622,017
Gross margin	22,607,930	1,690,831
Other revenue	2,536,794	849,285
	25,144,724	2,540,116
Expenses:		
Operating and maintenance:		
High voltage transformation	195,257	63,832
Distribution	3,258,839	416,154
Utilization	32,700	28,956
Administration:		
Billing and collection	1,830,552	364,210
General	3,759,520	805,634
Interest (note 6)	3,187,323	300,000
Amortization of capital assets (note 4)	9,278,313	1,613,486
Taxes, other than amounts in lieu of corporate income taxes	329,552	43,931
	21,872,056	3,636,203
Earnings (loss) before amounts in lieu of corporate income taxes	3,272,668	(1,096,087)
Amounts in lieu of corporate income taxes	112,000	–
Net earnings (loss)	$ 3,160,668	$ (1,096,087)

See accompanying notes to financial statements.

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HYDRO VAUGHAN DISTRIBUTION INC.

Statement of Retained Earnings (Deficit)

For the year ended December 31, 2001, with comparative figures for the period from incorporation on October 24, 2000 to December 31, 2000

	2001	2000
Retained earnings (deficit), beginning of period	$ (1,096,087)	$ –
Net earnings (loss)	3,160,668	(1,096,087)
Retained earnings (deficit), end of period	$ 2,064,581	$ (1,096,087)

See accompanying notes to financial statements.

5/4 **HYDRO VAUGHAN DISTRIBUTION INC.**

Statement of Cash Flows

For the year ended December 31, 2001, with comparative figures for the period from incorporation on October 24, 2000 to December 31, 2000

	2001	2000
Cash provided by (used in):		
Operations:		
Net earnings (loss)	$ 3,160,668	$ (1,096,087)
Amortization of capital assets	9,718,711	1,717,230
	12,879,379	621,143
Changes in non-cash working capital:		
Accounts receivable	(8,542,937)	5,299,991
Unbilled revenue	928,214	(6,898,260)
Inventory	(17,218)	100,901
Prepaids and other	(145,850)	(118,823)
Accounts payable and accrued liabilities	5,197,483	2,096,475
Due to related parties	2,013,253	1,322,922
	12,312,324	2,424,349
Financing:		
Bank indebtedness	61,877,860	–
Customers' deposits	289,505	231,596
Issue of share capital upon incorporation	–	1
	62,167,365	231,597
Investments:		
Investment in Richmond Hill Hydro Inc. (note 3)	(62,602,539)	(7,500,000)
Deferred transition costs	(584,359)	(37,551)
Expenditures on capital assets	(15,424,138)	(4,672,873)
	(78,611,036)	(12,210,424)
Decrease in cash and cash equivalents	(4,131,347)	(9,554,478)
Cash and cash equivalents, beginning of period being	39,335,513	48,889,991
Cash and cash equivalents, end of period	$ 35,204,166	$ 39,335,513
Supplemental cash flow information:		
Cash received for interest	$ 1,149,030	$ 304,969
Cash paid for interest	–	85,135

See accompanying notes to financial statements.

5/4HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2001

Hydro Vaughan Distribution Inc. (the "Corporation"), incorporated under the Ontario Business Corporations Act, was formed to provide electricity distribution services to business and residences in the service area of Vaughan, in the Province of Ontario. At December 31, 2001, it is 100% owned by the Corporation of the City of Vaughan.

1. Restructuring:

Hydro Vaughan Distribution Inc. and its affiliated corporations (the "Corporations") are the successor to the former Vaughan Hydro-Electric Commission (the "Commission"). Under authority of by-law effective November 1, 2000 substantially all of the operating assets and liabilities of the Commission were transferred to the Corporations. This transfer has been accounted for on a continuity of interests basis, with the assets and liabilities transferred by the former Commission recorded at their net book values immediately prior to transfer. Details of the assets and liabilities transferred are as follows:

Cash	$ 48,889,991
Accounts receivable	16,765,327
Unbilled revenue	10,016,795
Inventory	1,706,023
Prepaids and other	24,667
Deferred transition costs	64,928
Capital assets	150,301,790
	227,769,521
Accounts payable and accrued liabilities	18,024,580
Due to City of Vaughan	35,251,145
Customers' deposits	9,151,541
	62,427,266
Net assets	$ 165,342,255

These financial statements include the operating results for the transferred electricity distribution business for the period November 1, 2000 to December 31, 2001.

2. Significant accounting policies:

(a) Basis of presentation:

The Corporation's financial statements are prepared by management in accordance with accounting principles generally accepted in Canada and accounting guidance provided by its regulator, the Ontario Energy Board ("OEB") as contained in its Accounting Procedures Handbook.

(b) Rate setting:

The Corporation is regulated by the OEB under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and for ensuring that distribution companies fulfill obligations to connect and service customers.

As part of the transition to a competitive electricity market, the Corporation applied for and was granted by the OEB adjustments in its rates. In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenues and expenses for the distribution of electricity may differ from that otherwise expected under Canadian generally accepted accounting principles. Specifically:

(i) Capital and operating costs incurred in respect of the transition of competitive markets have been deferred with amortization to commence at the date to be determined by the OEB.

(ii) The Corporation provides for amounts in lieu of corporate income taxes using the taxes payable method.

(c) Cash and cash equivalents:

Cash and cash equivalents are defined as cash and bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days.

2. Significant accounting policies (continued):

(d) Revenue recognition:

Revenue is recognized on the accrual basis which includes an estimate of unbilled revenue which represents electricity consumed by customers since the date of each customer's last meter reading. Actual results could differ from estimates made of actual electricity usage.

Services and other revenues are recognized as services are rendered as contracted milestones are achieved.

(e) Inventory:

Inventory, which consists of parts and supplies acquired for internal construction or consumption, is valued at the lower of cost and replacement cost. Cost is determined on the lower of a weighted-moving average basis or replacement cost.

(f) Long-term investment:

The investment in Richmond Hill Hydro Acquisition Inc. is accounted for using the equity method. Under the equity method, the original cost of the shares is adjusted for the Corporation's share of post-acquisition earnings or losses less dividends.

(g) Deferred transition costs:

The Corporation has incurred costs related to the transition to a competitive electricity market mandated by the Electricity Act, 1998. The OEB has established rules in respect of transition costs which qualify for deferral and amortization against future revenue. To the extent that transition costs have been incurred which do not qualify for deferral, these costs have been expensed during the period they were incurred.

Transition costs which are capital in nature, such as computer software, are accounted for as part of capital assets. These assets are initially recorded as part of construction in progress until placed into service. Once completed, amortization will commence with the amortization charge recorded to the deferred transition cost account.

2. Significant accounting policies (continued):

The OEB has indicated that it will review the timing and mechanism for the recover of transition costs through the rate filing process. The Corporation intends to apply for recovery of its transition costs as part of its next rate application filing to occur sometime after the opening of the competitive electricity market (the "open access date"). The open access date is currently scheduled to be May 1, 2002 but will be determined by the Ministry of Energy, Science and Technology on advice from the independent market operator, the body responsible for Ontario's electricity system. The Corporation will establish an amortization policy for these costs following a decision on the related rate application for recovery of transition costs.

(h) Capital assets:

Capital assets are recorded at cost and include contracted services, materials, labour, engineering costs and overheads. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. Such contributions, whether in cash or in-kind, are offset against the related asset cost. Contributions in-kind are valued at their fair market value at the date of their contribution.

When identifiable assets, such as buildings, distribution station equipment and equipment and furniture are retired or otherwise disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets such as transmission and distribution facilities is removed from the accounts at the end of their estimated service life.

Amortization of capital asset values is charged to operations on a straight-line basis over the following years:

Transformer stations	40 years
Transformers and meters	25 to 40 years
Plant and equipment	10 to 30 years
Other	4 to10 years

Construction in progress comprises capital assets under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

2. Significant accounting policies (continued):

(i) Pension and other post employment benefits:

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

The Corporation actuarially determines the cost of other employment and post-employment benefits offered to employees using the projected benefit method prorated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at date of hire, and ended at the earliest age the employee could retire and qualify for benefits. Compensated absences and termination benefits that do not vest or accumulate are recognized as an expense when the event occurs.

(j) Customers' deposits:

Customers may be required to post security to obtain electricity or other services. Interest is paid on customer balances at rates established from time to time by the Corporation.

(k) Corporate income and capital taxes:

Under the Electricity Act, 1998, the Corporation is required to make payments in lieu of corporate income taxes to Ontario Electricity Financial Corporation ("OEFC"), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

The Corporation provides for payments in lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provision are made for future income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts of accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

2. Significant accounting policies (continued):

(l) Measurement uncertainty:

The preparation of the Corporation's financial statements, in accordance with Canadian generally accepted accounting principles, requires management to make estimates that affect the reported amounts of revenue, expenses, assets and liabilities as well as the disclosure of contingent assets and liabilities at the financial statement date. Significant estimates include unbilled revenue and amounts related to rate regulation. Due to interest uncertainty involved in making such estimates, actual results could differ from estimates recorded in preparing these financial statements including changes as a result of future regulatory decisions.

3. Long-term investment:

On December 27, 2001, the Corporation acquired in equal share with Markham Hydro Distribution Inc. all of the issued and outstanding shares of Richmond Hill Hydro Inc. for aggregate cash consideration of $120 million (plus or minus purchase price adjustments). The Corporation's purchase of a fifty percent interest in Richmond Hill Hydro Inc., subject to purchase price adjustments, to a maximum of $1.6 million, if any, is summarized as follows:

		Net cash flow on acquisition
Cash payment on date of acquisition	$ 62,071,103	$ 62,071,103
Deposit and initial payment	7,500,000	–
Cost of acquisition	531,436	531,436
	$ 70,102,539	$ 62,602,539

4. Capital assets:

			2001	2000
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 722,376	$ –	$ 722,376	$ 688,701
Transformer stations	35,912,195	6,345,078	29,567,117	21,796,730
Transformer and meters	68,044,310	26,341,282	41,703,028	42,218,635
Plant and equipment	140,103,390	56,655,552	83,447,838	84,366,727
Other	4,028,273	1,955,002	2,073,271	3,074,875
Construction in progress	1,449,230	–	1,449,230	1,111,765
	$ 250,259,774	$ 91,296,914	$158,962,860	$153,257,433

5/4 **HYDRO VAUGHAN DISTRIBUTION INC.**

Notes to Financial Statements (continued)

Year ended December 31, 2001

4. Capital assets (continued):

Amortization expense included overhead costs and other expenditure classifications is $440,398 (2000 - $103,744).

5. Bank indebtedness:

The bank indebtedness consists of a bank financing of $61,877,860 drawn on a credit facility of $70 million, due December 20, 2002 if not extended by the bank, or the earlier termination by the Corporation, with interest at the bank's prime rate, secured by a general security agreement registered against the Corporation's assets, excluding its fifty percent interest in Richmond Hill Hydro Inc.

The loan is required to be repaid in the event the Corporation sells its fifty percent interest in Richmond Hill Hydro Inc. (note 3)

6. Due to related parties:

The amount due to the City of Vaughan is comprised of amounts payable to the Corporation of the City of Vaughan and its wholly owned companies established under the provisions of the Ontario Business Corporation Act in order to comply with provisions of provincial legislation enacted to restructure the publicly owned electricity business in Ontario.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Financial Statements (continued)

Year ended December 31, 2001

6. Due to related parties (continued):

Components of the amount due to related parties are summarized as follows:

	2001	2000
Hydro Vaughan Holdings Inc.:		
Note payable, with interest at an annual rate of 5.9% (2000 - 5.5%)	$ (37,571,740)	$ (37,571,740)
Accrued interest on note	(2,589,789)	(300,000)
Advance to, without interest	24,500	–
	(40,137,029)	(37,871,740)
The Corporation of the City of Vaughan:		
Accrued interest on note payable of $45,000,000 at an annual rate of 8% (note 8(b))	(897,534)	–
Net balance receivable of inter entity transactions, without interest	2,384,368	1,297,673
	1,486,834	1,297,673
Hydro Vaughan Energy Corporation:		
Advance to, without interest	62,875	–
	$ (38,587,320)	$ (36,574,067)

Interest on the notes payable, aggregating $3,187,323 (2000 - $300,000) was charged to interest expense. At December 31, 2001, the amounts shown as due to related parties included an aggregate accrual of $3,487,323 (2000 - $300,000) related to such interest.

7. Customers' deposits:

	2001	2000
Service deposits	$ 7,868,360	$ 7,103,900
Deposits on capital projects	2,748,485	3,053,607
	10,616,845	10,157,507
Less amounts expected to be refunded within one year, included in payables	944,203	774,370
	$ 9,672,642	$ 9,383,137

8. Share capital and note payable:

(a) Background:

On incorporation, on October 24, 2000, one common share was issued for cash consideration of $1. Vaughan City Council ("Council") approved a by-law effective November 1, 2000 (the "Transfer By-Law") transferring in aggregate substantially all of the assets and liabilities of the Commission to the Corporation. In exchange for the assets and the liabilities of the Commission transferred to the Corporation ("the transfer"), the City of Vaughan ("City") received 999 common shares and a promissory note. The 999 common shares and promissory note were issued to the City for total consideration of $165,342,255, subject to adjustment as provided in the transfer By-Law, and will be allocated between the common shares and the promissory note in amounts to be determined by the City, in accordance with the Transfer By-Law. Pending such final determination, $45,000,000 has been provisionally allocated to the promissory note as described in the following paragraph.

In fiscal 2001, Council approved that effective October 1, 2001 the capital structure be adjusted to provide a debt to equity ratio of 55% debt and 45% equity with debt defined as bank indebtedness and notes payable. Accordingly, 27.2% of the consideration has been provisionally allocated to the promissory note with interest thereon commencing on October 1, 2001, at an annual rate of 8%, and the remaining 72.8% to common shares. The share capital has been adjusted for the allocation.

(b) Note payable:

	2001	2000
Note payable, with interest at an annual rate of 8% commencing October 1, 2001	$ 45,000,000	$ –

The note payable has no specified terms of repayment. The City has agreed not to call for any portion of repayment before January 1, 2003, as the Company expects the note will be required to be fully subordinated to secure credit agreements in fiscal 2002. Accordingly, the note payable has been classified as long-term.

8. Share capital and note payable (continued):

(c) Share capital:

As at December 31, 2001, the authorized and issued share capital are as follows:

	2001	2000
Authorized:		
Unlimited common shares		
Issued:		
1 common share on incorporation	$ 1	$ 1
999 common shares on transfer of assets and liabilities from the Commission (note 1)	165,342,255	165,342,255
Deduct portion allocated to note payable	(45,000,000)	–
	$ 120,342,256	$ 165,342,256

9. Employee benefits:

(a) Pensions:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of the members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. No past service liability exists.

A contribution holiday has been in effect for OMERS members since August 31, 1998. Accordingly no contributions were made during the current period.

(b) Other retirement and post-retirement benefits:

The Corporation pays certain post retirement benefits on behalf of its retired employees. Effective January 1, 2000, the former Commission adopted the Canadian Institute of Chartered Accountants new accounting standards for employee future benefits (CICA 3461). The Corporation recognizes these post retirement costs in the period in which the employees render the services. The change in accounting policy was applied prospectively. Accordingly, the transition obligation is being amortized over the average remaining service life of the current employees, which is 11 years as calculated in accordance with the methodology outlined in CICA 3461. The projected benefit obligations at December 31, 2001 and 2000 of $2,796,000 and $2,495,000, respectively, and the periodic benefit expense for the year ended December 31, 2001 and the two months ended December 31, 2000 were determined by actuarial valuation using a discount rate of 6%.

9. Employee benefits (continued):

Projected benefit obligations are outlined below:

	2001	2000
Opening, projected benefit obligations	$ 2,495,000	$ 2,448,000
Service cost for the period	161,000	26,000
Interest cost for the period	160,000	24,000
Benefits paid for the period	(20,000)	(3,000)
Closing, projected benefit obligations as determined by actuarial valuation using 6% discount rate	$ 2,796,000	$ 2,495,000

The projected benefit obligations represents an estimate of the liability for employee post retirement life insurance, health and dental benefits. At December 31, 2001, accounts payable and accrued liabilities include $ 986,000 (2000 - $ 484,000) related to the projected benefit obligations.

Components of benefit expense are outlined below:

	2001	2000
Service cost for the period	$ 161,000	$ 26,000
Interest cost for the period	160,000	24,000
Amortization of transition obligation	201,000	34,000
Benefit expense	$ 522,000	$ 84,000

The main actuarial assumptions employed for the valuations are as follows:

(i) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2.0% in 2000 and thereafter.

(ii) Interest (discount) rate:

The obligation as at December 31, 2001, of the present value of future liabilities and the expense for the year then ended and two months ended December 31, 2000, were determined using an annual discount rate of 6.0%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 4.0% for the year 2001 (2000 - 2.5%).

9. Employee benefits (continued):

(iii) Salary levels:

Future general salary and wage levels were assumed to increase at 2% per annum.

(iv) Medical costs:

Medical costs were assumed to increase at the CPI rate plus a further increase of 4% in 2001 (2000 - 5%) graded down to 1% in 2004 and thereafter.

(v) Dental costs:

Dental costs were assumed to increase at the CPI rate plus a further increase of 1% in 2001 (2000 - 1%).

10. Commitments:

(a) Shared services agreement:

Pursuant to a shared services agreement between the former Commission and the City of Vaughan, the Corporation charges the City, at agreed rates, for street lighting maintenance, forestry services and various administrative functions. In addition, the City performs certain shared services which are charged to the Corporation. Charges made for services under this agreement were $422,242 (2000 - $658,696).

(b) Long-term operating leases:

Pursuant to the restructuring (note 1), buildings and facilities used by the former Commission were transferred to other successor corporations. The Corporation continues to use these buildings and facilities. On October 1, 2001 the Corporation commenced renting the buildings and facilities under long-term operating leases which expire February 28, 2003, with options for renewal, the annual rental for which is approximately $556,000. The cost of the rent including both the rent charged under the operating leases and rent not covered by operating leases aggregated $214,900 (2000 - nil).

11. Contingencies:

(a) Insurance claims:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange is a group formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licenced to provide general liability insurance to member electric utilities.

Insurance premiums charged to each municipal electric utility consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each electric utility's claims experience. Coverage is provided to a level of $20 million per incident.

The Commission has been jointly named as a defendant in several actions. No provision has been made for these potential liabilities as the Corporation expects that these claims are adequately covered by its insurance.

(b) Other claims:

A class action claiming $500 million in restitution payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against the former Toronto Hydro-Electric Commission 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 Electricity Distributors Association is undertaking the defence of this class action. At this time, it is not possible to quantify the effect, if any, on the financial statements of the Commission.

12. Fair value of financial instruments:

The carrying values of cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities and due to related parties approximate their fair value because of the short maturity of these instruments.

The carrying value of the note payable, City of Vaughan approximates its fair value as the terms and conditions of the borrowing arrangement is comparable to current market terms and conditions for similar items.

Financial assets held by the Corporation expose it to credit risk. As at December 31, 2001, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Corporation earns its revenue from a broad base of customers located in Vaughan. No single customer would account for revenue or an accounts receivable balance in excess of 10% of the respective reported balances.

13. Other matters:

In 1997, a class action was commenced against Ontario Hydro by certain Municipal Electric Utilities ("MEUs") including the former Commission, alleging that certain rates and pricing options offered by Ontario Hydro contravened section 92 of the Power Corporation Act. On May 31, 2001, the Ontario Superior Court of Justice approved a Settlement of the class action claim. The Settlement requires the Ontario Power Generation Inc. ("OPGI") a successor corporation of the former Ontario Hydro, to pay $29 million in satisfaction of all claims advanced in the Class Proceedings. During the year, OPGI paid the Settlement of which the Corporation's proportion was $582,949. The $582,949 received by the Corporation is included in earnings as other revenue for the year ended December 31, 2001.

14. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

5/4

Code 2000

055 **Do not use this area**

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 891096810RC0001

Corporation's name

002 Hydro Vaughan Distribution 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]

011 100-2141 Major Mackenzie

012

City	Province, territory, or state
015 Vaughan	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L6A-1T1

Mailing address (if different from head office address)

Has the address changed since the last we were notified? 020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes [ ] 2 No [X]

031 100-2141 Major MacKenzie Drive

032

City	Province, territory, or state
035 Vaughan	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 L6A-1T1

040 **Type of corporation at the end of the taxation year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2001-10-01	061 2001-12-31
YYYY/MM/DD	YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes [ ] 2 No [X]

If *Yes*, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]
If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes [ ] 2 No [X]
If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]
If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedule – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

5/4

Guide	Item		Yes	Schedule
	Is the corporation related to any other corporations?	150	X	9
	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	X	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
	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	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		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
	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
130	Is the corporation subject to Part XIII.1 tax?	255		92 *

Attachments – continued from page 2

Guide item 5/4			Yes	Schedule filed
44	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
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
44	Did the corporation transfer or loan property to a non-resident trust?	260		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒

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? 282
(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 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		285	0 %
286		287	0 %
288		289	0 %

Did the corporation immigrate to Canada during the taxation year? 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? 292 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI		300	-338,796	A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43*	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	0		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		0	0	B
Subtotal (amount A minus amount B) (if negative, enter "0")			0	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions		355	0	D
Taxable income (amount C plus amount D)		360	0	
Income exempt under paragraph 149(1)(t)		370	0	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			0	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 0 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 0 B

5/4

Calculation of the business limit:

If 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	92 / 92	=	200,000	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	=	0	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 92	=	0	3
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	0 / 92	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 200,000 4

Business limit (see notes 1 and 2 below) ..... 410 50,411 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 50,411 x 415*** 0 D / 11,250 = ... 0 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 50,411 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F (enter amount G on line 9 of page 7) ..... 430 0 G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 50,411 x 300,000 / line 4 above = 75,617 A

Net active business income (amount from line 400) * ..... 0 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax ..... 0 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 0 0 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

Total of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income (as defined in subsection 125.11(1)) ..... 435 — 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 92	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 92	x 3% =	0 C.1
Amount A	0	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	0 / 92	x 5% =	0 C.2

Resource deduction – total of amounts B, C, C.1, and C.2 (enter amount D on line 10 of page 7) ..... 438 — 0 D

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 0 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0 F	
Amount QQ from Part 13 of Schedule 27		0 G	
Taxable resource income from line 435 above		0 H	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 I	
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0 J	
Aggregate investment income from line 440 of page 6		0 K	
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0 L	
Total of amounts F, G, H, I, J, K, and L		0	0 M

Amount E minus amount M (if negative, enter "0") ..... 0 N

Amount N	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 92	x 3% =	0 O
Amount N	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	x 5% =	0 P
Amount N	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 92	x 7% =	0 Q

General tax reduction for Canadian-controlled private corporations - total of amounts O, P, and Q (enter amount R on line 638 of page 7) ..... 0 R

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0 T	
Amount QQ from Part 13 of Schedule 27		0 U	
Taxable resource income from line 435 above		0 V	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 W	
Total of amounts T, U, V, and W		0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 92	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 92	x 7% =	0 BB

General tax reduction - total of amounts Z, AA, and BB (enter amount CC on line 639 of page 7) ..... 0 CC

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

5/4

Aggregate investment income .... 440 0 x 26 2/3% = ... 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income ..... 445 0 x 9 1/3% = ... 0
(amount O from Part 1 of Schedule 7) (if negative, enter "0") 0 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 0

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is less 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 3 = 0
0 0
0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0
Deduct: Corporate surtax from line 600 of page 7 0
Net amount ..... 0 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less ..... 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0
Deduct: Dividend refund for the previous taxation year 465 0
0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0
Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0
0 B

Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B 485 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 ..... 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax

5/4

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

orporate surtax calculation

Base amount from line A above	0	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	0	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0 a	0	6
28.00% of taxed capital gains	0 b		
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	0 c		
Total of lines 2 to 6		0	7
Net amount (line 1 minus line 7)		0	8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	0		
Deduct:			
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	0	0	ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	0	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	0	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		0	F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Hydro Vaughan Distribution Inc. 891096810RC0001 2001-12-31

Summary of tax and credits

Federal tax 5/4

Part I tax payable from page 7	700	0	
Part I.3 tax payable from Schedule 33, 34, or 35	704	111,974	
Part II surtax payable from Schedule 46	708	0	
Part IV tax payable from Schedule 3	712	0	
Part IV.1 tax payable from Schedule 43	716	0	
Part VI tax payable from Schedule 38	720	0	
Part VI.1 tax payable from Schedule 43	724	0	
Part XIII.1 tax payable from Schedule 92	727	0	
Part XIV tax payable from Schedule 20	728	0	
	Total federal tax		111,974

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	111,974 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	111,974	
Total credits	890	111,974	111,974 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 SINGH (Last name in block letters) 951 ALBERT (First name in block letters) 954 DIRECTOR OF FINANCE (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of the authorized signing officer of the corporation 956 905-832-8371 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

_____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

Hydro Vaughan Distribution Inc. **Sch. 001**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

5/4

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

I NCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			-2,851,002 A

Additions:

Provision for income taxes - current	101	112,000	
Amortization of tangible assets	104	2,400,206	
Subtotal of additions		2,512,206	2,512,206

Other Additions:

llaneous Other Additions:

Subtotal of Other Additions	199	0	0
Total Additions	500		2,512,206

Hydro Vaughan Distribution Inc. **Sch. 001**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

Deductions: 5/4

Subtotal of Deductions		0	0

Other Deductions:

Miscellaneous Other Deductions:

Subtotal of Other Deductions	499	0	0
Total Deductions	510		0

Net income (loss) for income tax purposes (enter on line 300 on the T2 return)	-338,796

5/4

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This Return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).**

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*

Hydro Vaughan Distribution Inc.

Ontario Corporations Tax Account No. (MOF)

1800114

Mailing Address

100-2141 Major Mackenzie

Vaughan
ON CA L6A-1T1

This CT23 Return covers the Taxation Year

Start: year month day 2001-10-01

End: year month day 2001-12-31

Has the mailing address changed since last filed CT23 Return? [ ] Yes

Date of Change: year month day

Date of Incorporation or Amalgamation: year month day

Registered/Head Office Address

100-2141 Major Mackenzie

Vaughan
ON CA L6A-1T1

Ontario Corporation No. (MCBS)

Location of Books and Records

2141 Major MacKenzie Drive

Vaughan
ON CA L6A-1T1

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter 891096810RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
ALBERT SINGH	905-832-8371	

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

[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): 0

If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS).

[X] No Change

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of **Authorized Person** *(Print clearly or type in full)*

... SINGH

Title: [ ] D Director [X] O Officer [ ] P Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	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) [ ] %

[2]

1 [ ] Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

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
[X] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)
[ ] Final Taxation Year before Amalgamation
[ ] Floating Fiscal Year End
[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[ ]	[X]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[X]	[ ]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 4 of 24
Hydro Vaughan Distribution Inc.	1800114	2001-12-31	

Income Tax

DOLLARS ONLY

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that p[ortion] of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

[I]ncome (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	-338,796.		
Subtract: Charitable donations	–	1	0.		
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–	2	0.		
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–	3	0.		
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–	4	0.		
Subtract: Federal Part VI.1 tax 0. X 9/3	–	5	0.		
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	0.		
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000%	= –	714	0.		
Farm losses	–	From 724	0.		
Restricted farm losses	–	From 734	0.		
Limited partnership losses	–	From 754	0.		
Taxable Income (Non-capital loss)	=	10	-338,796.		
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.		
Adjusted Taxable Income 10 + 11 (If 10 is negative, enter 11)	=	20	0.		

Taxable Income

Number of Days In Taxation Year

From 10 (or 20 if applicable)	0.	x	30 Ontario Allocation 100.0000%	x	12.5000%	x	Days after Sept. 30, 2001 and before Jan. 1, 2004 33 92	÷	Total Days 73 92	=	+ 29	0.
From 10 (or 20 if applicable)	0.	x	30 Ontario Allocation 100.0000%	x	14.0000%	x	Days after Dec. 31, 2003 34 0	÷	Total Days 73 92	=	+ 32	0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 0.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [ ] Yes [X] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51 0.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52 0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53 0.		
	= 0.	54	0.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	55	50,411.	

Ontario Business Limit Calculation

280,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003 28 92 ÷ ** 365	= + 43	70,575.			
320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004 31 0 ÷ ** 365	= + 46	0.			
400,000 x	Days after Dec. 31, 2003 34 0 ÷ ** 365	= + 47	0.			
Business Limit for Ontario purposes	43 + 46 + 47	= 44	70,575.	x *** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated. 48 100.0000%	= 45	70,575.
Income eligible for the IDSBC			From 30 100.0000%	x **** Ontario Allocation	x 56 0.	= 60 0.

Least of 50, 54 or 45

Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
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ome Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

6.50%	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 92	÷	Total Days [73] 92	= +	[79]	6.5000
7.00%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷	Total Days [73] 92	= +	[89]	.0000
8.50%	x	Days after Dec. 31, 2003 [34] 0	÷	Total Days [73] 92	= +	[90]	.0000

IDSBC Rate for Taxation Year [79] + [89] + [90] ..... = [78] 6.5000

Claim ..... From [60] 0. x From [78] 6.5000% ..... = [70] 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** ***Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** Taxable Income of the corporation ..... From [10] (or [20] if applicable) + [80] 0.

If you are a member of an associated group (X) [81] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
			+ [82] 0.
			+ [83] .
			+ [84] .

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. ..... = [85] 0.

Number of Days in Taxation Year

Subtract: 280,000	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 92	÷	Total Days [73] 92	= +	[113]	280,000.
320,000	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷	Total Days [73] 92	= +	[115]	0.
400,000	x	Days after Dec. 31, 2003 [34] 0	÷	Total Days [73] 92	= +	[116]	0.

[113] + [115] + [116] = 280,000. ..... − [114] 280,000.

(If negative, enter nil) ..... = [86] 0.

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax								
4.3330%	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 92	÷	Total Days [73] 92	= +	[95]	4.3330
4.6670%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷	Total Days [73] 92	= +	[96]	.0000
4.6670%	x	Days after Dec. 31, 2003 [34] 0	÷	Total Days [73] 92	= +	[97]	.0000

Specified rate of surtax for Taxation Year [95] + [96] + [97] ..... = [94] 4.3330

From [86] 0. x From [94] 4.3330% ..... = [87] 0.

From [87] 0. x From [60] 0. + From [114] 280,000. = [88] 0.

Surtax Lesser of [70] or [88] ..... = [100] 0

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
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Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits					+	120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)					− From 56		0.
Add: Adjustment for Surtax on Canadian-controlled private corporations							
From 100	0.	+ From 30	100.0000% * Ontario Allocation	+ From 78	6.5000% =	121	0.
Lesser of 56 or 121					+	122	0.
120 − 56 + 122					=	130	0.
Taxable Income					+ From 10		-338,796.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)					− From 56		0.
Add: Adjustments for Surtax on Canadian-controlled private corporations					+ From 122		0.
Subtract: Taxable Income 10	-338,796.	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 Lesser of 130 or 142	0.	X From 30 * Ontario Allocation	100.0000%	X 1.5000% X	Days after Sept. 30, 2001 and before Jan. 1, 2004 33	0	Total Days 73	92	= + 154	0.
143 Lesser of 130 or 142	0.	X From 30 * Ontario Allocation	100.0000%	X 2.0000% X	Days after Dec. 31, 2003 34	0	Total Days 73	92	= + 156	0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

** **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*. ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 − 70 + 100 − 110 − 160 − 161 − 162 − 170 − 180 ..... = 190 0.

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
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Income Tax *continued from Page 6*
Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* . . . . . + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F . . . . . + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduate. 194 0
Eligible Credit From 6598 Summary Schedule G . . . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* . . . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) . . . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) . . . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* . . . . . + 201 0.

Other (specify) _____ . . . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . . . = 225 0.

Income Tax 190 − 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* . . . . . = 230 0.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 17.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

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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	302,863,197.	
* Total Revenue of the corporation	+ 241	211,761,022.	

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 43,465,055.	+ 244 2,271,121.
			+ 245 .	+ 246 .
			+ 247 .	+ 248 .

Aggregate Total Assets	240 + 243 + 245 + 247 , etc.	= 249 346,328,252.
Aggregate Total Revenue	241 + 244 + 246 + 248 , etc.	= 250 214,032,143.

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.)*

s CMT Payable ..... CMT Base From 2135 0. (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4.0000 % = 276 0.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*	– 277	0.
Subtract: Income Tax	– From 190	0.
Net CMT Payable (If negative, enter Nil on Page 17.)	= 280	0.

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from ***Page 7*** to ***Income tax Summary, on Page 17.***

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to ***Page 17*** and transfer 280 to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From 2307 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)		+ From 190	0.
Gross CMT Payable	+ From 276	0.	
Subtract: Foreign Tax Credit for CMT purposes	– From 277	0.	
If 276 – 277 is negative, enter NIL in 290	=	0.	– 290 0.
Income Tax eligible for CMT Credit			= 300 0.
B. Income Tax (after deduction of specified credits)		+ From 230	0.
Subtract: CMT credit used to reduce income taxes		–	310 0.
Income Tax		=	320 0.

Transfer to page 17

If 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.

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Capital Tax *(Refer to Guide and Int.B. 3011)*

If corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 490 ***on page 10 then proceed to page 13.***

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+	350	120,342,256.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	2,064,581.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+	352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+	353	83,587,320.
Bank loans (Int.B. 3013)	+	354	61,877,860.
Bankers acceptances (Int.B. 3013)	+	355	0.
Bonds and debentures payable (Int.B. 3013)	+	356	0.
Mortgages payable (Int.B. 3013)	+	357	0.
Liabilities payable (Int.B. 3013)	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+	359	9,672,642.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+	360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+	361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+	362	0.
Subtotal	=	370	277,544,659.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	−	371	-2,292,177.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	−	372	0.
Total Paid-up Capital	=	380	279,836,836.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	−	381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	0.
Net Paid-up Capital	=	390	279,836,836.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	70,102,539.
Loans and advances to unrelated corporations	+	405	0.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	0.
Cost of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	0.
Total Eligible Investments	=	410	70,102,539.

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Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	+ 420	302,863,197.
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	302,863,197.
Amounts in 360 and 361 (if deducted from assets)	+ 440	0.
Subtract: Amounts in 371, 372 and 381	- 441	-2,292,177.
Subtract: Appraisal surplus if booked	- 442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	± 443	0.
Total Assets	= 450	305,155,374.

Investment Allowance (410 + 450) x 390 — Not to exceed 410	= 460	64,286,178.
Taxable Capital 390 - 460	= 470	215,550,658.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	53,375,381.
Total Assets (as adjusted)	From 430	302,863,197.

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 0.

\- 0.

471 0. X From 30 100.0000% (Ontario Allocation) X .3000% X 555 92 / ** 365 (366 if leap year) ..... = + 523 0.

Transfer to 543 on page 12 and complete the return from that point

** *If floating taxation year, refer to Guide.*

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DOLLARS ONLY

C tal Tax Calculation *continued from Page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. ☒ 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do NOT complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 ..... + From 470 215,550,658.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
See attached			+ 531 3.
			+ 532 .
			+ 533 .
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc.			= 540 215,550,661.

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 470 215,550,658. ÷ From 540 215,550,661. x 5,000,000 ..... = 541 5,000,000.

Transfer to 542 in Section D on page 12

s.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 12 of 24
Hydro Vaughan Distribution Inc.	1800114	2001-12-31	DOLLARS ONLY

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.

+ From 470	215,550,658.											
− 542	5,000,000.											
= 471	210,550,658.	x From 30	100.0000% (Ontario Allocation)	x	.3000%	x	555 92 / ** 365 (366 if leap year) (Days in taxation year)	.....	= + 523	159,211.	**Total Capital Tax for the taxation year**	*Transfer to 543 and complete the return from that point*

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From 470	0.	x From 30	100.0000% (Ontario Allocation)	x	.3000%	.....	= + 561	0.		
−	Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form						.....	− From 995	0.		
								= 562	0.		
Capital Tax		562	0.	x	555 92 / ** 365 (366 if leap year) (Days in taxation year)		.....	= 563	0.		*Transfer to 543 and complete the return from that point*

floating taxation year, refer to Guide.

Capital Tax *before application of specified credits*	.....	= 543	159,211.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	.....	− 546	0.
Capital Tax 543 − 546 *(amount cannot be negative)*	.....	= 550	159,211.

Transfer to Page 17

continued on Page 13

Corporation's Legal Name: H[illegible] Vaughan Distribution Inc.

Ontario Corporations Tax Account No. (MOF): 1800114

Taxation Year End: 2001-12-31

DOLLARS ONLY

C[illegible]tal Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.6% X From [30] ____% x [555] 0 + ** 0 (366 if leap year) / Days in taxation year = + [569] 0.

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1

Ontario Allocation

[570] 0. x [571] 0.00% X From [30] ____% x [555] 0 + ** 0 (366 if leap year) / Days in taxation year = + [574] 0.

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate *(Refer to Guide)*

Ontario Allocation

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

** *Leap year, refer to Guide.*

I[illegible]mall Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.

Transfer to page 17

5/4

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2001-12-31

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 -338,796.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	0.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

		Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days		
612	0. x 5 ÷ 12.5000 x	33 92	÷ 73 92	= + 633	0.
612	0. x 5 ÷ 14.0000 x	Days after Dec. 31, 2003: 34 0	÷ 73 92	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 .... = 0. + 613 0.

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161	+ 615	0.
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	0.
Federal allowable business investment loss	+ 620	0.
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	0.

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 0. 640 0.
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	0.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	0.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(Applies only to electrical generating corporations.)*	+ 674	0.
A for investments in qualifying energy-efficient equipment and for assets d to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	0.

Transfer to Page 15

continued on Page 15

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 15 of 24
Hydro Vaughan Distribution Inc.	1800114	2001-12-31	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 -338,796.

Total of Additions ..... From = 640 0.

Sub Total of deductions on page 14 ..... From = 681 0.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x Gross-up of CCA 100 / From 30 100.0000 Ontario Allocation] – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: [665 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: [667 0. x 100.00% x 100 / From 30 100.0000 Ontario Allocation] = 668 0.

Number of employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI) (*Applies* to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 671 0.

Educational Technology Tax Incentive (*Applies* to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x 100 / From 30 100.0000 Ontario Allocation] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 0. 680 0.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 -338,796.
Transfer to Page 4

Corporation's Legal Name: Hydro Vaughan Distribution Inc.
Ontario corporations Tax Account No. (MOF): 1800114
Taxation Year End: 2001-12-31

CT23 Page 16 of 24
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) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 338,796	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	703 338,796	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 338,796	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1993-09-30				850 0	870 0
801 8th preceding taxation year 1994-09-30				851 0	871 0
802 7th preceding taxation year 1995-09-30				852 0	872 0
803 6th preceding taxation year 1996-09-30	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1997-09-30	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 1998-09-30	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 1999-09-30	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2000-09-30	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2001-09-30	825 0	835 0	845 0	858 0	878 0
Current taxation year 2001-12-31	826 338,796	836 0	846 0	859 0	879 0
Total	829 338,796	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 17 of 24
Hydro Vaughan Distribution Inc.	1800114	2001-12-31	DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

A[illegible] to corporations requesting a reassessment of the return of one or more p[illegible] is taxation years under s.80(16) with respect to one or more types of l[illegible] 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	910 338,796	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending (year month day)				
i) 3rd preceding ____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding ____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding ____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
E[illegible]ce of loss available for carry-forward	919 338,796	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		0.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		159,211.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		159,211.
Subtract: Payments	– 960		166,628.
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		-7,417.
If payment due	Enclosed * 990		0.
If [illegible]ayment: Refund *(Refer to Guide)*	= 975		7,417.
Apply to (year month day)	980		0.

(includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

ALBERT SINGH

Title

DIRECTOR OF FINANCE

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2001-12-31

DOLLARS ONLY

Corporate Minimum Tax - Schedule A:
Calculation of CMT Base

- 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 **-2,851,002.**

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	+ 2101	0.	
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 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, under fed.s.191.1(1) 0. X 9/3	+ 2108	0.	
Subtotal	=	0.	- 2109 0.

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+ 2110	112,000.	
Provision for deferred income taxes (debits) / cost of future income taxes	+ 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 s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.	
Subtotal	=	112,000.	+ 2115 112,000.

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		-2,739,002.
** 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 19.***)	= 2133		-2,739,002.

Deduct: * CMT losses: pre-1994 Loss	+ From 2210	0.		
* CMT losses: other eligible losses	+ 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

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2001-12-31

DOLLARS ONLY

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	2,739,002.			
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	=	2,739,002.	+ 2207	2,739,002.	
Adjustments (attach schedule)			± 2208	0.	
CMT losses available 2201 + 2207 ± 2208			= 2209	2,739,002.	
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	2,739,002.	

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.

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	9th preceding taxation year	2260 0	2280 0
2241	8th preceding taxation year	2261 0	2281 0
2242	7th preceding taxation year 1995-09-30	2262 0	2282 0
2243	6th preceding taxation year 1996-09-30	2263 0	2283 0
2244	5th preceding taxation year 1997-09-30	2264 0	2284 0
2245	4th preceding taxation year 1998-09-30	2265 0	2285 0
2246	3rd preceding taxation year 1999-09-30	2266 0	2286 0
2247	2nd preceding taxation year 2000-09-30	2267 0	2287 0
2248	1st preceding taxation year 2001-09-30	2268 0	2288 0
	Current taxation year 2001-12-31	2269 2,739,002	2289 0
	Totals	2270 2,739,002	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2001-12-31

DOLLARS ONLY

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))

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	9th preceding taxation year	2360 0	2380 0
2341	8th preceding taxation year	2361 0	2381 0
2342	7th preceding taxation year 1995-09-30	2362 0	2382 0
2343	6th preceding taxation year 1996-09-30	2363 0	2383 0
2344	5th preceding taxation year 1997-09-30	2364 0	2384 0
2345	4th preceding taxation year 1998-09-30	2365 0	2385 0
2346	3rd preceding taxation year 1999-09-30	2366 0	2386 0
2347	2nd preceding taxation year 2000-09-30	2367 0	2387 0
2348	1st preceding taxation year 2001-09-30	2368 0	2388 0
	Current taxation year 2001-12-31	2369 0	2389 0
	Totals	2370 0	2390 0

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310.

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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
Hydro Vaughan Distribution Inc.	1800114	2001-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Hyhro Vaughan Energy	1800115	2001-12-31	+ 3,303,524	+
Hydro Vaughan Holdings Inc.	1800116		+ 40,161,530	+ 2,271,121
1446631 Ontario Inc.		2001-12-31	+ 1	+
Hydro Vaughan Holdings Inc.		2001-12-31	+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
Totals			= 43,465,055	= 2,271,121
			Transfer to 249 of the CT23	Transfer to 250 of the CT23

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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
Hydro Vaughan Distribution Inc.	1800114	2001-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
Total *Transfer to* 353 *of the CT23*	= 83,587,320

Hydro Vaughan Distribution Inc. **Sch. 033**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

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Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

I.3 TAX ON LARGE CORPORATIONS

- 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 or 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	9,672,642
Capital stock (or members' contributions if incorporated without share capital)	103	120,342,256
Retained earnings	104	2,064,581
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	106,877,860
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	38,587,320
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

Hydro Vaughan Distribution Inc. **Sch. 033**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

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Part 1 - Capital (cont'd)

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	0		
	Subtotal	277,544,659	277,544,659	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
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	0		
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 at the end of the year	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		277,544,659	

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	70,102,539
A loan or advance to another corporation (other than a financial institution)	402	0
A bond, debenture, note, mortgage, hypothecary claim, 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, 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	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	70,102,539

Hydro Vaughan Distribution Inc. **Sch. 093**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

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Part 2 - Investment allowance (cont'd)

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)	277,544,659	C
Deduct: Investment allowance for the year (line 490)	70,102,539	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0") 500	207,442,120	

Part 4 - Taxable capital employed in Canada

Completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	207,442,120	X	Taxable income earned In Canada / Taxable income	610	1,000 / 1,000 =	**Taxable capital employed In Canada**	690	207,442,120

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.

Hydro Vaughan Distribution Inc. **Sch. 033**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

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Part 4 - Taxable capital employed in Canada (cont'd)

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on 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		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 through a permanent establishment in Canada	712	0	
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	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

Note: 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 I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)							207,442,120	
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801						10,000,000	
Excess of taxable capital employed in Canada over capital deduction	811						197,442,120	

Year	Line 811		Number of days		Number of days in the taxation year					
Before 2004	197,442,120	x	(92	/	92)	x	.2250%	=	444,245	F
2004	197,442,120	x	(0	/	92)	x	.2000%	=	0	G
2005	197,442,120	x	(0	/	92)	x	.1750%	=	0	H
2006	197,442,120	x	(0	/	92)	x	.1250%	=	0	I
2007	197,442,120	x	(0	/	92)	x	.0625%	=	0	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) 444,245 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 444,245 x Number of days in the year 92 / 365 = 111,974 L

Gross Part I.3 tax (amount K or L, whichever applies) 820 111,974

Hydro Vaughan Distribution Inc. **Sch. 033**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

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Part 6 - Calculation of gross Part I.3 tax for purposes of the unused surtax credit

T[illegible] capital employed in Canada (line 690 or 790, whichever applies)	207,442,120	M
I[illegible]: Capital deduction claimed for the year (1/5 of line 801 If the taxation year end after 2003)	10,000,000	N
Excess (amount M minus amount N) (If negative, enter "0")	197,442,120	O

Amount O 197,442,120 x .2250% =..... 444,245 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 444,245 x Number of days in the year 92 / 365 =..... 111,974 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies)..... 821 111,974

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.

[illegible] 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	0	a	
b) line 700 from the T2 return	0	b	0 R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from the T2 return 0 x (line 690 of this schedule 207,442,120 / line 500 of this schedule 207,442,120) = 0 c

d) line 700 from the T2 return	0	d	0 S

Current-year surtax credit available (amount R or S, whichever applies)..... 830 0

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830).....	0
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821).....	111,974
Current-year unused surtax credit (if negative, enter "0")..... 850	0

Enter this amount at line 600 on Schedule 37.

Hydro Vaughan Distribution Inc. **Sch. 031**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

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Part 9 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			111,974 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	0	
Unused surtax credit form previous years applied (amount from line 320 on Schedule 37)	862	0	
Subtotal (cannot be more than amount on line 820)		0	0 U
Net Part I.3 tax payable (amount T minus amount U)	870		111,974

Enter this amount at line 704 of the T2 return.

Hydro Vaughan Distribution Inc. **Sch. 036**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

5/4

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

EEMENT 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 or $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.

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 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.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (do not use this area)	010	
Is this an amended agreement?	020	[Y/N] [N]
Calendar year to which the agreement applies	030	Year 2001

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 I.3 tax under subsection 181.1(3) does not have 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
Hydro Vaughan Distribution Inc	891096810RC0001	10,000,000	2001-12-31
See attached		0	
		10,000,000	
Total (Before 2004 must not exceed $10,000,000 After 2003 must not exceed $50,000,000)		10,000,000	

Note 1: If a corporation is not registered, enter "NR."

Note 2: 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.

Hydro Vaughan Distribution Inc. **Sch. 036-Supp**
Account/Business No.: 891096810RC0001 Year Ended: 2001-12-31
AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX
5/4

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 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	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]
Hydro Vaughan Energy Corp		0	2001-12-31
1446631 Ontario Inc.		0	2001-12-31
Hydro Vaughan Holdings Inc.		0	2001-12-31
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR."

Note 2: 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.

Schedule 36 - Supplementary

Hydro Vaughan Distribution Inc. **Sch. 050**
Account/Business No.: 891096810RC0001 **Year Ended: 2001-12-31**

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Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
The Corpration of the City of Vaughan			100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	**PowerStream Inc. - Vaughan**
OEB File Number	**0**
Filing Year	**2002**

	A	B	C	D
1	**PILs TAXES**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - Vaughan**			Colour Code
4	**Reporting period: 2002**			**Input Cell**
5				**Formula in Cell**
6	**Days in reporting period:**	365	days	
7	**Total days in the calendar year:**	365	days	
8				
9	**BACKGROUND**			
10	Has the utility reviewed section 149(1) ITA to			
11	confirm that it is not subject to regular corporate			
12	tax (and therefore subject to PILs)?		Y/N	Y
13				
14	Was the utility recently acquired by Hydro One			
15	and now subject to s.89 & 90 PILs?		Y/N	N
16				
17	Is the utility a non-profit corporation?		Y/N	N
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)			
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N
20		LCT	Y/N	N
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		0%
22		LCT		0%
23				
24	Accounting Year End		Date	12-31-2002
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			180,841,143
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			15,002,581
42				
43	1999 return from RUD Sheet #7			10,038,003
44				
45	Total Incremental revenue			4,964,578
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			1,654,859
48	Amount allowed in 2002			1,654,859
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			81,378,514
57				
58	Return at target ROE			8,040,197
59				
60	Debt			99,462,629
61				
62	Deemed interest amount in 100% of MARR			6,962,384
63				
64	Phase-in of interest - Year 1 (2001)			5,426,413
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			6,194,398
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			6,194,398
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			6,962,384
71				
72				

	A	B	C	D	E	F	G	
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: PowerStream Inc. - Vaughan**							
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	13,347,721		5,152,705		18,500,426	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	7,733,745		2,606,910		10,340,655	
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			1,740,000		1,740,000	
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"**				596,573		596,573	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	7,241,188		3,326,248		10,567,436	
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	6,194,398		-568,398		5,626,000	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			986,000		986,000	
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"**				463,057		463,057	
49								
50	TAXABLE INCOME/ (LOSS)		7,645,880		5,889,281	Before loss C/F	13,535,161	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	
54								
55	REGULATORY INCOME TAX		2,952,839		1,191,101	Actual	4,143,940	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		2,952,839		1,191,101	Actual	4,143,940	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	180,841,143		17,910,835		198,751,978	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-39,934		4,960,066	
68	Taxable Capital		175,841,143		17,870,901		193,791,912	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		527,523		55,952	**Overpaid**	583,476	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	180,841,143		15,840,600		196,681,743	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		170,841,143		15,840,600		186,681,743	
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)		384,393		35,641		420,034	
82	Less: Federal Surtax 1.12% x Taxable Income	21	85,634		34,833		120,467	
83								
84	Net LCT		298,759		808		299,567	
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: PowerStream Inc. - Vaughan**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	4,724,542			**Actual 2002**	4,143,940	
91	LCT (proxy tax is grossed-up)	23	478,014			**Actual 2002**	299,567	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	527,523			**Actual 2002**	583,476	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	5,730,080			**Actual 2002**	5,026,983	
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			1,740,000			
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			986,000			
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		=	754,000			
121								
122	Income Tax Rate (including surtax) from **2002** Utility's tax return			x	38.62%			
123								
124	Income Tax Effect on True-up adjustments			=	291,195			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				291,195			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				465,912			
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)			=	7,645,880			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	38.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	2,952,839			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	2,952,839			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,952,839			
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: PowerStream Inc. - Vaughan**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	180,841,143			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	175,841,143			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	527,523			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	527,523			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				180,841,143			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	170,841,143			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				384,393			
169	Less: Federal surtax			-	85,634			
170	Revised Net LCT			=	298,759			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	298,759			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	465,912			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	465,912			
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)				6,962,384			
194	Interest phased-in (Cell C36)				6,194,398			
195								
196	Variance due to phase-in of debt component of MARR in rates				767,986			
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)				5,626,000			
202	Total deemed interest (REGINFO CELL D61)				6,962,384			
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**				767,986			
209								
210								
211								

	A	B	C	D	E
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**
4	**0**		**Return**		
5					**Version 2009.1**
6	**Section A: Identification:**				
7	**Utility Name: PowerStream Inc. - Vaughan**				
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 :**		203,446	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-28,841,081		-28,841,081
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	10,340,655		10,340,655
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	18,500,426	0	18,500,426
51	Less: Interest expense for accounting purposes	-	5,626,000		5,626,000
52	Provision for payments in lieu of income taxes	-	5,148,755		5,148,755
53	**Net Income (loss)**	=	7,725,671	0	7,725,671
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	+	5,148,755	0	5,148,755
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	10,340,655	0	10,340,655
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	+	1,740,000	0	1,740,000
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"***		596,573	0	596,573
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*		17,825,983	0	17,825,983
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	=	17,825,983	0	17,825,983
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	-	$10,363,204		10,363,204
98	Cumulative eligible capital deduction	-	$204,232		204,232
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*	-	986,000	0	986,000
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		463,057	0	463,057
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	=	12,016,493	0	12,016,493
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	=	12,016,493	0	12,016,493
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	=	13,535,161	0	13,535,161
135	DEDUCT:				
136	Non-capital loss applied positive number	-	2,805,123		2,805,123
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	10,730,038	0	10,730,038
140					
141	**FROM ACTUAL TAX RETURNS**				
142	Net Federal Income Tax (Must agree with tax return)	+	2,802,685		2,802,685
143	Net Ontario Income Tax (Must agree with tax return)	+	1,341,255		1,341,255
144	Subtotal	=	4,143,940	0	4,143,940
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0
146	**Total Income Tax**	=	4,143,940	0	4,143,940
147					
148	**FROM ACTUAL TAX RETURNS**				
149	Net Federal Income Tax Rate (Must agree with tax return)		26.12%		26.12%
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%
151	Blended Income Tax Rate		38.62%	**********	38.62%
152					
153	**Section F: Income and Capital Taxes**				
154					
155	**RECAP**				
156	Total Income Taxes	+	4,143,940	0	4,143,940
157	Ontario Capital Tax	+	583,476		583,476
158	Federal Large Corporations Tax	+	299,567		299,567
159					
160	**Total income and capital taxes**	=	5,026,983	0	5,026,983

	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: PowerStream Inc. - Vaughan**					
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		986,000		986,000	
48	Other - Please describe				0	
49					0	
50	**Total (**carry forward to the TAXREC worksheet)		986,000	0	986,000	
51						
52	**End of Year:**					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		200,000		200,000	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	OPEB		1,540,000		1,540,000	
60					0	
61					0	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		1,740,000	0	1,740,000	
64						

	A	B	C	D	E
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: PowerStream Inc. - Vaughan**				
9	**Reporting period: 2002**				
10	**Number of days in taxation year:**		365		
11	**Materiality Level:**		203,446		
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
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: PowerStream Inc. - Vaughan**				
9	**Reporting period: 2002**				
10	**Number of days in taxation year:**		365		
11	**Materiality Level:**		203,446		
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
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: PowerStream Inc. - Vaughan**				**Version 2009.1**
9					
10					
11	**Reporting period: 2002**				
12	**Number of days in taxation year:**		365		
13					
14					
15					
16	**Section C: Reconciliation of accounting income to taxable income**				
17	**Add:**				
18					
19	Recapture of capital cost allowance	+			0
20	CCA adjustments	+			0
21	CEC adjustments	+			0
22	Gain on sale of non-utility eligible capital property	+			0
23	Gain on sale of utility eligible capital property	+			0
24	Loss from joint ventures or partnerships	+			0
25	Deemed dividend income	+			0
26	Loss in equity of subsidiaries and affiliates	+			0
27	Loss on disposal of utility assets	+			0
28	Loss on disposal of non-utility assets	+			0
29	Depreciation in inventory -end of year	+			0
30	Depreciation and amortization adjustments	+			0
31	Dividends credited to investment account	+			0
32	Non-deductible meals	+	20,000		20,000
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	Financing Fees Deducted	+	96,667		96,667
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	Adjustment to Finacing Fee Deduction	+	314,064		314,064
45	Pre-October 1 Bad Debt Write-off Disallowed	+	165,842		165,842
46		+			
47	**Total Additions on which true-up does not apply**	=	596,573	0	596,573
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	Amort Finance Fees	-	463,057		463,057
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

	A	B	C	D	E	
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: PowerStream Inc. - Vaughan**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	463,057	0	463,057	
74						
75						

PILs TAXES
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: PowerStream Inc. - Vaughan
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%		22.12%	26.12%
Ontario		6.00%		9.75%	12.50%
Blended rate		19.12%		31.87%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5MM	4,960,066			
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
1	**PILs TAXES**													
2	**Analysis of PILs Tax Account 1562:**													
3	**Utility Name: PowerStream Inc. - Vaughan**													**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		465,912		465,912		465,912		465,912	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**	+/-			465,912									465,912
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		465,912		465,912		465,912		465,912		465,912	465,912
28														
29														
30														
31	**Uncollected PILs**													
32														
33	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepaye													
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.													
35														
36	**Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**													
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.													
71														
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.													
74														
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														

SECTION 93 PILs TAX GROSS-UP "SIMPIL"			
REGULATORY INFORMATION (REGINFO)			
Utility Name **VAUGHAN**			**Amount**
Reporting period: Q4/2001; 2002			
BACKGROUND			
Has the utility reviewed section 149(1) ITA to			
confirm that it is not subject to regular corporate			
tax (and therefore subject to PILs)?		Y	
Was the utility recently acquired by Hydro One			
and now subject to s.89 & 90 PILs?		N	
Accounting Year End		31-Dec	
MARR NO TAX CALCULATIONS			
SHEET #7 FINAL RUD MODEL DATA			
(FROM 1999 FINANCIAL STATEMENTS)			
USE BOARD-APPROVED AMOUNTS			
Rate base (wires-only)			180,841,143
Common Equity Ratio (CER)			45.0%
1-CER			55.00%
Target Return On Equity			9.88%
Debt rate			7.00%
Market Adjusted Revenue Requirement			15,002,581
1999 return from RUD Sheet #7			10,038,003
Total Incremental revenue			4,964,578
Input Board-approved dollar amounts phased-in			
Amount allowed in 2001, Year 1	1,654,859	0	1,654,859
Amount allowed in 2002, Year 2	1,654,859	551,808	2,206,667
Amount allowed in 2003, Year 3	1,654,859	275,904	1,930,763
Equity			81,378,514
Return at target ROE			8,040,197
Debt			99,462,629
Deemed interest amount in EBIT			6,962,384
Phase-in of interest - Year 1			5,426,413
((D34+D39)/D32)*D49			
Phase-in of interest - Year 2			6,194,398
((D34+D39+D40)/D32)*D49			
Phase-in of interest - Year 3 (D49)			6,962,384

	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 (TCALQ401EST)**			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	Utility Name: **VAUGHAN**										Column
8	**Reporting period: OCT. 1 - DEC. 31, 2001**										Brought
9											Forward
10											From
11											TAXREC
12	**I) CORPORATE INCOME TAXES**										
13											
14	ACCOUNTING INCOME										
15	Regulatory Net Income	1		1A	2,923,216		2,923,216	1B	-2,923,216		0
16											
17	BOOK TO TAX ADJUSTMENTS										
18											
19	*Additions: To Accounting Income*										
20	Depreciation & Amortization	2		2A	1,933,436		1,933,436	2B	-1,933,436		0
21	Federal Large Corporation Tax	3		3A	0			3B	0		0
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0
23	Change in Tax Reserves	5		5A	0			5B	0		0
24	Regulatory Adjustments	6		6A	0			6B	0		0
25	Other Additions (See Tab entitled "TAXREC")										
26	"Material" Item #1	7		7A	0			7B	0		0
27	"Material" Item #2	7		7A	0			7B	0		0
28	Other Additions (not "Material")	7		7A	0			7B	0		0
29	*Deductions: From Accounting Income*										
30	Capital Cost Allowance	8		8A	-915,114		-915,114	8B	915,114		0
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0
33	Regulatory Adjustments	11		11A	0			11B	0		0
34	Interest Expense Deemed/ Incurred	12		12A	-1,356,603		-1,356,603	12B	1,356,603		0
35	Other Deductions (See Tab entitled "TAXREC")										
36	"Material" Item #1	13		13A	0			13B	0		0
37	"Material" Item #2	13		13A	0			13B	0		0
38	Other Deductions (not "Material")	13		13A	0			13B	0		0
39											
40	REGULATORY TAXABLE INCOME		0		2,584,935		2,584,935		-2,584,935		0
41	(sum of above)										
42											
43	CORPORATE INCOME TAX RATE										
44	Deemed %	14	40.6200%	14A	0.0000%		40.6200%	14B	0.0000%		40.6200%
45											
46	REGULATORY INCOME TAX										
47	Taxable Income x Rate		0		1,050,000		1,050,000		-1,050,000		0
48											
49	Miscellaneous Tax Credits	15		15A	0			15B	0		
50											
51	**Total Regulatory Income Tax**		0		1,050,000		1,050,000		-1,050,000		0
52											
53											
54											

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCALQ401EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16		16A	180,841,143		180,841,143	16B	-180,841,143		0	16C
60	Less: Exemption	17		17A	-5,000,000		-5,000,000	17B	5,000,000		0	17C
61	Deemed Taxable Capital		0		175,841,143		175,841,143		-175,841,143		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		131,881		131,881		-131,881		0	
66												
67	*Federal (LCT)*											
68	Base	19		19A	180,841,143		180,841,143	19B	-180,841,143		0	19C
69	Less: Exemption	20		20A	-10,000,000		-10,000,000	20B	10,000,000		0	20C
70	Deemed Taxable Capital		0		170,841,143		170,841,143		-170,841,143		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		0		96,098		96,098		-96,098		0	
75	Less: Federal Surtax	22	0	22A	-7,238		-7,238	22B	7,238		0	22C
76												
77	Net LCT		0		88,860		88,860		-88,860		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	0	23A	1,735,538		1,735,538	23B	-1,735,538			n/a
83	LCT (grossed-up)	24	0	24A	146,877		146,877	24B	-146,877			n/a
84	Ontario Capital Tax	25	0	25A	131,881		131,881	25B	-131,881			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		0		2,014,295		2,014,295		-2,014,295			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCALQ401EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-6,962,384			
122	Interest phased-in - (Deferral Account Cell G34)								1,356,603			
123												
124	Variance due to phase-in of debt stucture								-5,605,781			
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)								6,962,384			
132												
133	Variance caused by excess debt								6,962,384			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								1,356,603			
138												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCAL2002EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
6												
7	**Utility Name: VAUGHAN**										Column	
8	Reporting period: **2002**										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1	13,347,721	1A	-13,347,721			1B	0		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2	7,733,745	2A	-7,733,745			2B	0		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8	-7,241,188	8A	7,241,188			8B	0		0	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12	-6,194,398	12A	6,194,398			12B	0		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		7,645,880		-7,645,880		0		0		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	0.0000%		38.6200%	14B	0.0000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		2,952,839		-2,952,839		0		0		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		2,952,839		-2,952,839		0		0		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCAL2002EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16	180,841,143	16A	-180,841,143			16B	0		0	16C
60	Less: Exemption	17	-5,000,000	17A	5,000,000			17B	0		0	17C
61	Deemed Taxable Capital		175,841,143		-175,841,143		0		0		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		527,523		-527,523		0		0		0	
66												
67	*Federal (LCT)*											
68	Base	19	180,841,143	19A	-180,841,143			19B	0		0	19C
69	Less: Exemption	20	-10,000,000	20A	10,000,000			20B	0		0	20C
70	Deemed Taxable Capital		170,841,143		-170,841,143		0		0		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		384,393		-384,393		0		0		0	
75	Less: Federal Surtax	22	-85,634	22A	85,634		0	22B	0		0	22C
76												
77	Net LCT		298,759		-298,759		0		0		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	4,724,542	23A	-4,724,542		0	23B	0			n/a
83	LCT (grossed-up)	24	478,014	24A	-478,014		0	24B	0			n/a
84	Ontario Capital Tax	25	527,523	25A	-527,523		0	25B	0			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		5,730,080		-5,730,080		0		0			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCAL2002EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-6,962,384			
122	Interest phased-in - (Deferral Account Cell G34)								0			
123												
124	Variance due to phase-in of debt stucture								-6,962,384			
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)								6,962,384			
132												
133	Variance caused by excess debt								6,962,384			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								0			
138												

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

	A	B	C	D	E	
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						
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						
84	*Total Other Additions*		0	0	0	7C
85						
86	Total Additions		0	0	0	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance				0	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred				0	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			0	0	0	
97	*Other deductions:* **(From T2 S1)**					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				0	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

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

	A	B	C	D	E	
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						

SHEET 1 - 2001 OEB Approved Rate Schedule

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0066
MONTHLY SERVICE CHARGE (Per Customer)	$10.44
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0097
MONTHLY SERVICE CHARGE (Per Customer)	$25.26
COST OF POWER KWH RATE	$0.0645

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.9000
MONTHLY SERVICE CHARGE (Per Customer)	$275.10
COST OF POWER KW RATE	$6.1104
COST OF POWER KWH RATE	$0.0452

LARGE USE

DISTRIBUTION KW RATE	$0.7742
MONTHLY SERVICE CHARGE (Per Customer)	$7,009.03

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.5018
MONTHLY SERVICE CHARGE (Per Connection)	$0.50
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.3345
MONTHLY SERVICE CHARGE (Per Connection)	$0.86
COST OF POWER KW RATE	$19.7974

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		$ 10.00	
Change of Occupancy		$ -	
Account History			
Administration Fee		$ -	
Current Year Data		$ 30.00	
Previous Year Billing Consumption Data			
On Line - per year charge		$ 30.00	
Off Line - per year charge		$ 50.00	
Easement Letter		$ 20.00	
Arrear's Certificate		$ 15.00	
Late Payment (per month, per annum)		1.50%	19.56%
Returned Cheque		$ 20.00	
Collection of Account Charge		$ 10.00	
Final Bill Fee		$ 10.00	
Special Reading Charge Fee (Repeat F/B Fee)		$ 20.00	
Income Tax Letter		$ 15.00	
Bill Copy		$ 2.00	
Reference Letter		$ 15.00	
Temporary Service Disconnection		$ 50.00	
Disconnect at Customer's Request		$ 50.00	
Meter Test - Customer Request		$ 50.00	
Temporary Pole Service		$ 400.00	
Reconnect Charges (at meter) - during regular working hours		$ 20.00	
Reconnect Charges (at meter) - after regular working hours		$ 50.00	
Diversity Adjustment Credit (per KW)	Winter	$ 0.93	
(discontinued at Market Opening)	Summer	$ 1.04	
Transformer Ownership Credit (per kw)		$ 0.60	
Primary Metering Allowance		1% of kw and kwh billed	

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

or

98.90%

of current rates.

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.006527
MONTHLY SERVICE CHARGE (Per Customer)	$10.3252
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.009593
MONTHLY SERVICE CHARGE (Per Customer)	$24.9821
COST OF POWER KWH RATE	$0.06450

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.879100
MONTHLY SERVICE CHARGE (Per Customer)	$272.0739
COST OF POWER KW RATE	$6.1104
COST OF POWER KWH RATE	$0.0452

LARGE USE

DISTRIBUTION KW RATE	$0.765684
MONTHLY SERVICE CHARGE (Per Customer)	$6,931.93

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
	$10.31	$7.42	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.485280
MONTHLY SERVICE CHARGE (Per Connection)	$0.4945
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.3088
MONTHLY SERVICE CHARGE (Per Connection)	$0.8505
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

Enter the 1/3 of incremental MARR used in the RUD Model that your LDC used for approved 2001 rates. $ 1,654,859.41

Enter the 1/3 of incremental MARR you seek to recover in 2002 (should be same as previous entry) $ 1,930,763.41

Enter the 1/3 of incremental MARR you will seek to recover in 2003 (should be same as first 1/3 increment) $ 1,930,763.41

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

1999 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	1999 Revenue Shares	2002 1/3 MARR Allocations
RESIDENTIAL CLASS	-	466,526,071	43,432	$7,997,110.08	32.03%	$ 618,351.80
GENERAL SERVICE <50 KW CLASS	-	273,625,851	8,318	$4,862,296.30	19.47%	$ 375,962.02
GENERAL SERVICE >50 KW NON TIME OF USE	3,681,298		1,547	$11,341,109.13	45.42%	$ 876,916.18
GENERAL SERVICE >50 KW TIME OF USE	0	-	0		0.00%	$ -
INTERMEDIATE USE	0	-	0	$0.00	0.00%	$ -
LARGE USER CLASS	307,808	-	5	$617,885.46	2.47%	$ 47,776.08
SENTINEL LIGHTS	360	-	159	$1,401.92	0.01%	$ 108.40
STREET LIGHTING CLASS	24,888	-	9,902	$150,655.03	0.60%	$ 11,648.93
TOTALS				$24,970,457.92	1.00	$ 1,930,763.41
			Allocated Total for 2002 including adjustments at Cell B13 ==>			$ 1,930,763.41

Residential Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G26 above)	$ 223,843.35	$ 394,508.45	$ 618,351.80
(B) RETAIL KWH	466,526,071		
(C) NUMBER OF CUSTOMERS		43,432	
(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)	$0.000480		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.7569	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED DISTRIBUTION REVENUE
	0.514	0.486	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G27 above)	$ 193,244.48	$ 182,717.54	$ 375,962.02
(B) RETAIL KWH	273,625,851		
(C) NUMBER OF CUSTOMERS		8,318	
(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)	$0.000706		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$1.8305	

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.578	0.422	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G28 above)	$ 506,857.55	$ 370,058.63	$ 876,916.18
(B) RETAIL KW	3,681,298		
(C) NUMBER OF CUSTOMERS		1,547	
(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)	$0.137684		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$19.9342	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G31 above)	$ 17,294.94	$ 30,481.14	$ 47,776.08
(B) RETAIL KW	307,808		
(C) NUMBER OF CUSTOMERS		5	
(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)	$0.056187		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$508.0190	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G32 above)	$ 39.24	$ 69.16	$ 108.40
(B) RETAIL KW	360		
(C) NUMBER OF CUSTOMERS (Connections)		159	
(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)	$0.109001		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.0362	

Streetlighting Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G33 above)	$ 4,216.91	$ 7,432.02	$ 11,648.93
(B) RETAIL KW	24,888		
(C) NUMBER OF CUSTOMERS		9,902	
(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)	$0.169436		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.0625	

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0070
MONTHLY SERVICE CHARGE (Per Customer)	$11.08
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0103
MONTHLY SERVICE CHARGE (Per Customer)	$26.81
COST OF POWER KWH RATE	$0.0645

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.0168
MONTHLY SERVICE CHARGE (Per Customer)	$292.01
COST OF POWER KW RATE	$6.1104
COST OF POWER KWH RATE	$0.0452

LARGE USE

DISTRIBUTION KW RATE	$0.821871
MONTHLY SERVICE CHARGE (Per Customer)	$7,439.95

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.5943
MONTHLY SERVICE CHARGE (Per Connection)	$0.53
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.4783
MONTHLY SERVICE CHARGE (Per Connection)	$0.91
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL CLASS

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL	CURRENT 2001 BILL				2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)					
100 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**		**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$ 11.08			
DISTRIBUTION KWH	100	0.0066	$	0.66	100	0.00701	$ 0.70			
COST OF POWER KWH	100	0.0653	$	6.53	100	0.0653	$ 6.53			
CURRENT 2001 BILL			$	17.63	Adjusted 2002 BILL		$ 18.31	$ 0.68		3.9%
250 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$ 11.08			
DISTRIBUTION KWH	250	0.0066	$	1.65	250	0.00701	$ 1.75			
COST OF POWER KWH	250	0.0653	$	16.33	250	0.0653	$ 16.33			
CURRENT 2001 BILL			$	28.42	Adjusted 2002 BILL		$ 29.16	$ 0.74		2.6%
500 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$ 11.08			
DISTRIBUTION KWH	500	0.0066	$	3.30	500	0.00701	$ 3.50			
COST OF POWER KWH	500	0.0653	$	32.65	500	0.0653	$ 32.65			
CURRENT 2001 BILL			$	46.39	Adjusted 2002 BILL		$ 47.24	$ 0.85		1.8%
750 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$ 11.08			
DISTRIBUTION KWH	750	0.0066	$	4.95	750	0.00701	$ 5.26			
COST OF POWER KWH	750	0.0653	$	48.98	750	0.0653	$ 48.98			
CURRENT 2001 BILL			$	64.37	Adjusted 2002 BILL		$ 65.31	$ 0.95		1.5%
1000 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$ 11.08			
DISTRIBUTION KWH	1000	0.0066	$	6.60	1000	0.00701	$ 7.01			
COST OF POWER KWH	1000	0.0653	$	65.30	1000	0.0653	$ 65.30			
CURRENT 2001 BILL			$	82.34	Adjusted 2002 BILL		$ 83.39	$ 1.05		1.3%

MONTHLY CONSUMPTION OF	KWH	RATE	CHARGE		KWH	RATE	CHARGE	IMPACT	IMPACT

1500 kWh		(enter)	$/KWH	$		$/KWH	$	DOLLARS	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08	
	DISTRIBUTION KWH	1500	0.0066	$ 9.90	DISTRIBUTION KWH	1500	0.00701	$ 10.51	
	COST OF POWER KWH	1500	0.0653	$ 97.95	COST OF POWER KWH	1500	0.0653	$ 97.95	
	CURRENT 2001 BILL			$ 118.29	Adjusted 2002 BILL			$ 119.54	$ 1.25	1.1%

MONTHLY CONSUMPTION OF 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		
	DISTRIBUTION KWH	2000	0.0066	$ 13.20	DISTRIBUTION KWH	2000	0.00701	$ 14.01		
	COST OF POWER KWH	2000	0.0653	$ 130.60	COST OF POWER KWH	2000	0.0653	$ 130.60		
	CURRENT 2001 BILL			$ 154.24	Adjusted 2002 BILL			$ 155.70	$ 1.46	0.9%

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	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	1000	0.0097	$ 9.70	DISTRIBUTION KWH	1000	0.01030	$ 10.30		
	COST OF POWER KWH	1000	0.0645	$ 64.50	COST OF POWER KWH	1000	0.0645	$ 64.50		
	CURRENT 2001 BILL			$ 99.46	Adjusted 2002 BILL			$ 101.61	$ 2.15	2.2%

MONTHLY CONSUMPTION 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	2000	0.0097	$ 19.40	DISTRIBUTION KWH	2000	0.01030	$ 20.60		
	COST OF POWER KWH	2000	0.0645	$ 129.00	COST OF POWER KWH	2000	0.0645	$ 129.00		
	CURRENT 2001 BILL			$ 173.66	Adjusted 2002 BILL			$ 176.41	$ 2.75	1.6%

MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	5000	0.0097	$ 48.50	DISTRIBUTION KWH	5000	0.01030	$ 51.50		
	COST OF POWER KWH	5000	0.0645	$ 322.50	COST OF POWER KWH	5000	0.0645	$ 322.50		
	CURRENT 2001 BILL			$ 396.26	Adjusted 2002 BILL			$ 400.81	$ 4.55	1.1%

MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	10000	0.0097	$ 97.00	DISTRIBUTION KWH	10000	0.01030	$ 103.00		
	COST OF POWER KWH	10000	0.0645	$ 645.00	COST OF POWER KWH	10000	0.0645	$ 645.00		
	CURRENT 2001 BILL			$ 767.26	Adjusted 2002 BILL			$ 774.81	$ 7.55	1.0%

MONTHLY CONSUMPTION 20,000 KWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	20000	0.0097	$ 194.00	DISTRIBUTION KWH	20000	0.01030	$ 205.99		

COST OF POWER KWH	20000	0.0645	$ 1,290.00	COST OF POWER KWH	20000	0.0645	$ 1,290.00			
CURRENT 2001 BILL			$ 1,509.26	Adjusted 2002 BILL			$ 1,522.80	$ 13.54	0.9%

GENERAL SERVICE > 50 KW NON TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL

	CURRENT 2001 BILL				2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)					
	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01			
DISTRIBUTION KW	0	1.9000	$ -	DISTRIBUTION KW	0	2.01678	$ -			
COST OF POWER KW	0	6.1104	$ -	COST OF POWER KW	0	6.1104	$ -			
COST OF POWER **KWH**	0	0.0452	$ -	COST OF POWER **KWH**	0	0.0452	$ -			
CURRENT 2001 BILL			$ 275.10	Adjusted 2002 BILL			$ 292.01	$ 16.91	6.1%	

MONTHLY CONSUMPTION 100kW, 30,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01			
DISTRIBUTION KW	100	1.9000	$ 190.00	DISTRIBUTION KW	100	2.01678	$ 201.68			
COST OF POWER KW	100	6.1104	$ 611.04	COST OF POWER KW	100	6.1104	$ 611.04			
COST OF POWER **KWH**	30,000	0.0452	$ 1,356.00	COST OF POWER **KWH**	30,000	0.0452	$ 1,356.00			
CURRENT 2001 BILL			$ 2,432.14	Adjusted 2002 BILL			$ 2,460.73	$ 28.59	1.2%	

MONTHLY CONSUMPTION 100kW, 40,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01			
DISTRIBUTION KW	100	1.9000	$ 190.00	DISTRIBUTION KW	100	2.01678	$ 201.68			
COST OF POWER KW	100	6.1104	$ 611.04	COST OF POWER KW	100	6.1104	$ 611.04			
COST OF POWER **KWH**	40,000	0.0452	$ 1,808.00	COST OF POWER **KWH**	40,000	0.0452	$ 1,808.00			
CURRENT 2001 BILL			$ 2,884.14	Adjusted 2002 BILL			$ 2,912.73	$ 28.59	1.0%	

MONTHLY CONSUMPTION 500kW, 100,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01			
DISTRIBUTION KW	500	1.9000	$ 950.00	DISTRIBUTION KW	500	2.01678	$ 1,008.39			
COST OF POWER KW	500	6.1104	$ 3,055.20	COST OF POWER KW	500	6.1104	$ 3,055.20			
COST OF POWER **KWH**	######	0.0452	$ 4,520.00	COST OF POWER **KWH**	100,000	0.0452	$ 4,520.00			
CURRENT 2001 BILL			$ 8,800.30	Adjusted 2002 BILL			$ 8,875.60	$ 75.30	0.9%	

MONTHLY CONSUMPTION 500kW, 250,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01			
DISTRIBUTION KW	500	1.9000	$ 950.00	DISTRIBUTION KW	500	2.01678	$ 1,008.39			
COST OF POWER KW	500	6.1104	$ 3,055.20	COST OF POWER KW	500	6.1104	$ 3,055.20			
COST OF POWER **KWH**	######	0.0452	$ 11,300.00	COST OF POWER **KWH**	250,000	0.0452	$ 11,300.00			
CURRENT 2001 BILL			$ 15,580.30	Adjusted 2002 BILL			$ 15,655.60	$ 75.30	0.5%	

MONTHLY CONSUMPTION 1000kW, 400,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01			

DISTRIBUTION KW	1000	1.9000	$	1,900.00	DISTRIBUTION KW	1000	2.01678	$	2,016.78	
COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$	6,110.40	
COST OF POWER **KWH**	######	0.0452	$	18,080.00	COST OF POWER **KWH**	400,000	0.0452	$	18,080.00	
CURRENT 2001 BILL			$	26,365.50	Adjusted 2002 BILL			$	26,499.19	$ 133.69 0.5%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	292.01	
DISTRIBUTION KW	1000	1.9000	$	1,900.00	DISTRIBUTION KW	1000	2.01678	$	2,016.78	
COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$	6,110.40	
COST OF POWER **KWH**	######	0.0452	$	22,600.00	**KWH**	500,000	0.0452	$	22,600.00	
CURRENT 2001 BILL			$	30,885.50	Adjusted 2002 BILL			$	31,019.19	$ 133.69 0.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	292.01	
DISTRIBUTION KW	3000	1.9000	$	5,700.00	DISTRIBUTION KW	3000	2.01678	$	6,050.35	
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$	18,331.20	
COST OF POWER **KWH**	#######	0.0452	$	45,200.00	**KWH**	#######	0.0452	$	45,200.00	
CURRENT 2001 BILL			$	69,506.30	Adjusted 2002 BILL			$	69,873.56	$ 367.26 0.5%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	292.01	
DISTRIBUTION KW	3000	1.9000	$	5,700.00	DISTRIBUTION KW	3000	2.01678	$	6,050.35	
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$	18,331.20	
COST OF POWER **KWH**	#######	0.0452	$	67,800.00	**KWH**	#######	0.0452	$	67,800.00	
CURRENT 2001 BILL			$	92,106.30	Adjusted 2002 BILL			$	92,473.56	$ 367.26 0.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	292.01	
DISTRIBUTION KW	4000	1.9000	$	7,600.00	DISTRIBUTION KW	4000	2.01678	$	8,067.14	
COST OF POWER KW	4000	6.1104	$	24,441.60	COST OF POWER KW	4000	6.1104	$	24,441.60	
COST OF POWER **KWH**	#######	0.0452	$	54,240.00	**KWH**	#######	0.0452	$	54,240.00	
CURRENT 2001 BILL			$	86,556.70	Adjusted 2002 BILL			$	87,040.75	$ 484.05 0.6%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	292.01	
DISTRIBUTION KW	4000	1.9000	$	7,600.00	DISTRIBUTION KW	4000	2.01678	$	8,067.14	
COST OF POWER KW	4000	6.1104	$	24,441.60	COST OF POWER KW	4000	6.1104	$	24,441.60	
COST OF POWER **KWH**	#######	0.0452	$	81,360.00	**KWH**	#######	0.0452	$	81,360.00	
CURRENT 2001 BILL			$	113,676.70	Adjusted 2002 BILL			$	114,160.75	$ 484.05 0.4%

LARGE USE

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

ENTER DESIRED CONSUMPTION LEVELS

6000kW, 3,000,000kWh	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**

kW	6000	0.7742	$ 4,645.20	kW	6000	0.8219	$ 4,931.23		
kW COST OF POWER				kW COST OF POWER Demand					
Demand Charge	6000	10.3094	$ 61,856.40	Charge	6000	10.3094	$ 61,856.40		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	#######	0.0615	$ 92,250.00	WINTER PEAK	#######	0.0615	$ 92,250.00		
WINTER OFF PEAK	#######	0.0338	$ 50,700.00	WINTER OFF PEAK	1,500,000	0.0338	$ 50,700.00		
MONTHLY SERVICE CHARGE			$ 7,009.03	MONTHLY SERVICE CHARGE			$ 7,439.95		
TOTAL			$ 216,460.63	**TOTAL**			$ 217,177.58	$ 716.95	0.3%

SUMMER

	KW	**RATE $/kW**	**CHARGE $**	**SUMMER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION				DISTRIBUTION					
kW	6000	0.7742	$ 4,645.20	kW	6000	0.8219	$ 4,931.23		
kW COST OF POWER				kW COST OF POWER Demand					
Demand Charge	6000	7.4156	$ 44,493.60	Charge	6000	7.4156	$ 44,493.60		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	#######	0.0508	$ 76,200.00	SUMMER PEAK	#######	0.0508	$ 76,200.00		
SUMMER OFF PEAK	#######	0.0232	$ 34,800.00	SUMMER OFF PEAK	1,500,000	0.0232	$ 34,800.00		
MONTHLY SERVICE CHARGE			$ 7,009.03	MONTHLY SERVICE CHARGE			$ 7,439.95		
TOTAL			$ 167,147.83	**TOTAL**			$ 167,864.78	$ 716.95	0.4%

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

Enter the Estimated Value for the 2001 PILs Defferal Account. $ 2,014,295 Adjusted as per decision - Tom Barrett, Dec 3/0

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

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations
RESIDENTIAL CLASS	-	538,379,408	53,836	$9,876,936	37.49%	$ 755,073.46
GENERAL SERVICE <50 KW CLASS	-	274,258,044	8,495	$5,156,666	19.57%	$ 394,217.56
GENERAL SERVICE >50 KW NON TIME OF USE	2,955,898	-	1,602	$10,254,677	38.92%	$ 783,951.06
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	$0	0.00%	$ -
INTERMEDIATE USE	0	-	0	$0	0.00%	$ -
LARGE USER CLASS	642,964	-	5	$897,891	3.41%	$ 68,642.10
SENTINEL LIGHTS	317	-	245	$1,828	0.01%	$ 139.75
STREET LIGHTING CLASS	23,918	-	11,125	$160,515	0.61%	$ 12,271.07
TOTALS				$26,348,513	1.00	2,014,295.00
						$2,014,295.00

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.362	0.638	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)	$ 273,336.59	$ 481,736.87	$ 755,073.46
(B) RETAIL KWH	538,379,408		
(C) NUMBER OF CUSTOMERS		53,836	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.000508		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$0.7457	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.514	0.486	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G27 above)	$ 202,627.83	$ 191,589.73	$ 394,217.56

(B) RETAIL KWH	274,258,044	
(C) NUMBER OF CUSTOMERS		8,495

(Total in Cell G32 above)		
(B) RETAIL KW	317	
(C) NUMBER OF CUSTOMERS		245
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.159736	

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	5) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00751
MONTHLY SERVICE CHARGE (Per Customer)	$11.82779
COST OF POWER KWH RATE	$0.06530

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01104
MONTHLY SERVICE CHARGE (Per Customer)	$28.69212
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.17008
MONTHLY SERVICE CHARGE (Per Customer)	$309.21719
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.86052
MONTHLY SERVICE CHARGE (Per Customer)	$8,169.84404

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.75402
MONTHLY SERVICE CHARGE (Per Connection)	$0.56107
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.66398
MONTHLY SERVICE CHARGE (Per Connection)	$0.97173
COST OF POWER KW RATE	$19.7974

SHEET 8 - 2002 PILs Proxy Estimate Adder Calculation

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

Enter the Estimated Value for the 2002 PILs Proxy $ 5,730,080 Adjusted as per decision - Tom

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

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

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 PILs Estimate Allocations
RESIDENTIAL CLASS	-	538,379,408	53,836	$9,876,936.00	37.49%	$ 2,147,963.09
GENERAL SERVICE <50 KW CLASS	-	274,258,044	8,495	$5,156,666.00	19.57%	$ 1,121,433.64
GENERAL SERVICE >50 KW NON TIME OF USE	2,955,898	-	1,602	$10,254,677.00	38.92%	$ 2,230,111.41
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	642,964	-	5	$897,891.00	3.41%	$ 195,266.70
SENTINEL LIGHTS	317	-	245	$1,828.00	0.01%	$ 397.54
STREET LIGHTING CLASS	23,918	-	11,125	$160,515.00	0.61%	$ 34,907.62
TOTALS				$26,348,513.00	1.00	5,730,080.00
						$ 5,730,080.00

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.362	0.638	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	$ 777,562.64	$ 1,370,400.45	$ 2,147,963.09
(B) RETAIL KWH	538,379,408		
(C) NUMBER OF CUSTOMERS		53,836	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.001444		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$2.1213	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.514	0.486	100%
(A) ALLOCATED 2002 PILs (Total in Cell G27 above)	$ 576,416.89	$ 545,016.75	$ 1,121,433.64
(B) RETAIL KWH	274,258,044		
(C) NUMBER OF CUSTOMERS		8,495	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.002102		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$5.3464	

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.578	0.422	100%
(A) ALLOCATED 2002 PILs (Total in Cell G28 above)	$ 1,289,004.40	$ 941,107.02	$ 2,230,111.41
(B) RETAIL KW	2,955,898		
(C) NUMBER OF CUSTOMERS		1,602	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.436079		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$48.9548	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.362	0.638	100%
(A) ALLOCATED 2002 PILs (Total in Cell G31 above)	$ 70,686.55	$ 124,580.16	$ 195,266.70
(B) RETAIL KW	642,964		
(C) NUMBER OF CUSTOMERS		5	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.109939		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and		$2,076.3359	

the total new Service Charge appears on the Rate Schedule on Sheet 9)

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 PILs (Total in Cell G32 above)	$ 143.91	$ 253.63	$ 397.54
(B) RETAIL KW	317		
(C) NUMBER OF CUSTOMERS		245	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.454403		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.0863	

Streetlighting Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 PILs (Total in Cell G33 above)	$ 12,636.56	$ 22,271.06	$ 34,907.62
(B) RETAIL KW	23,918		
(C) NUMBER OF CUSTOMERS (Connections)		11,125	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.528328		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.1668	

Barrett, Dec 3/07

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00896
MONTHLY SERVICE CHARGE (Per Customer)	$13.94905
COST OF POWER KWH RATE	$0.06530

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01314
MONTHLY SERVICE CHARGE (Per Customer)	$34.03857
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.60616
MONTHLY SERVICE CHARGE (Per Customer)	$358.17198
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.97046
MONTHLY SERVICE CHARGE (Per Customer)	$10,246.17998

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.20842
MONTHLY SERVICE CHARGE (Per Connection)	$0.64734
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.19231
MONTHLY SERVICE CHARGE (Per Connection)	$1.13855
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL CLASS

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL	CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)					
100 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$	13.95		
DISTRIBUTION KWH	100	0.0066	$	0.66	100	0.00896	$	0.90		
COST OF POWER KWH	100	0.0653	$	6.53	100	0.0653	$	6.53		
CURRENT 2001 BILL			$	17.63	Adjusted 2002 BILL		$	21.37	$ 3.74	21.2%
250 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$	13.95		
DISTRIBUTION KWH	250	0.0066	$	1.65	250	0.00896	$	2.24		
COST OF POWER KWH	250	0.0653	$	16.33	250	0.0653	$	16.33		
CURRENT 2001 BILL			$	28.42	Adjusted 2002 BILL		$	32.51	$ 4.10	14.4%
500 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$	13.95		
DISTRIBUTION KWH	500	0.0066	$	3.30	500	0.00896	$	4.48		
COST OF POWER KWH	500	0.0653	$	32.65	500	0.0653	$	32.65		
CURRENT 2001 BILL			$	46.39	Adjusted 2002 BILL		$	51.08	$ 4.69	10.1%
750 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$	13.95		
DISTRIBUTION KWH	750	0.0066	$	4.95	750	0.00896	$	6.72		
COST OF POWER KWH	750	0.0653	$	48.98	750	0.0653	$	48.98		
CURRENT 2001 BILL			$	64.37	Adjusted 2002 BILL		$	69.64	$ 5.28	8.2%
1000 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	n/a	n/a	$	13.95		
DISTRIBUTION KWH	1000	0.0066	$	6.60	1000	0.00896	$	8.96		
COST OF POWER KWH	1000	0.0653	$	65.30	1000	0.0653	$	65.30		
CURRENT 2001 BILL			$	82.34	Adjusted 2002 BILL		$	88.21	$ 5.87	7.1%

MONTHLY CONSUMPTION OF	KWH	RATE	CHARGE		KWH	RATE	CHARGE	IMPACT	IMPACT

1500 kWh		(enter)	$/KWH	$		$/KWH	$	DOLLARS	%
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95	
	DISTRIBUTION KWH	1500	0.0066	$ 9.90	DISTRIBUTION KWH	1500	0.00896	$ 13.44	
	COST OF POWER KWH	1500	0.0653	$ 97.95	COST OF POWER KWH	1500	0.0653	$ 97.95	
	CURRENT 2001 BILL			$ 118.29	Adjusted 2002 BILL			$ 125.34	$ 7.05	6.0%

MONTHLY CONSUMPTION OF 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
	DISTRIBUTION KWH	2000	0.0066	$ 13.20	DISTRIBUTION KWH	2000	0.00896	$ 17.92		
	COST OF POWER KWH	2000	0.0653	$ 130.60	COST OF POWER KWH	2000	0.0653	$ 130.60		
	CURRENT 2001 BILL			$ 154.24	Adjusted 2002 BILL			$ 162.47	$ 8.23	5.3%

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	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	1000	0.0097	$ 9.70	DISTRIBUTION KWH	1000	0.01314	$ 13.14		
	COST OF POWER KWH	1000	0.0645	$ 64.50	COST OF POWER KWH	1000	0.0645	$ 64.50		
	CURRENT 2001 BILL			$ 99.46	Adjusted 2002 BILL			$ 111.68	$ 12.22	12.3%

MONTHLY CONSUMPTION 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	2000	0.0097	$ 19.40	DISTRIBUTION KWH	2000	0.01314	$ 26.28		
	COST OF POWER KWH	2000	0.0645	$ 129.00	COST OF POWER KWH	2000	0.0645	$ 129.00		
	CURRENT 2001 BILL			$ 173.66	Adjusted 2002 BILL			$ 189.32	$ 15.66	9.0%

MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	5000	0.0097	$ 48.50	DISTRIBUTION KWH	5000	0.01314	$ 65.70		
	COST OF POWER KWH	5000	0.0645	$ 322.50	COST OF POWER KWH	5000	0.0645	$ 322.50		
	CURRENT 2001 BILL			$ 396.26	Adjusted 2002 BILL			$ 422.24	$ 25.98	6.6%

MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	10000	0.0097	$ 97.00	DISTRIBUTION KWH	10000	0.01314	$ 131.40		
	COST OF POWER KWH	10000	0.0645	$ 645.00	COST OF POWER KWH	10000	0.0645	$ 645.00		
	CURRENT 2001 BILL			$ 767.26	Adjusted 2002 BILL			$ 810.44	$ 43.18	5.6%

MONTHLY CONSUMPTION 20,000 KWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	20000	0.0097	$ 194.00	DISTRIBUTION KWH	20000	0.01314	$ 262.80		

COST OF POWER KWH	20000	0.0645	$	1,290.00	COST OF POWER KWH	20000	0.0645	$	1,290.00		
CURRENT 2001 BILL			$	1,509.26	Adjusted 2002 BILL			$	1,586.84	$ 77.58	5.1%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	0	1.9000	$	-	DISTRIBUTION KW	0	2.60616	$	-	
COST OF POWER KW	0	6.1104	$	-	COST OF POWER KW	0	6.1104	$	-	
COST OF POWER **KWH**	0	0.0452	$	-	COST OF POWER **KWH**	0	0.0452	$	-	
CURRENT 2001 BILL			$	275.10	Adjusted 2002 BILL			$	358.17	$ 83.07	30.2%

MONTHLY CONSUMPTION 100kW, 30,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	100	1.9000	$	190.00	DISTRIBUTION KW	100	2.60616	$	260.62	
COST OF POWER KW	100	6.1104	$	611.04	COST OF POWER KW	100	6.1104	$	611.04	
COST OF POWER **KWH**	30,000	0.0452	$	1,356.00	COST OF POWER **KWH**	30,000	0.0452	$	1,356.00	
CURRENT 2001 BILL			$	2,432.14	Adjusted 2002 BILL			$	2,585.83	$ 153.69	6.3%

MONTHLY CONSUMPTION 100kW, 40,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	100	1.9000	$	190.00	DISTRIBUTION KW	100	2.60616	$	260.62	
COST OF POWER KW	100	6.1104	$	611.04	COST OF POWER KW	100	6.1104	$	611.04	
COST OF POWER **KWH**	40,000	0.0452	$	1,808.00	COST OF POWER **KWH**	40,000	0.0452	$	1,808.00	
CURRENT 2001 BILL			$	2,884.14	Adjusted 2002 BILL			$	3,037.83	$ 153.69	5.3%

MONTHLY CONSUMPTION 500kW, 100,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	500	1.9000	$	950.00	DISTRIBUTION KW	500	2.60616	$	1,303.08	
COST OF POWER KW	500	6.1104	$	3,055.20	COST OF POWER KW	500	6.1104	$	3,055.20	
COST OF POWER **KWH**	100,000	0.0452	$	4,520.00	COST OF POWER **KWH**	100,000	0.0452	$	4,520.00	
CURRENT 2001 BILL			$	8,800.30	Adjusted 2002 BILL			$	9,236.45	$ 436.15	5.0%

MONTHLY CONSUMPTION 500kW, 250,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	500	1.9000	$	950.00	DISTRIBUTION KW	500	2.60616	$	1,303.08	
COST OF POWER KW	500	6.1104	$	3,055.20	COST OF POWER KW	500	6.1104	$	3,055.20	
COST OF POWER **KWH**	250,000	0.0452	$	11,300.00	COST OF POWER **KWH**	250,000	0.0452	$	11,300.00	
CURRENT 2001 BILL			$	15,580.30	Adjusted 2002 BILL			$	16,016.45	$ 436.15	2.8%

MONTHLY CONSUMPTION 1000kW, 400,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	

DISTRIBUTION					DISTRIBUTION					
KW	1000	1.9000	$	1,900.00	KW	1000	2.60616	$	2,606.16	
COST OF POWER					COST OF POWER					
KW	1000	6.1104	$	6,110.40	KW	1000	6.1104	$	6,110.40	
COST OF POWER					COST OF POWER					
KWH	400,000	0.0452	$	18,080.00	**KWH**	400,000	0.0452	$	18,080.00	
CURRENT 2001 BILL			$	26,365.50	Adjusted 2002 BILL			$	27,154.73	$ 789.23 3.0%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION					DISTRIBUTION					
KW	1000	1.9000	$	1,900.00	KW	1000	2.60616	$	2,606.16	
COST OF POWER					COST OF POWER					
KW	1000	6.1104	$	6,110.40	KW	1000	6.1104	$	6,110.40	
COST OF POWER					COST OF POWER					
KWH	500,000	0.0452	$	22,600.00	**KWH**	500,000	0.0452	$	22,600.00	
CURRENT 2001 BILL			$	30,885.50	Adjusted 2002 BILL			$	31,674.73	$ 789.23 2.6%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION					DISTRIBUTION					
KW	3000	1.9000	$	5,700.00	KW	3000	2.60616	$	7,818.47	
COST OF POWER					COST OF POWER					
KW	3000	6.1104	$	18,331.20	KW	3000	6.1104	$	18,331.20	
COST OF POWER					COST OF POWER					
KWH	1,000,000	0.0452	$	45,200.00	**KWH**	#######	0.0452	$	45,200.00	
CURRENT 2001 BILL			$	69,506.30	Adjusted 2002 BILL			$	71,707.85	$ 2,201.55 3.2%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION					DISTRIBUTION					
KW	3000	1.9000	$	5,700.00	KW	3000	2.60616	$	7,818.47	
COST OF POWER					COST OF POWER					
KW	3000	6.1104	$	18,331.20	KW	3000	6.1104	$	18,331.20	
COST OF POWER					COST OF POWER					
KWH	1,500,000	0.0452	$	67,800.00	**KWH**	#######	0.0452	$	67,800.00	
CURRENT 2001 BILL			$	92,106.30	Adjusted 2002 BILL			$	94,307.85	$ 2,201.55 2.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION					DISTRIBUTION					
KW	4000	1.9000	$	7,600.00	KW	4000	2.60616	$	10,424.63	
COST OF POWER					COST OF POWER					
KW	4000	6.1104	$	24,441.60	KW	4000	6.1104	$	24,441.60	
COST OF POWER					COST OF POWER					
KWH	1,200,000	0.0452	$	54,240.00	**KWH**	#######	0.0452	$	54,240.00	
CURRENT 2001 BILL			$	86,556.70	Adjusted 2002 BILL			$	89,464.40	$ 2,907.70 3.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION					DISTRIBUTION					
KW	4000	1.9000	$	7,600.00	KW	4000	2.60616	$	10,424.63	
COST OF POWER					COST OF POWER					
KW	4000	6.1104	$	24,441.60	KW	4000	6.1104	$	24,441.60	
COST OF POWER					COST OF POWER					
KWH	1,800,000	0.0452	$	81,360.00	**KWH**	#######	0.0452	$	81,360.00	
CURRENT 2001 BILL			$	113,676.70	Adjusted 2002 BILL			$	116,584.40	$ 2,907.70 2.6%

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 $**	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**

DISTRIBUTION					DISTRIBUTION					
kW	6000	0.7742	$	4,645.20	kW	6000	0.9705	$	5,822.74	
kW COST OF POWER					kW COST OF POWER Demand					
Demand Charge	6000	10.3094	$	61,856.40	Charge	6000	10.3094	$	61,856.40	
		RATE					**RATE**			
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0615	$	92,250.00	WINTER PEAK	#######	0.0615	$	92,250.00	
WINTER OFF PEAK	1,500,000	0.0338	$	50,700.00	WINTER OFF PEAK	1,500,000	0.0338	$	50,700.00	
MONTHLY SERVICE CHARGE			$	7,009.03	MONTHLY SERVICE CHARGE			$	10,246.18	
TOTAL			$	216,460.63	**TOTAL**			$	220,875.32	$ 4,414.69 2.0%

SUMMER

	KW	**RATE $/kW**		**CHARGE $**		**KW**	**RATE $/kW**		**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION						
kW	6000	0.7742	$	4,645.20	kW	6000	0.9705	$	5,822.74		
kW COST OF POWER					kW COST OF POWER Demand						
Demand Charge	6000	7.4156	$	44,493.60	Charge	6000	7.4156	$	44,493.60		
		RATE					**RATE**				
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**				
SUMMER PEAK	1,500,000	0.0508	$	76,200.00	SUMMER PEAK	#######	0.0508	$	76,200.00		
SUMMER OFF PEAK	1,500,000	0.0232	$	34,800.00	SUMMER OFF PEAK	1,500,000	0.0232	$	34,800.00		
MONTHLY SERVICE CHARGE			$	7,009.03	MONTHLY SERVICE CHARGE			$	10,246.18		
TOTAL			$	167,147.83	**TOTAL**			$	171,562.52	$ 4,414.69	2.6%

SHEET 11 - Z-Factor Adder Calculation

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

Enter the applied for Value for the Z-factor:

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

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

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Z-Factor for Recovery
RESIDENTIAL CLASS	-	538,379,408	53,836	$9,876,936.00	37.49%	$ -
GENERAL SERVICE <50 KW CLASS	-	274,258,044	8,495	$5,156,666.00	19.57%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	2,955,898	-	1,602	$10,254,677.00	38.92%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	642,964	-	5	$897,891.00	3.41%	$ -
SENTINEL LIGHTS	317	-	245	$1,828.00	0.01%	$ -
STREET LIGHTING CLASS	23,918	-	11,125	$160,515.00	0.61%	$ -
TOTALS				$26,348,513.00	1.00	-
						$ -

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH	538,379,408		
(C) NUMBER OF CUSTOMERS		53,836	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.514	0.486	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KWH	274,258,044		
(C) NUMBER OF CUSTOMERS		8,495	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.578	0.422	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW	2,955,898		
(C) NUMBER OF CUSTOMERS		1,602	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	642,964		
(C) NUMBER OF CUSTOMERS		5	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G32 above)	$ -	$ -	$ -
(B) RETAIL KW	317		
(C) NUMBER OF CUSTOMERS		245	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

Streetlighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	23,918		
(C) NUMBER OF CUSTOMERS (Connections)		11,125	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00896
MONTHLY SERVICE CHARGE (Per Customer)	$13.94905
COST OF POWER KWH RATE	$0.06530

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01314
MONTHLY SERVICE CHARGE (Per Customer)	$34.03857
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.60616
MONTHLY SERVICE CHARGE (Per Customer)	$358.17198
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.97046
MONTHLY SERVICE CHARGE (Per Customer)	$10,246.17998

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.20842
MONTHLY SERVICE CHARGE (Per Connection)	$0.64734
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.19231
MONTHLY SERVICE CHARGE (Per Connection)	$1.13855
COST OF POWER KW RATE	$19.7974

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

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

Enter the applied for Total Value for Transition Costs:

Transition Cost Category	1	Allocation	2	Allocation	3	Allocation	4	Allocation	5	Allocation	6	Allocation	7	Allocation	8	Allocation	9	Allocation	10	Allocation	Total
Total	$ -																				$ -
RESIDENTIAL CLASS	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -
GENERAL SERVICE <50 KW CLASS	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -
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	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -
SENTINEL LIGHTS	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -
STREET LIGHTING CLASS	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -
TOTALS		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%	$ -

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Transition Costs for Recovery
RESIDENTIAL CLASS	-	538,379,408	53,836	$9,876,936.00	37.49%	$ -
GENERAL SERVICE <50 KW CLASS	-	274,258,044	8,495	$5,156,666.00	19.57%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	2,955,898	-	1,602	$10,254,677.00	38.92%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	642,964	-	5	$897,891.00	3.41%	$ -
SENTINEL LIGHTS	317	-	245	$1,828.00	0.01%	$ -
STREET LIGHTING CLASS	23,918	-	11,125	$160,515.00	0.61%	$ -
TOTALS				$26,348,513.00	1.00	$ -

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above)	$ -	$ -	$ -
(B) RETAIL KWH	538,379,408		
(C) NUMBER OF CUSTOMERS		53,836	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.514	0.486	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above)	$ -	$ -	$ -
(B) RETAIL KWH	274,258,044		
(C) NUMBER OF CUSTOMERS		8,495	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.578	0.422	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above)	$ -	$ -	$ -
(B) RETAIL KW	2,955,898		
(C) NUMBER OF CUSTOMERS		1,602	
(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	

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
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G47 above)	$ -	$ -	$ -
(B) RETAIL KW	642,964		
(C) NUMBER OF CUSTOMERS		5	
(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

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
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above)	$ -	$ -	$ -
(B) RETAIL KW	317		
(C) NUMBER OF CUSTOMERS		245	
(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
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above)	$ -	$ -	$ -
(B) RETAIL KW	23,918		
(C) NUMBER OF CUSTOMERS (Connections)		11,125	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0090
MONTHLY SERVICE CHARGE (Per Customer)	$13.9491
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0131
MONTHLY SERVICE CHARGE (Per Customer)	$34.0386
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.6062
MONTHLY SERVICE CHARGE (Per Customer)	$358.1720
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.9705
MONTHLY SERVICE CHARGE (Per Customer)	$10,246.1800

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.2084
MONTHLY SERVICE CHARGE (Per Connection)	$0.6473
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.1923
MONTHLY SERVICE CHARGE (Per Connection)	$1.1386
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL CLASS

NON-TIME OF USE

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

ENTER DESIRED CONSUMPTION LEVEL	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
100 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	100	0.0066	$ 0.66	DISTRIBUTION KWH	100	0.00896	$ 0.90		
COST OF POWER KWH	100	0.0653	$ 6.53	COST OF POWER KWH	100	0.0653	$ 6.53		
CURRENT 2001 BILL			$ 17.63	Adjusted 2002 BILL			$ 21.37	$ 3.74	21.2%
250 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	250	0.0066	$ 1.65	DISTRIBUTION KWH	250	0.00896	$ 2.24		
COST OF POWER KWH	250	0.0653	$ 16.33	COST OF POWER KWH	250	0.0653	$ 16.33		
CURRENT 2001 BILL			$ 28.42	Adjusted 2002 BILL			$ 32.51	$ 4.10	14.4%
500 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	500	0.0066	$ 3.30	DISTRIBUTION KWH	500	0.00896	$ 4.48		
COST OF POWER KWH	500	0.0653	$ 32.65	COST OF POWER KWH	500	0.0653	$ 32.65		
CURRENT 2001 BILL			$ 46.39	Adjusted 2002 BILL			$ 51.08	$ 4.69	10.1%
750 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	750	0.0066	$ 4.95	DISTRIBUTION KWH	750	0.00896	$ 6.72		
COST OF POWER KWH	750	0.0653	$ 48.98	COST OF POWER KWH	750	0.0653	$ 48.98		
CURRENT 2001 BILL			$ 64.37	Adjusted 2002 BILL			$ 69.64	$ 5.28	8.2%
1000 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	1000	0.0066	$ 6.60	DISTRIBUTION KWH	1000	0.00896	$ 8.96		
COST OF POWER KWH	1000	0.0653	$ 65.30	COST OF POWER KWH	1000	0.0653	$ 65.30		
CURRENT 2001 BILL			$ 82.34	Adjusted 2002 BILL			$ 88.21	$ 5.87	7.1%

MONTHLY CONSUMPTION OF	KWH	RATE	CHARGE		KWH	RATE	CHARGE	IMPACT	IMPACT

1500 kWh		(enter)	$/KWH	$		$/KWH	$	DOLLARS	%
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95	
	DISTRIBUTION KWH	1500	0.0066	$ 9.90	DISTRIBUTION KWH	1500	0.00896	$ 13.44	
	COST OF POWER KWH	1500	0.0653	$ 97.95	COST OF POWER KWH	1500	0.0653	$ 97.95	
	CURRENT 2001 BILL			$ 118.29	Adjusted 2002 BILL			$ 125.34	$ 7.05	6.0%

MONTHLY CONSUMPTION OF 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
	DISTRIBUTION KWH	2000	0.0066	$ 13.20	DISTRIBUTION KWH	2000	0.00896	$ 17.92		
	COST OF POWER KWH	2000	0.0653	$ 130.60	COST OF POWER KWH	2000	0.0653	$ 130.60		
	CURRENT 2001 BILL			$ 154.24	Adjusted 2002 BILL			$ 162.47	$ 8.23	5.3%

GENERAL SERVICE < 50 KW

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

ENTER DESIRED CONSUMPTION LEVEL

1000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	1000	0.0097	$ 9.70	DISTRIBUTION KWH	1000	0.01314	$ 13.14		
	COST OF POWER KWH	1000	0.0645	$ 64.50	COST OF POWER KWH	1000	0.0645	$ 64.50		
	CURRENT 2001 BILL			$ 99.46	Adjusted 2002 BILL			$ 111.68	$ 12.22	12.3%

MONTHLY CONSUMPTION 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	2000	0.0097	$ 19.40	DISTRIBUTION KWH	2000	0.01314	$ 26.28		
	COST OF POWER KWH	2000	0.0645	$ 129.00	COST OF POWER KWH	2000	0.0645	$ 129.00		
	CURRENT 2001 BILL			$ 173.66	Adjusted 2002 BILL			$ 189.32	$ 15.66	9.0%

MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	5000	0.0097	$ 48.50	DISTRIBUTION KWH	5000	0.01314	$ 65.70		
	COST OF POWER KWH	5000	0.0645	$ 322.50	COST OF POWER KWH	5000	0.0645	$ 322.50		
	CURRENT 2001 BILL			$ 396.26	Adjusted 2002 BILL			$ 422.24	$ 25.98	6.6%

MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	10000	0.0097	$ 97.00	DISTRIBUTION KWH	10000	0.01314	$ 131.40		
	COST OF POWER KWH	10000	0.0645	$ 645.00	COST OF POWER KWH	10000	0.0645	$ 645.00		
	CURRENT 2001 BILL			$ 767.26	Adjusted 2002 BILL			$ 810.44	$ 43.18	5.6%

MONTHLY CONSUMPTION 20,000 KWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	20000	0.0097	$ 194.00	DISTRIBUTION KWH	20000	0.01314	$ 262.80		

COST OF POWER KWH	20000	0.0645	$	1,290.00	COST OF POWER KWH	20000	0.0645	$	1,290.00	
CURRENT 2001 BILL			$	1,509.26	Adjusted 2002 BILL			$	1,586.84	$ 77.58 5.1%

GENERAL SERVICE > 50 KW NON TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL

	CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)					
	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	0	1.9000	$	-	DISTRIBUTION KW	0	2.60616	$	-	
COST OF POWER KW	0	6.1104	$	-	COST OF POWER KW	0	6.1104	$	-	
COST OF POWER **KWH**	0	0.0452	$	-	COST OF POWER **KWH**	0	0.0452	$	-	
CURRENT 2001 BILL			$	275.10	Adjusted 2002 BILL			$	358.17	$ 83.07 30.2%

MONTHLY CONSUMPTION 100kW, 30,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	100	1.9000	$	190.00	DISTRIBUTION KW	100	2.60616	$	260.62	
COST OF POWER KW	100	6.1104	$	611.04	COST OF POWER KW	100	6.1104	$	611.04	
COST OF POWER **KWH**	30,000	0.0452	$	1,356.00	COST OF POWER **KWH**	30,000	0.0452	$	1,356.00	
CURRENT 2001 BILL			$	2,432.14	Adjusted 2002 BILL			$	2,585.83	$ 153.69 6.3%

MONTHLY CONSUMPTION 100kW, 40,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	95	1.9000	$	180.50	DISTRIBUTION KW	95	2.60616	$	247.59	
COST OF POWER KW	95	6.1104	$	580.49	COST OF POWER KW	95	6.1104	$	580.49	
COST OF POWER **KWH**	31,800	0.0452	$	1,437.36	COST OF POWER **KWH**	31,800	0.0452	$	1,437.36	
CURRENT 2001 BILL			$	2,473.45	Adjusted 2002 BILL			$	2,623.60	$ 150.16 6.1%

MONTHLY CONSUMPTION 500kW, 100,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	260	1.9000	$	494.00	DISTRIBUTION KW	260	2.60616	$	677.60	
COST OF POWER KW	260	6.1104	$	1,588.70	COST OF POWER KW	260	6.1104	$	1,588.70	
COST OF POWER **KWH**	100,400	0.0452	$	4,538.08	COST OF POWER **KWH**	100,400	0.0452	$	4,538.08	
CURRENT 2001 BILL			$	6,895.88	Adjusted 2002 BILL			$	7,162.56	$ 266.67 3.9%

MONTHLY CONSUMPTION 500kW, 250,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	500	1.9000	$	950.00	DISTRIBUTION KW	500	2.60616	$	1,303.08	
COST OF POWER KW	500	6.1104	$	3,055.20	COST OF POWER KW	500	6.1104	$	3,055.20	
COST OF POWER **KWH**	250,000	0.0452	$	11,300.00	COST OF POWER **KWH**	250,000	0.0452	$	11,300.00	
CURRENT 2001 BILL			$	15,580.30	Adjusted 2002 BILL			$	16,016.45	$ 436.15 2.8%

MONTHLY CONSUMPTION 1000kW, 400,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	

DISTRIBUTION KW	1000	1.9000	$	1,900.00	DISTRIBUTION KW	1000	2.60616	$	2,606.16	
COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$	6,110.40	
COST OF POWER **KWH**	400,000	0.0452	$	18,080.00	COST OF POWER **KWH**	400,000	0.0452	$	18,080.00	
CURRENT 2001 BILL			$	26,365.50	Adjusted 2002 BILL			$	27,154.73	$ 789.23 3.0%

MONTHLY CONSUMPTION 1000kW, 500,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	1000	1.9000	$	1,900.00	DISTRIBUTION KW	1000	2.60616	$	2,606.16	
COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$	6,110.40	
COST OF POWER **KWH**	500,000	0.0452	$	22,600.00	COST OF POWER **KWH**	500,000	0.0452	$	22,600.00	
CURRENT 2001 BILL			$	30,885.50	Adjusted 2002 BILL			$	31,674.73	$ 789.23 2.6%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	3000	1.9000	$	5,700.00	DISTRIBUTION KW	3000	2.60616	$	7,818.47	
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$	18,331.20	
COST OF POWER **KWH**	1,000,000	0.0452	$	45,200.00	COST OF POWER **KWH**	#######	0.0452	$	45,200.00	
CURRENT 2001 BILL			$	69,506.30	Adjusted 2002 BILL			$	71,707.85	$ 2,201.55 3.2%

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

	KW (enter)	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	3000	1.9000	$	5,700.00	DISTRIBUTION KW	3000	2.60616	$	7,818.47	
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$	18,331.20	
COST OF POWER **KWH**	1,500,000	0.0452	$	67,800.00	COST OF POWER **KWH**	#######	0.0452	$	67,800.00	
CURRENT 2001 BILL			$	92,106.30	Adjusted 2002 BILL			$	94,307.85	$ 2,201.55 2.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	4000	1.9000	$	7,600.00	DISTRIBUTION KW	4000	2.60616	$	10,424.63	
COST OF POWER KW	4000	6.1104	$	24,441.60	COST OF POWER KW	4000	6.1104	$	24,441.60	
COST OF POWER **KWH**	1,200,000	0.0452	$	54,240.00	COST OF POWER **KWH**	#######	0.0452	$	54,240.00	
CURRENT 2001 BILL			$	86,556.70	Adjusted 2002 BILL			$	89,464.40	$ 2,907.70 3.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17	
DISTRIBUTION KW	4000	1.9000	$	7,600.00	DISTRIBUTION KW	4000	2.60616	$	10,424.63	
COST OF POWER KW	4000	6.1104	$	24,441.60	COST OF POWER KW	4000	6.1104	$	24,441.60	
COST OF POWER **KWH**	1,800,000	0.0452	$	81,360.00	COST OF POWER **KWH**	#######	0.0452	$	81,360.00	
CURRENT 2001 BILL			$	113,676.70	Adjusted 2002 BILL			$	116,584.40	$ 2,907.70 2.6%

LARGE USE

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

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

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**

DISTRIBUTION				DISTRIBUTION						
kW	6000	0.7742	$ 4,645.20	kW	6000	0.9705	$ 5,822.74			
kW COST OF POWER				kW COST OF POWER Demand						
Demand Charge	6000	10.3094	$ 61,856.40	Charge	6000	10.3094	$ 61,856.40			
		RATE				**RATE**				
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**				
WINTER PEAK	1,500,000	0.0615	$ 92,250.00	WINTER PEAK	#######	0.0615	$ 92,250.00			
WINTER OFF PEAK	1,500,000	0.0338	$ 50,700.00	WINTER OFF PEAK	1,500,000	0.0338	$ 50,700.00			
MONTHLY SERVICE CHARGE			$ 7,009.03	MONTHLY SERVICE CHARGE			$ 10,246.18			
TOTAL			$ 216,460.63	**TOTAL**			$ 220,875.32	$ 4,414.69	2.0%	

SUMMER

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION				DISTRIBUTION					
kW	6000	0.7742	$ 4,645.20	kW	6000	0.9705	$ 5,822.74		
kW COST OF POWER				kW COST OF POWER Demand					
Demand Charge	6000	7.4156	$ 44,493.60	Charge	6000	7.4156	$ 44,493.60		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0508	$ 76,200.00	SUMMER PEAK	#######	0.0508	$ 76,200.00		
SUMMER OFF PEAK	1,500,000	0.0232	$ 34,800.00	SUMMER OFF PEAK	1,500,000	0.0232	$ 34,800.00		
MONTHLY SERVICE CHARGE			$ 7,009.03	MONTHLY SERVICE CHARGE			$ 10,246.18		
TOTAL			$ 167,147.83	**TOTAL**			$ 171,562.52	$ 4,414.69	2.6%

	2001 PILs	2002 Pils	PilsTotal	Total Increase	MARR Inc.
Residential					
Ser. Chge Inc.	0.7457	2.121258	2.87		
KWH Inc.	0.0005077	0.001444	1.95		
Total			4.82	$ 5.87	$ 1.05
% Inc.			5.9%	7.1%	1.3%
GS<50					
Ser. Chge Inc.	1.879436284	5.346446	7.23		
KWH Inc.	0.000738822	0.002102	5.68		
Total			12.91	$ 15.66	$ 2.75
% Inc.			7.4%	9.0%	1.6%
GS>50					
Ser. Chge Inc.	17.20907958	48.9548	66.16		
KW Inc.	0.153294772	0.436079	153.24		
Total			219.40	$ 266.67	$ 47.27
% Inc.			3.2%	3.9%	0.7%

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.

Now agrees with rate order

RESIDENTIAL

Monthly Service Charge	(per month)	$13.95
Distribution Volumetric Rate	(per kWh)	$0.0090
Cost of Power Rate	(per kWh)	$0.0653

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.04
Distribution Volumetric Rate	(per kWh)	$0.0131
Cost of Power Rate	(per kWh)	$0.0645

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$358.17
Distribution Volumetric Rate	(per kW)	$2.6062
Cost of Power Demand Rate	(per kW)	$6.1104
Cost of Power Energy Rate	(per kWh)	$0.0452

LARGE USE

Monthly Service Charge	(per month)	$10,246.18
Distribution Volumetric Rate	(per kW)	$0.9705
Cost of Power - Winter Peak	(per kW)	$10.3094
Cost of Power - Summer Peak	(per kW)	$7.4156
Cost of Power - Winter Peak	(per kWh)	$0.0615
Cost of Power - Winter Off Peak	(per kWh)	$0.0338
Cost of Power - Summer Peak	(per kWh)	$0.0508
Cost of Power - Summer Off Peak	(per kWh)	$0.0232

Schedule of Rates and Charges

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$0.65
Distribution Volumetric Rate	(per kW)	$2.2084
Cost of Power Demand Rate	(per kW)	$28.0895

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$1.14
Distribution Volumetric Rate	(per kW)	$3.1923
Cost of Power Demand Rate	(per kW)	$19.7974

MISCELLANEOUS CHARGES

ADD 2002 OEB APPROVED MISCELLANEOUS CHARGES HERE

New Account Setup	$	10.00	
Change of Occupancy	$	-	
Account History			
Administration Fee	$	-	
Current Year Data	$	30.00	
Previous Year Billing Consumption Data			
On Line - per year charge	$	30.00	
Off Line - per year charge	$	50.00	
Easement Letter	$	20.00	
Arrear's Certificate	$	15.00	
Late Payment (per month, per annum)		1.50%	19.56%
Returned Cheque	$	20.00	
Collection of Account Charge	$	10.00	
Final Bill Fee	$	10.00	
Special Reading Charge Fee (Repeat F/B Fee)	$	20.00	
Income Tax Letter	$	15.00	
Bill Copy	$	2.00	
Reference Letter	$	15.00	
Temporary Service Disconnection	$	50.00	
Disconnect at Customer's Request	$	50.00	
Meter Test - Customer Request	$	50.00	
Temporary Pole Service	$	400.00	
Reconnect Charges (at meter) - during regular working hours	$	20.00	
Reconnect Charges (at meter) - after regular working hours	$	50.00	
Diversity Adjustment Winter	$	0.93	
(discontinued at Mar Summer	$	1.04	
Transformer Ownership Credit (per kw)	$	0.60	
Primary Metering Allowance	1% of kw and kwh billed		

SHEET 1 - 2001 OEB Approved Rate Schedule

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0066
MONTHLY SERVICE CHARGE (Per Customer)	$10.44
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0097
MONTHLY SERVICE CHARGE (Per Customer)	$25.26
COST OF POWER KWH RATE	$0.0645

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.9000

MONTHLY SERVICE CHARGE (Per Customer)	$275.10
COST OF POWER KW RATE	$6.1104
COST OF POWER KWH RATE	$0.0452

LARGE USE

DISTRIBUTION KW RATE	$0.7742
MONTHLY SERVICE CHARGE (Per Customer)	$7,009.03

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.5018
MONTHLY SERVICE CHARGE (Per Connection)	$0.50
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.3345
MONTHLY SERVICE CHARGE (Per Connection)	$0.86
COST OF POWER KW RATE	$19.7974

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		$	10.00	
Change of Occupancy		$	-	
Account History				
Administration Fee		$	-	
Current Year Data		$	30.00	
Previous Year Billing Consumption Data				
On Line - per year charge		$	30.00	
Off Line - per year charge		$	50.00	
Easement Letter		$	20.00	
Arrear's Certificate		$	15.00	
Late Payment (per month, per annum)			1.50%	19.56%
Returned Cheque		$	20.00	
Collection of Account Charge		$	10.00	
Final Bill Fee		$	10.00	
Special Reading Charge Fee (Repeat F/B Fee)		$	20.00	
Income Tax Letter		$	15.00	
Bill Copy		$	2.00	
Reference Letter		$	15.00	
Temporary Service Disconnection		$	50.00	
Disconnect at Customer's Request		$	50.00	
Meter Test - Customer Request		$	50.00	
Temporary Pole Service		$	400.00	
Reconnect Charges (at meter) - during regular working hours		$	20.00	
Reconnect Charges (at meter) - after regular working hours		$	50.00	
Diversity Adjustment Credit (per KW)	Winter	$	0.93	
(discontinued at Market Opening)	Summer	$	1.04	
Transformer Ownership Credit (per kw)		$	0.60	

Primary Metering Allowance	1% of kw and kwh billed

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

or

98.90%

of current rates.

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.006527
MONTHLY SERVICE CHARGE (Per Customer)	$10.3252
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.009593
MONTHLY SERVICE CHARGE (Per Customer)	$24.9821
COST OF POWER KWH RATE	$0.06450

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.879100
MONTHLY SERVICE CHARGE (Per Customer)	$272.0739
COST OF POWER KW RATE	$6.1104

COST OF POWER KWH RATE	$0.0452

LARGE USE

DISTRIBUTION KW RATE	$0.765684
MONTHLY SERVICE CHARGE (Per Customer)	$6,931.93

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
	$10.31	$7.42	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.485280
MONTHLY SERVICE CHARGE (Per Connection)	$0.4945
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.3088
MONTHLY SERVICE CHARGE (Per Connection)	$0.8505
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

Enter the permanent revenue adjustment amount here: $ 275,904.00 Cell G36 will be adjusted by this amount.

Enter the 1/3 of incremental MARR used in the RUD Model that your LDC used for approved 2001 rates. $ 1,654,859.41

Enter the 1/3 of incremental MARR you seek to recover in 2002 (should be same as previous entry) $ 1,654,859.41

Enter the 1/3 of incremental MARR you will seek to recover in 2003 (should be same as first 1/3 increment) $ 1,654,859.41

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

1999 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	1999 Revenue Shares	2002 1/3 MARR Allocations
RESIDENTIAL CLASS	-	466,526,071	43,432	$7,997,110.08	32.03%	$ 618,351.80
GENERAL SERVICE <50 KW CLASS	-	273,625,851	8,318	$4,862,296.30	19.47%	$ 375,962.02
GENERAL SERVICE >50 KW NON TIME OF USE	3,681,298		1,547	$11,341,109.13	45.42%	$ 876,916.18
GENERAL SERVICE >50 KW TIME OF USE	0	-	0		0.00%	$ -
INTERMEDIATE USE	0	-	0	$0.00	0.00%	$ -
LARGE USER CLASS	307,808	-	5	$617,885.46	2.47%	$ 47,776.08
SENTINEL LIGHTS	360	-	159	$1,401.92	0.01%	$ 108.40
STREET LIGHTING CLASS	24,888	-	9,902	$150,655.03	0.60%	$ 11,648.93
TOTALS				$24,970,457.92	1.00	$ 1,930,763.41
			Allocated Total for 2002 including adjustments at Cell B13 ==>			$ 1,930,763.41

Residential Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G26 above)	$ 223,843.35	$ 394,508.45	$ 618,351.80
(B) RETAIL KWH	466,526,071		
(C) NUMBER OF CUSTOMERS		43,432	
(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)	$0.000480		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.7569	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.514	0.486	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G27 above)	$ 193,244.48	$ 182,717.54	$ 375,962.02
(B) RETAIL KWH	273,625,851		
(C) NUMBER OF CUSTOMERS		8,318	

(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) $0.000706
(this amount is added to the kWh rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 $1.8305
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.578	0.422	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G28 above)	$ 506,857.55	$ 370,058.63	$ 876,916.18
(B) RETAIL KW	3,681,298		
(C) NUMBER OF CUSTOMERS		1,547	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B)	$0.137684		
(this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12		$19.9342	
(this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)			

Large User Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G31 above)	$ 17,294.94	$ 30,481.14	$ 47,776.08
(B) RETAIL KW	307,808		
(C) NUMBER OF CUSTOMERS		5	
(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)	$0.056187		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$508.0190	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G32 above)	$ 39.24	$ 69.16	$ 108.40
(B) RETAIL KW	360		
(C) NUMBER OF CUSTOMERS (Connections)		159	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B)	$0.109001		

(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 $0.0362
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

Streetlighting Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.362	0.638	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G33 above)	$ 4,216.91	$ 7,432.02	$ 11,648.93
(B) RETAIL KW	24,888		
(C) NUMBER OF CUSTOMERS		9,902	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B)	$0.169436		
(this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12		$0.0625	
(this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)			

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0070
MONTHLY SERVICE CHARGE (Per Customer)	$11.08
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0103
MONTHLY SERVICE CHARGE (Per Customer)	$26.81
COST OF POWER KWH RATE	$0.0645

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.0168
MONTHLY SERVICE CHARGE (Per Customer)	$292.01
COST OF POWER KW RATE	$6.1104
COST OF POWER KWH RATE	$0.0452

LARGE USE

DISTRIBUTION KW RATE	$0.821871
MONTHLY SERVICE CHARGE (Per Customer)	$7,439.95

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.5943
MONTHLY SERVICE CHARGE (Per Connection)	$0.53
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.4783
MONTHLY SERVICE CHARGE (Per Connection)	$0.91
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL CLASS

NON-TIME OF USE

	CURRENT 2001 BILL				2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)					
ENTER DESIRED CONSUMPTION LEVEL	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
100 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		
DISTRIBUTION KWH	100	0.0066	$	0.66	DISTRIBUTION KWH	100	0.00701	$ 0.70		
COST OF POWER KWH	100	0.0653	$	6.53	COST OF POWER KWH	100	0.0653	$ 6.53		
CURRENT 2001 BILL			$	17.63	Adjusted 2002 BILL			$ 18.31	$ 0.68	3.9%
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
250 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		
DISTRIBUTION KWH	250	0.0066	$	1.65	DISTRIBUTION KWH	250	0.00701	$ 1.75		
COST OF POWER KWH	250	0.0653	$	16.33	COST OF POWER KWH	250	0.0653	$ 16.33		
CURRENT 2001 BILL			$	28.42	Adjusted 2002 BILL			$ 29.16	$ 0.74	2.6%
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		
DISTRIBUTION KWH	500	0.0066	$	3.30	DISTRIBUTION KWH	500	0.00701	$ 3.50		
COST OF POWER KWH	500	0.0653	$	32.65	COST OF POWER KWH	500	0.0653	$ 32.65		
CURRENT 2001 BILL			$	46.39	Adjusted 2002 BILL			$ 47.24	$ 0.85	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	$	10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		

DISTRIBUTION KWH	750	0.0066	$ 4.95	DISTRIBUTION KWH	750	0.00701	$ 5.26			
COST OF POWER KWH	750	0.0653	$ 48.98	COST OF POWER KWH	750	0.0653	$ 48.98			
CURRENT 2001 BILL			$ 64.37	Adjusted 2002 BILL			$ 65.31	$ 0.95		1.5%

MONTHLY CONSUMPTION OF 1000 kWh	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		
DISTRIBUTION KWH	1000	0.0066	$ 6.60	DISTRIBUTION KWH	1000	0.00701	$ 7.01		
COST OF POWER KWH	1000	0.0653	$ 65.30	COST OF POWER KWH	1000	0.0653	$ 65.30		
CURRENT 2001 BILL			$ 82.34	Adjusted 2002 BILL			$ 83.39	$ 1.05	1.3%

MONTHLY CONSUMPTION OF 1500 kWh	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		
DISTRIBUTION KWH	1500	0.0066	$ 9.90	DISTRIBUTION KWH	1500	0.00701	$ 10.51		
COST OF POWER KWH	1500	0.0653	$ 97.95	COST OF POWER KWH	1500	0.0653	$ 97.95		
CURRENT 2001 BILL			$ 118.29	Adjusted 2002 BILL			$ 119.54	$ 1.25	1.1%

MONTHLY CONSUMPTION OF 2000 kWh	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.08		
DISTRIBUTION KWH	2000	0.0066	$ 13.20	DISTRIBUTION KWH	2000	0.00701	$ 14.01		
COST OF POWER KWH	2000	0.0653	$ 130.60	COST OF POWER KWH	2000	0.0653	$ 130.60		
CURRENT 2001 BILL			$ 154.24	Adjusted 2002 BILL			$ 155.70	$ 1.46	0.9%

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	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
DISTRIBUTION KWH	1000	0.0097	$ 9.70	DISTRIBUTION KWH	1000	0.01030	$ 10.30		
COST OF POWER KWH	1000	0.0645	$ 64.50	COST OF POWER KWH	1000	0.0645	$ 64.50		
CURRENT 2001 BILL			$ 99.46	Adjusted 2002 BILL			$ 101.61	$ 2.15	2.2%

MONTHLY CONSUMPTION	KWH	RATE	CHARGE		KWH	RATE	CHARGE	IMPACT	IMPACT

2000 kWh		(enter)	$/KWH	$		$/KWH	$	DOLLARS	%
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81	
	DISTRIBUTION KWH	2000	0.0097	$ 19.40	DISTRIBUTION KWH	2000	0.01030	$ 20.60	
	COST OF POWER KWH	2000	0.0645	$ 129.00	COST OF POWER KWH	2000	0.0645	$ 129.00	
	CURRENT 2001 BILL			$ 173.66	Adjusted 2002 BILL			$ 176.41	$ 2.75	1.6%

MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	5000	0.0097	$ 48.50	DISTRIBUTION KWH	5000	0.01030	$ 51.50		
	COST OF POWER KWH	5000	0.0645	$ 322.50	COST OF POWER KWH	5000	0.0645	$ 322.50		
	CURRENT 2001 BILL			$ 396.26	Adjusted 2002 BILL			$ 400.81	$ 4.55	1.1%

MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	10000	0.0097	$ 97.00	DISTRIBUTION KWH	10000	0.01030	$ 103.00		
	COST OF POWER KWH	10000	0.0645	$ 645.00	COST OF POWER KWH	10000	0.0645	$ 645.00		
	CURRENT 2001 BILL			$ 767.26	Adjusted 2002 BILL			$ 774.81	$ 7.55	1.0%

MONTHLY CONSUMPTION 20,000 KWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 26.81		
	DISTRIBUTION KWH	20000	0.0097	$ 194.00	DISTRIBUTION KWH	20000	0.01030	$ 205.99		
	COST OF POWER KWH	20000	0.0645	$ 1,290.00	COST OF POWER KWH	20000	0.0645	$ 1,290.00		
	CURRENT 2001 BILL			$ 1,509.26	Adjusted 2002 BILL			$ 1,522.80	$ 13.54	0.9%

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	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
DISTRIBUTION KW	0	1.9000	$ -	DISTRIBUTION KW	0	2.01678	$ -		
COST OF POWER KW	0	6.1104	$ -	COST OF POWER KW	0	6.1104	$ -		
COST OF POWER **KWH**	0	0.0452	$ -	COST OF POWER **KWH**	0	0.0452	$ -		

	CURRENT 2001 BILL			$ 275.10	Adjusted 2002 BILL			$ 292.01	$ 16.91	6.1%
MONTHLY CONSUMPTION 100kW, 30,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
	DISTRIBUTION KW	100	1.9000	$ 190.00	DISTRIBUTION KW	100	2.01678	$ 201.68		
	COST OF POWER KW	100	6.1104	$ 611.04	COST OF POWER KW	100	6.1104	$ 611.04		
	COST OF POWER **KWH**	30,000	0.0452	$ 1,356.00	COST OF POWER **KWH**	30,000	0.0452	$ 1,356.00		
	CURRENT 2001 BILL			$ 2,432.14	Adjusted 2002 BILL			$ 2,460.73	$ 28.59	1.2%
MONTHLY CONSUMPTION 100kW, 40,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
	DISTRIBUTION KW	100	1.9000	$ 190.00	DISTRIBUTION KW	100	2.01678	$ 201.68		
	COST OF POWER KW	100	6.1104	$ 611.04	COST OF POWER KW	100	6.1104	$ 611.04		
	COST OF POWER **KWH**	40,000	0.0452	$ 1,808.00	COST OF POWER **KWH**	40,000	0.0452	$ 1,808.00		
	CURRENT 2001 BILL			$ 2,884.14	Adjusted 2002 BILL			$ 2,912.73	$ 28.59	1.0%
MONTHLY CONSUMPTION 500kW, 100,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
	DISTRIBUTION KW	500	1.9000	$ 950.00	DISTRIBUTION KW	500	2.01678	$ 1,008.39		
	COST OF POWER KW	500	6.1104	$ 3,055.20	COST OF POWER KW	500	6.1104	$ 3,055.20		
	COST OF POWER **KWH**	######	0.0452	$ 4,520.00	COST OF POWER **KWH**	100,000	0.0452	$ 4,520.00		
	CURRENT 2001 BILL			$ 8,800.30	Adjusted 2002 BILL			$ 8,875.60	$ 75.30	0.9%
MONTHLY CONSUMPTION 500kW, 250,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
	DISTRIBUTION KW	500	1.9000	$ 950.00	DISTRIBUTION KW	500	2.01678	$ 1,008.39		
	COST OF POWER KW	500	6.1104	$ 3,055.20	COST OF POWER KW	500	6.1104	$ 3,055.20		
	COST OF POWER **KWH**	######	0.0452	$ 11,300.00	COST OF POWER **KWH**	250,000	0.0452	$ 11,300.00		
	CURRENT 2001 BILL			$ 15,580.30	Adjusted 2002 BILL			$ 15,655.60	$ 75.30	0.5%
MONTHLY CONSUMPTION 1000kW, 400,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
	DISTRIBUTION KW	1000	1.9000	$ 1,900.00	DISTRIBUTION KW	1000	2.01678	$ 2,016.78		

COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$	6,110.40		
COST OF POWER **KWH**	######	0.0452	$	18,080.00	COST OF POWER **KWH**	400,000	0.0452	$	18,080.00		
CURRENT 2001 BILL			$	26,365.50	Adjusted 2002 BILL			$	26,499.19	$ 133.69	0.5%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
DISTRIBUTION KW	1000	1.9000	$	1,900.00	DISTRIBUTION KW	1000	2.01678	$ 2,016.78		
COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$ 6,110.40		
COST OF POWER **KWH**	######	0.0452	$	22,600.00	COST OF POWER **KWH**	500,000	0.0452	$ 22,600.00		
CURRENT 2001 BILL			$	30,885.50	Adjusted 2002 BILL			$ 31,019.19	$ 133.69	0.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
DISTRIBUTION KW	3000	1.9000	$	5,700.00	DISTRIBUTION KW	3000	2.01678	$ 6,050.35		
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$ 18,331.20		
COST OF POWER **KWH**	#######	0.0452	$	45,200.00	COST OF POWER **KWH**	#######	0.0452	$ 45,200.00		
CURRENT 2001 BILL			$	69,506.30	Adjusted 2002 BILL			$ 69,873.56	$ 367.26	0.5%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
DISTRIBUTION KW	3000	1.9000	$	5,700.00	DISTRIBUTION KW	3000	2.01678	$ 6,050.35		
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$ 18,331.20		
COST OF POWER **KWH**	#######	0.0452	$	67,800.00	COST OF POWER **KWH**	#######	0.0452	$ 67,800.00		
CURRENT 2001 BILL			$	92,106.30	Adjusted 2002 BILL			$ 92,473.56	$ 367.26	0.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		
DISTRIBUTION KW	4000	1.9000	$	7,600.00	DISTRIBUTION KW	4000	2.01678	$ 8,067.14		
COST OF POWER KW	4000	6.1104	$	24,441.60	COST OF POWER KW	4000	6.1104	$ 24,441.60		
COST OF POWER **KWH**	#######	0.0452	$	54,240.00	COST OF POWER **KWH**	#######	0.0452	$ 54,240.00		
CURRENT 2001 BILL			$	86,556.70	Adjusted 2002 BILL			$ 87,040.75	$ 484.05	0.6%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 292.01		

DISTRIBUTION					DISTRIBUTION					
KW	4000	1.9000	$	7,600.00	KW	4000	2.01678	$	8,067.14	
COST OF POWER					COST OF POWER					
KW	4000	6.1104	$	24,441.60	KW	4000	6.1104	$	24,441.60	
COST OF POWER					COST OF POWER					
KWH	#######	0.0452	$	81,360.00	**KWH**	#######	0.0452	$	81,360.00	
CURRENT 2001 BILL			$	113,676.70	Adjusted 2002 BILL			$	114,160.75	$ 484.05	0.4%

LARGE USE

	CURRENT 2001 BILL				**2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**						
ENTER DESIRED CONSUMPTION LEVELS											
6000kW, 3,000,000kWh	**WINTER**				**WINTER**						
	KW	**RATE $/kW**		**CHARGE $**		**KW**	**RATE $/kW**		**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION						
kW	6000	0.7742	$	4,645.20	kW	6000	0.8219	$	4,931.23		
kW COST OF POWER					kW COST OF POWER Demand						
Demand Charge	6000	10.3094	$	61,856.40	Charge	6000	10.3094	$	61,856.40		
		RATE					**RATE**				
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**				
WINTER PEAK	#######	0.0615	$	92,250.00	WINTER PEAK	#######	0.0615	$	92,250.00		
WINTER OFF PEAK	#######	0.0338	$	50,700.00	WINTER OFF PEAK	1,500,000	0.0338	$	50,700.00		
MONTHLY SERVICE CHARGE			$	7,009.03	MONTHLY SERVICE CHARGE			$	7,439.95		
TOTAL			$	216,460.63	**TOTAL**			$	217,177.58	$ 716.95	0.3%
SUMMER					**SUMMER**						
	KW	**RATE $/kW**		**CHARGE $**		**KW**	**RATE $/kW**		**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION						
kW	6000	0.7742	$	4,645.20	kW	6000	0.8219	$	4,931.23		
kW COST OF POWER					kW COST OF POWER Demand						
Demand Charge	6000	7.4156	$	44,493.60	Charge	6000	7.4156	$	44,493.60		
		RATE					**RATE**				
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**				
SUMMER PEAK	#######	0.0508	$	76,200.00	SUMMER PEAK	#######	0.0508	$	76,200.00		
SUMMER OFF PEAK	#######	0.0232	$	34,800.00	SUMMER OFF PEAK	1,500,000	0.0232	$	34,800.00		
MONTHLY SERVICE CHARGE			$	7,009.03	MONTHLY SERVICE CHARGE			$	7,439.95		
TOTAL			$	167,147.83	**TOTAL**			$	167,864.78	$ 716.95	0.4%

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations	KW Change	%	kWh change	%	# change	%	Dist rec change	%	[illegible] allocation change	[illegible]
RESIDENTIAL CLASS	-	538,379,408	53,836	$9,876,936	37.49%	$ 755,073.59			71,853,337	15.4%	10,404	24.0%	1,879,826	23.5%	136,722	22.1%
GENERAL SERVICE <50 KW CLASS	-	274,258,044	8,495	$5,156,666	19.57%	$ 394,217.63			632,193	0.2%	177	2.1%	294,370	6.1%	18,256	4.9%
GENERAL SERVICE >50 KW NON TIME OF USE	2,955,898	-	1,602	$10,254,677	38.92%	$ 783,951.19	(725,400)	-19.7%			55	3.6%	(1,086,432)	-9.6%	(92,965)	-10.6%
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	$0	0.00%	$ -	0	#DIV/0!			0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
INTERMEDIATE USE	0	-	0	$0	0.00%	$ -	0	#DIV/0!			0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
LARGE USER CLASS	642,964	-	5	$897,891	3.41%	$ 68,642.11	335,156	108.9%			0	0.0%	280,006	45.3%	20,866	43.7%
SENTINEL LIGHTS	317	-	245	$1,828	0.01%	$ 139.75	(43)	-12.0%			86	54.1%	426	30.4%	31	28.9%
STREET LIGHTING CLASS	23,918	-	11,125	$160,515	0.61%	$ 12,271.08	(970)	-3.9%			1,223	12.4%	9,860	6.5%	622	5.3%
TOTALS				$26,348,513	1.00	2,014,295.34							1,378,055	5.5%	83,532	4.3%
						$2,014,295.34										

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	5) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00751
MONTHLY SERVICE CHARGE (Per Customer)	$11.82779
COST OF POWER KWH RATE	$0.06530

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01104
MONTHLY SERVICE CHARGE (Per Customer)	$28.69212
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.17008
MONTHLY SERVICE CHARGE (Per Customer)	$309.21719
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.86052
MONTHLY SERVICE CHARGE (Per Customer)	$8,169.84416

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.75402
MONTHLY SERVICE CHARGE (Per Connection)	$0.56107
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.66398
MONTHLY SERVICE CHARGE (Per Connection)	$0.97173
COST OF POWER KW RATE	$19.7974

Vaughan 1999-2002 comparison

2001 Statistics by Class	KW Change	%	kWh change	%	# change	%	Dist rec change	%	MARR allocation change	%
RESIDENTIAL CLASS			71,853,337	15.4%	10,404	24.0%	1,879,826	23.5%	1,529,611	247.4%
GENERAL SERVICE <50 KW CLASS			632,193	0.2%	177	2.1%	294,370	6.1%	745,472	198.3%
GENERAL SERVICE >50 KW NON TIME OF USE	(725,400)	-19.7%			55	3.6%	(1,086,432)	-9.6%	1,353,195	154.3%
GENERAL SERVICE >50 KW TIME OF USE	0	#DIV/0!			0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
INTERMEDIATE USE	0	#DIV/0!			0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
LARGE USER CLASS	335,156	108.9%			0	0.0%	280,006	45.3%	147,491	308.7%
SENTINEL LIGHTS	(43)	-12.0%			86	54.1%	426	30.4%	289	266.7%
STREET LIGHTING CLASS	(970)	-3.9%			1,223	12.4%	9,860	6.5%	23,259	199.7%
TOTALS							1,378,055	5.5%	3,799,316	196.8%

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00896
MONTHLY SERVICE CHARGE (Per Customer)	$13.94905
COST OF POWER KWH RATE	$0.06530

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01314
MONTHLY SERVICE CHARGE (Per Customer)	$34.03857
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.60616
MONTHLY SERVICE CHARGE (Per Customer)	$358.17198
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.97046
MONTHLY SERVICE CHARGE (Per Customer)	$10,246.17995

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.20842
MONTHLY SERVICE CHARGE (Per Connection)	$0.64734
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.19231
MONTHLY SERVICE CHARGE (Per Connection)	$1.13855
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL CLASS

NON-TIME OF USE

CURRENT 2001 BILL

ENTER DESIRED CONSUMPTION LEVEL	KWH (enter)	RATE $/KWH	CHARGE $
100 kWh			
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44
DISTRIBUTION KWH	100	0.0066	$ 0.66
COST OF POWER KWH	100	0.0653	$ 6.53
CURRENT 2001 BILL			$ 17.63
250 kWh			
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44
DISTRIBUTION KWH	250	0.0066	$ 1.65
COST OF POWER KWH	250	0.0653	$ 16.33
CURRENT 2001 BILL			$ 28.42
500 kWh			

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

	KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	100	0.00896	$ 0.90		
COST OF POWER KWH	100	0.0653	$ 6.53		
Adjusted 2002 BILL			$ 21.37	$ 3.74	21.2%
MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	250	0.00896	$ 2.24		
COST OF POWER KWH	250	0.0653	$ 16.33		
Adjusted 2002 BILL			$ 32.51	$ 4.10	14.4%

MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION KWH	500	0.0066	$ 3.30	DISTRIBUTION KWH	500	0.00896	$ 4.48			
COST OF POWER KWH	500	0.0653	$ 32.65	COST OF POWER KWH	500	0.0653	$ 32.65			
CURRENT 2001 BILL			$ 46.39	Adjusted 2002 BILL			$ 51.08	$	4.69	10.1%

MONTHLY CONSUMPTION OF 750 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**		**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION KWH	750	0.0066	$ 4.95	DISTRIBUTION KWH	750	0.00896	$ 6.72			
COST OF POWER KWH	750	0.0653	$ 48.98	COST OF POWER KWH	750	0.0653	$ 48.98			
CURRENT 2001 BILL			$ 64.37	Adjusted 2002 BILL			$ 69.64	$	5.28	8.2%

MONTHLY CONSUMPTION OF 1000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**		**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION KWH	1000	0.0066	$ 6.60	DISTRIBUTION KWH	1000	0.00896	$ 8.96			
COST OF POWER KWH	1000	0.0653	$ 65.30	COST OF POWER KWH	1000	0.0653	$ 65.30			
CURRENT 2001 BILL			$ 82.34	Adjusted 2002 BILL			$ 88.21	$	5.87	7.1%

MONTHLY CONSUMPTION OF 1500 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**		**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION KWH	1500	0.0066	$ 9.90	DISTRIBUTION KWH	1500	0.00896	$ 13.44			
COST OF POWER KWH	1500	0.0653	$ 97.95	COST OF POWER KWH	1500	0.0653	$ 97.95			
CURRENT 2001 BILL			$ 118.29	Adjusted 2002 BILL			$ 125.34	$	7.05	6.0%

MONTHLY CONSUMPTION OF 2000 kWh	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	2000	0.0066	$ 13.20	DISTRIBUTION KWH	2000	0.00896	$ 17.92		
COST OF POWER KWH	2000	0.0653	$ 130.60	COST OF POWER KWH	2000	0.0653	$ 130.60		
CURRENT 2001 BILL			$ 154.24	Adjusted 2002 BILL			$ 162.47	$ 8.23	5.3%

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	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION KWH	1000	0.0097	$ 9.70	DISTRIBUTION KWH	1000	0.01314	$ 13.14		
COST OF POWER KWH	1000	0.0645	$ 64.50	COST OF POWER KWH	1000	0.0645	$ 64.50		
CURRENT 2001 BILL			$ 99.46	Adjusted 2002 BILL			$ 111.68	$ 12.22	12.3%

MONTHLY CONSUMPTION 2000 kWh	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION KWH	2000	0.0097	$ 19.40	DISTRIBUTION KWH	2000	0.01314	$ 26.28		
COST OF POWER KWH	2000	0.0645	$ 129.00	COST OF POWER KWH	2000	0.0645	$ 129.00		
CURRENT 2001 BILL			$ 173.66	Adjusted 2002 BILL			$ 189.32	$ 15.66	9.0%

MONTHLY CONSUMPTION 5000 kWh	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION KWH	5000	0.0097	$ 48.50	DISTRIBUTION KWH	5000	0.01314	$ 65.70		

COST OF POWER KWH	5000	0.0645	$ 322.50	COST OF POWER KWH	5000	0.0645	$ 322.50			
CURRENT 2001 BILL			$ 396.26	Adjusted 2002 BILL			$ 422.24	$ 25.98	6.6%	

MONTHLY CONSUMPTION 10,000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION KWH	10000	0.0097	$ 97.00	DISTRIBUTION KWH	10000	0.01314	$ 131.40		
COST OF POWER KWH	10000	0.0645	$ 645.00	COST OF POWER KWH	10000	0.0645	$ 645.00		
CURRENT 2001 BILL			$ 767.26	Adjusted 2002 BILL			$ 810.44	$ 43.18	5.6%

MONTHLY CONSUMPTION 20,000 KWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION KWH	20000	0.0097	$ 194.00	DISTRIBUTION KWH	20000	0.01314	$ 262.80		
COST OF POWER KWH	20000	0.0645	$ 1,290.00	COST OF POWER KWH	20000	0.0645	$ 1,290.00		
CURRENT 2001 BILL			$ 1,509.26	Adjusted 2002 BILL			$ 1,586.84	$ 77.58	5.1%

GENERAL SERVICE > 50 KW NON TIME OF USE

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

ENTER DESIRED CONSUMPTION LEVEL

	KW (enter)	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	0	1.9000	$ -	DISTRIBUTION KW	0	2.60616	$ -		
COST OF POWER KW	0	6.1104	$ -	COST OF POWER KW	0	6.1104	$ -		
COST OF POWER **KWH**	0	0.0452	$ -	COST OF POWER **KWH**	0	0.0452	$ -		
CURRENT 2001 BILL			$ 275.10	Adjusted 2002 BILL			$ 358.17	$ 83.07	30.2%

MONTHLY CONSUMPTION 100kW, 30,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	100	1.9000	$ 190.00	DISTRIBUTION KW	100	2.60616	$ 260.62		
COST OF POWER KW	100	6.1104	$ 611.04	COST OF POWER KW	100	6.1104	$ 611.04		
COST OF POWER **KWH**	30,000	0.0452	$ 1,356.00	**KWH**	30,000	0.0452	$ 1,356.00		
CURRENT 2001 BILL			$ 2,432.14	Adjusted 2002 BILL			$ 2,585.83	$ 153.69	6.3%

MONTHLY CONSUMPTION 100kW, 40,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	100	1.9000	$ 190.00	DISTRIBUTION KW	100	2.60616	$ 260.62		
COST OF POWER KW	100	6.1104	$ 611.04	COST OF POWER KW	100	6.1104	$ 611.04		
COST OF POWER **KWH**	40,000	0.0452	$ 1,808.00	**KWH**	40,000	0.0452	$ 1,808.00		
CURRENT 2001 BILL			$ 2,884.14	Adjusted 2002 BILL			$ 3,037.83	$ 153.69	5.3%

MONTHLY CONSUMPTION 500kW, 100,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	500	1.9000	$ 950.00	DISTRIBUTION KW	500	2.60616	$ 1,303.08		
COST OF POWER KW	500	6.1104	$ 3,055.20	COST OF POWER KW	500	6.1104	$ 3,055.20		
COST OF POWER **KWH**	100,000	0.0452	$ 4,520.00	**KWH**	100,000	0.0452	$ 4,520.00		
CURRENT 2001 BILL			$ 8,800.30	Adjusted 2002 BILL			$ 9,236.45	$ 436.15	5.0%

MONTHLY CONSUMPTION 500kW, 250,000kWh	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		

DISTRIBUTION KW	500	1.9000	$	950.00	DISTRIBUTION KW	500	2.60616	$	1,303.08		
COST OF POWER KW	500	6.1104	$	3,055.20	COST OF POWER KW	500	6.1104	$	3,055.20		
COST OF POWER **KWH**	250,000	0.0452	$	11,300.00	COST OF POWER **KWH**	250,000	0.0452	$	11,300.00		
CURRENT 2001 BILL			$	15,580.30	Adjusted 2002 BILL			$	16,016.45	$ 436.15	2.8%

MONTHLY CONSUMPTION 1000kW, 400,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	1000	1.9000	$ 1,900.00	DISTRIBUTION KW	1000	2.60616	$ 2,606.16		
COST OF POWER KW	1000	6.1104	$ 6,110.40	COST OF POWER KW	1000	6.1104	$ 6,110.40		
COST OF POWER **KWH**	400,000	0.0452	$ 18,080.00	COST OF POWER **KWH**	400,000	0.0452	$ 18,080.00		
CURRENT 2001 BILL			$ 26,365.50	Adjusted 2002 BILL			$ 27,154.73	$ 789.23	3.0%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	1000	1.9000	$ 1,900.00	DISTRIBUTION KW	1000	2.60616	$ 2,606.16		
COST OF POWER KW	1000	6.1104	$ 6,110.40	COST OF POWER KW	1000	6.1104	$ 6,110.40		
COST OF POWER **KWH**	500,000	0.0452	$ 22,600.00	COST OF POWER **KWH**	500,000	0.0452	$ 22,600.00		
CURRENT 2001 BILL			$ 30,885.50	Adjusted 2002 BILL			$ 31,674.73	$ 789.23	2.6%

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	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	3000	1.9000	$ 5,700.00	DISTRIBUTION KW	3000	2.60616	$ 7,818.47		
COST OF POWER KW	3000	6.1104	$ 18,331.20	COST OF POWER KW	3000	6.1104	$ 18,331.20		
COST OF POWER **KWH**	1,000,000	0.0452	$ 45,200.00	COST OF POWER **KWH**	#######	0.0452	$ 45,200.00		
CURRENT 2001 BILL			$ 69,506.30	Adjusted 2002 BILL			$ 71,707.85	$ 2,201.55	3.2%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
	DISTRIBUTION KW	3000	1.9000	$ 5,700.00	DISTRIBUTION KW	3000	2.60616	$ 7,818.47		
	COST OF POWER KW	3000	6.1104	$ 18,331.20	COST OF POWER KW	3000	6.1104	$ 18,331.20		
	COST OF POWER **KWH**	1,500,000	0.0452	$ 67,800.00	COST OF POWER **KWH**	#######	0.0452	$ 67,800.00		
	CURRENT 2001 BILL			$ 92,106.30	Adjusted 2002 BILL			$ 94,307.85	$ 2,201.55	2.4%

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	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
	DISTRIBUTION KW	4000	1.9000	$ 7,600.00	DISTRIBUTION KW	4000	2.60616	$ 10,424.63		
	COST OF POWER KW	4000	6.1104	$ 24,441.60	COST OF POWER KW	4000	6.1104	$ 24,441.60		
	COST OF POWER **KWH**	1,200,000	0.0452	$ 54,240.00	COST OF POWER **KWH**	#######	0.0452	$ 54,240.00		
	CURRENT 2001 BILL			$ 86,556.70	Adjusted 2002 BILL			$ 89,464.40	$ 2,907.70	3.4%

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	$ 275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
	DISTRIBUTION KW	4000	1.9000	$ 7,600.00	DISTRIBUTION KW	4000	2.60616	$ 10,424.63		
	COST OF POWER KW	4000	6.1104	$ 24,441.60	COST OF POWER KW	4000	6.1104	$ 24,441.60		
	COST OF POWER **KWH**	1,800,000	0.0452	$ 81,360.00	COST OF POWER **KWH**	#######	0.0452	$ 81,360.00		
	CURRENT 2001 BILL			$ 113,676.70	Adjusted 2002 BILL			$ 116,584.40	$ 2,907.70	2.6%

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**	**WINTER**

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION				DISTRIBUTION					
kW	6000	0.7742	$ 4,645.20	kW	6000	0.9705	$ 5,822.74		
kW COST OF POWER				kW COST OF POWER Demand					
Demand Charge	6000	10.3094	$ 61,856.40	Charge	6000	10.3094	$ 61,856.40		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0615	$ 92,250.00	WINTER PEAK	#######	0.0615	$ 92,250.00		
WINTER OFF PEAK	1,500,000	0.0338	$ 50,700.00	WINTER OFF PEAK	1,500,000	0.0338	$ 50,700.00		
MONTHLY SERVICE CHARGE			$ 7,009.03	MONTHLY SERVICE CHARGE			$ 10,246.18		
TOTAL			$ 216,460.63	**TOTAL**			$ 220,875.32	$ 4,414.69	2.0%

SUMMER

SUMMER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION				DISTRIBUTION					
kW	6000	0.7742	$ 4,645.20	kW	6000	0.9705	$ 5,822.74		
kW COST OF POWER				kW COST OF POWER Demand					
Demand Charge	6000	7.4156	$ 44,493.60	Charge	6000	7.4156	$ 44,493.60		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0508	$ 76,200.00	SUMMER PEAK	#######	0.0508	$ 76,200.00		
SUMMER OFF PEAK	1,500,000	0.0232	$ 34,800.00	SUMMER OFF PEAK	1,500,000	0.0232	$ 34,800.00		
MONTHLY SERVICE CHARGE			$ 7,009.03	MONTHLY SERVICE CHARGE			$ 10,246.18		
TOTAL			$ 167,147.83	**TOTAL**			$ 171,562.52	$ 4,414.69	2.6%

SHEET 11 - Z-Factor Adder Calculation

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

Enter the applied for Value for the Z-factor:

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

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

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Z-Factor for Recovery
RESIDENTIAL CLASS	-	538,379,408	53,836	$9,876,936.00	37.49%	$ -
GENERAL SERVICE <50 KW CLASS	-	274,258,044	8,495	$5,156,666.00	19.57%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	2,955,898	-	1,602	$10,254,677.00	38.92%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	642,964	-	5	$897,891.00	3.41%	$ -
SENTINEL LIGHTS	317	-	245	$1,828.00	0.01%	$ -
STREET LIGHTING CLASS	23,918	-	11,125	$160,515.00	0.61%	$ -
TOTALS				$26,348,513.00	1.00	-
						$ -

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH	538,379,408		
(C) NUMBER OF CUSTOMERS		53,836	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.514	0.486	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KWH	274,258,044		
(C) NUMBER OF CUSTOMERS		8,495	

(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000	
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.578	0.422	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW	2,955,898		
(C) NUMBER OF CUSTOMERS		1,602	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	642,964		
(C) NUMBER OF CUSTOMERS		5	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G32 above)	$ -	$ -	$ -
(B) RETAIL KW	317		
(C) NUMBER OF CUSTOMERS		245	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)	$0.0000

Streetlighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	23,918		
(C) NUMBER OF CUSTOMERS (Connections)		11,125	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00896
MONTHLY SERVICE CHARGE (Per Customer)	$13.94905
COST OF POWER KWH RATE	$0.06530

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01314
MONTHLY SERVICE CHARGE (Per Customer)	$34.03857
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.60616
MONTHLY SERVICE CHARGE (Per Customer)	$358.17198
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.97046
MONTHLY SERVICE CHARGE (Per Customer)	$10,246.17995

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.20842
MONTHLY SERVICE CHARGE (Per Connection)	$0.64734
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.19231
MONTHLY SERVICE CHARGE (Per Connection)	$1.13855
COST OF POWER KW RATE	$19.7974

SHEET 13 - Transition Cost Adder Calculation

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

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

Enter the applied for Total Value for Transition Costs:

Transition Cost Category	1	Allocation	2	Allocation	3	Allocation	4	Allocation	5	Allocation	6	Allocation	7	Allocation	8	Allocation	9	Allocation	10	Allocation	Total
Total	$ -																				$ -
RESIDENTIAL CLASS	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -	37.49%	$ -
GENERAL SERVICE <50 KW CLASS	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -	19.57%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -	38.92%	$ -
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	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -	3.41%	$ -
SENTINEL LIGHTS	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -
STREET LIGHTING CLASS	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -	0.61%	$ -
TOTALS		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%	
																					$ -

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Transition Costs for Recovery
RESIDENTIAL CLASS	-	538,379,408	53,836	$9,876,936.00	37.49%	$ -
GENERAL SERVICE <50 KW CLASS	-	274,258,044	8,495	$5,156,666.00	19.57%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	2,955,898	-	1,602	$10,254,677.00	38.92%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	642,964	-	5	$897,891.00	3.41%	$ -
SENTINEL LIGHTS	317	-	245	$1,828.00	0.01%	$ -
STREET LIGHTING CLASS	23,918	-	11,125	$160,515.00	0.61%	$ -
TOTALS				$26,348,513.00	1.00	-
						$ -

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above)	$ -	$ -	$ -
(B) RETAIL KWH	538,379,408		
(C) NUMBER OF CUSTOMERS		53,836	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.514	0.486	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above)	$ -	$ -	$ -
(B) RETAIL KWH	274,258,044		
(C) NUMBER OF CUSTOMERS		8,495	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.578	0.422	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above)	$ -	$ -	$ -
(B) RETAIL KW	2,955,898		
(C) NUMBER OF CUSTOMERS		1,602	
(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	

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
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G47 above)	$ -	$ -	$ -
(B) RETAIL KW	642,964		
(C) NUMBER OF CUSTOMERS		5	
(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	

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
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above)	$ -	$ -	$ -
(B) RETAIL KW	317		

(C) NUMBER OF CUSTOMERS	245
(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
	0.362	0.638	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above)	$ -	$ -	$ -
(B) RETAIL KW	23,918		
(C) NUMBER OF CUSTOMERS (Connections)		11,125	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0090
MONTHLY SERVICE CHARGE (Per Customer)	$13.9491
COST OF POWER KWH RATE	$0.0653

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0131
MONTHLY SERVICE CHARGE (Per Customer)	$34.0386
COST OF POWER KWH RATE	$0.064500

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.6062
MONTHLY SERVICE CHARGE (Per Customer)	$358.1720
COST OF POWER KW RATE	$6.110400
COST OF POWER KWH RATE	$0.045200

LARGE USE

DISTRIBUTION KW RATE	$0.9705
MONTHLY SERVICE CHARGE (Per Customer)	$10,246.1800

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
	$10.3094	$7.4156	$0.0615	$0.0338	$0.0508	$0.0232

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.2084
MONTHLY SERVICE CHARGE (Per Connection)	$0.6473
COST OF POWER KW RATE	$28.0895

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.1923
MONTHLY SERVICE CHARGE (Per Connection)	$1.1386
COST OF POWER KW RATE	$19.7974

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc.	**LICENCE NUMBER**	ED-1999-0000
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	(905) 832-8585 x 8463
E- Mail Address	Albert.Singh@vaughanhydro.on.ca		
VERSION NUMBER	V1		
Date	January 25, 2002		

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

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

RESIDENTIAL CLASS

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL 100 kWh	CURRENT 2001 BILL KWH (enter)	RATE $/KWH	CHARGE $	2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition) KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	100	0.0066	$ 0.66	100	0.00896	$ 0.90		
COST OF POWER KWH	100	0.0653	$ 6.53	100	0.0653	$ 6.53		
CURRENT 2001 BILL			$ 17.63	Adjusted 2002 BILL		$ 21.37	$ 3.74	21.2%

MONTHLY CONSUMPTION OF 250 kWh	CURRENT 2001 BILL KWH (enter)	RATE $/KWH	CHARGE $	2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition) KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	250	0.0066	$ 1.65	250	0.00896	$ 2.24		
COST OF POWER KWH	250	0.0653	$ 16.33	250	0.0653	$ 16.33		
CURRENT 2001 BILL			$ 28.42	Adjusted 2002 BILL		$ 32.51	$ 4.10	14.4%

MONTHLY CONSUMPTION OF 500 kWh	CURRENT 2001 BILL KWH (enter)	RATE $/KWH	CHARGE $	2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition) KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	500	0.0066	$ 3.30	500	0.00896	$ 4.48		
COST OF POWER KWH	500	0.0653	$ 32.65	500	0.0653	$ 32.65		
CURRENT 2001 BILL			$ 46.39	Adjusted 2002 BILL		$ 51.08	$ 4.69	10.1%

MONTHLY CONSUMPTION OF 750 kWh	CURRENT 2001 BILL KWH (enter)	RATE $/KWH	CHARGE $	2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition) KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	750	0.0066	$ 4.95	750	0.00896	$ 6.72		
COST OF POWER KWH	750	0.0653	$ 48.98	750	0.0653	$ 48.98		
CURRENT 2001 BILL			$ 64.37	Adjusted 2002 BILL		$ 69.64	$ 5.28	8.2%

MONTHLY CONSUMPTION OF 1000 kWh	CURRENT 2001 BILL KWH (enter)	RATE $/KWH	CHARGE $	2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition) KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	n/a	n/a	$ 13.95		
DISTRIBUTION KWH	1000	0.0066	$ 6.60	1000	0.00896	$ 8.96		
COST OF POWER KWH	1000	0.0653	$ 65.30	1000	0.0653	$ 65.30		
CURRENT 2001 BILL			$ 82.34	Adjusted 2002 BILL		$ 88.21	$ 5.87	7.1%

MONTHLY CONSUMPTION OF	KWH	RATE	CHARGE	KWH	RATE	CHARGE	IMPACT	IMPACT

1500 kWh		(enter)	$/KWH	$		$/KWH	$	DOLLARS	%
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95	
	DISTRIBUTION KWH	1500	0.0066	$ 9.90	DISTRIBUTION KWH	1500	0.00896	$ 13.44	
	COST OF POWER KWH	1500	0.0653	$ 97.95	COST OF POWER KWH	1500	0.0653	$ 97.95	
	CURRENT 2001 BILL			$ 118.29	Adjusted 2002 BILL			$ 125.34	$ 7.05	6.0%

MONTHLY CONSUMPTION OF 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.44	MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
	DISTRIBUTION KWH	2000	0.0066	$ 13.20	DISTRIBUTION KWH	2000	0.00896	$ 17.92		
	COST OF POWER KWH	2000	0.0653	$ 130.60	COST OF POWER KWH	2000	0.0653	$ 130.60		
	CURRENT 2001 BILL			$ 154.24	Adjusted 2002 BILL			$ 162.47	$ 8.23	5.3%

GENERAL SERVICE < 50 KW

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

ENTER DESIRED CONSUMPTION LEVEL

1000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	1000	0.0097	$ 9.70	DISTRIBUTION KWH	1000	0.01314	$ 13.14		
	COST OF POWER KWH	1000	0.0645	$ 64.50	COST OF POWER KWH	1000	0.0645	$ 64.50		
	CURRENT 2001 BILL			$ 99.46	Adjusted 2002 BILL			$ 111.68	$ 12.22	12.3%

MONTHLY CONSUMPTION 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	2000	0.0097	$ 19.40	DISTRIBUTION KWH	2000	0.01314	$ 26.28		
	COST OF POWER KWH	2000	0.0645	$ 129.00	COST OF POWER KWH	2000	0.0645	$ 129.00		
	CURRENT 2001 BILL			$ 173.66	Adjusted 2002 BILL			$ 189.32	$ 15.66	9.0%

MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	5000	0.0097	$ 48.50	DISTRIBUTION KWH	5000	0.01314	$ 65.70		
	COST OF POWER KWH	5000	0.0645	$ 322.50	COST OF POWER KWH	5000	0.0645	$ 322.50		
	CURRENT 2001 BILL			$ 396.26	Adjusted 2002 BILL			$ 422.24	$ 25.98	6.6%

MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	10000	0.0097	$ 97.00	DISTRIBUTION KWH	10000	0.01314	$ 131.40		
	COST OF POWER KWH	10000	0.0645	$ 645.00	COST OF POWER KWH	10000	0.0645	$ 645.00		
	CURRENT 2001 BILL			$ 767.26	Adjusted 2002 BILL			$ 810.44	$ 43.18	5.6%

MONTHLY CONSUMPTION 20,000 KWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 25.26	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
	DISTRIBUTION KWH	20000	0.0097	$ 194.00	DISTRIBUTION KWH	20000	0.01314	$ 262.80		

COST OF POWER KWH	20000	0.0645	$	1,290.00	COST OF POWER KWH	20000	0.0645	$	1,290.00	
CURRENT 2001 BILL			$	1,509.26	Adjusted 2002 BILL			$	1,586.84	$ 77.58 5.1%

GENERAL SERVICE > 50 KW NON TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL

	CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)					
	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	0	1.9000	$	-	DISTRIBUTION KW	0	2.60616	$ -		
COST OF POWER KW	0	6.1104	$	-	COST OF POWER KW	0	6.1104	$ -		
COST OF POWER **KWH**	0	0.0452	$	-	**KWH**	0	0.0452	$ -		
CURRENT 2001 BILL			$	275.10	Adjusted 2002 BILL			$ 358.17	$ 83.07	30.2%

MONTHLY CONSUMPTION 100kW, 30,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	100	1.9000	$	190.00	DISTRIBUTION KW	100	2.60616	$ 260.62		
COST OF POWER KW	100	6.1104	$	611.04	COST OF POWER KW	100	6.1104	$ 611.04		
COST OF POWER **KWH**	30,000	0.0452	$	1,356.00	**KWH**	30,000	0.0452	$ 1,356.00		
CURRENT 2001 BILL			$	2,432.14	Adjusted 2002 BILL			$ 2,585.83	$ 153.69	6.3%

MONTHLY CONSUMPTION 100kW, 40,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	95	1.9000	$	180.50	DISTRIBUTION KW	95	2.60616	$ 247.59		
COST OF POWER KW	95	6.1104	$	580.49	COST OF POWER KW	95	6.1104	$ 580.49		
COST OF POWER **KWH**	31,800	0.0452	$	1,437.36	**KWH**	31,800	0.0452	$ 1,437.36		
CURRENT 2001 BILL			$	2,473.45	Adjusted 2002 BILL			$ 2,623.60	$ 150.16	6.1%

MONTHLY CONSUMPTION 500kW, 100,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	260	1.9000	$	494.00	DISTRIBUTION KW	260	2.60616	$ 677.60		
COST OF POWER KW	260	6.1104	$	1,588.70	COST OF POWER KW	260	6.1104	$ 1,588.70		
COST OF POWER **KWH**	100,400	0.0452	$	4,538.08	**KWH**	100,400	0.0452	$ 4,538.08		
CURRENT 2001 BILL			$	6,895.88	Adjusted 2002 BILL			$ 7,162.56	$ 266.67	3.9%

MONTHLY CONSUMPTION 500kW, 250,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION KW	500	1.9000	$	950.00	DISTRIBUTION KW	500	2.60616	$ 1,303.08		
COST OF POWER KW	500	6.1104	$	3,055.20	COST OF POWER KW	500	6.1104	$ 3,055.20		
COST OF POWER **KWH**	250,000	0.0452	$	11,300.00	**KWH**	250,000	0.0452	$ 11,300.00		
CURRENT 2001 BILL			$	15,580.30	Adjusted 2002 BILL			$ 16,016.45	$ 436.15	2.8%

MONTHLY CONSUMPTION 1000kW, 400,000kWh

	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		

DISTRIBUTION KW	1000	1.9000	$	1,900.00	DISTRIBUTION KW	1000	2.60616	$	2,606.16	
COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$	6,110.40	
COST OF POWER **KWH**	400,000	0.0452	$	18,080.00	COST OF POWER **KWH**	400,000	0.0452	$	18,080.00	
CURRENT 2001 BILL			$	26,365.50	Adjusted 2002 BILL			$	27,154.73	$ 789.23	3.0%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17		
DISTRIBUTION KW	1000	1.9000	$	1,900.00	KW	1000	2.60616	$	2,606.16		
COST OF POWER KW	1000	6.1104	$	6,110.40	COST OF POWER KW	1000	6.1104	$	6,110.40		
COST OF POWER **KWH**	500,000	0.0452	$	22,600.00	COST OF POWER **KWH**	500,000	0.0452	$	22,600.00		
CURRENT 2001 BILL			$	30,885.50	Adjusted 2002 BILL			$	31,674.73	$ 789.23	2.6%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17		
DISTRIBUTION KW	3000	1.9000	$	5,700.00	KW	3000	2.60616	$	7,818.47		
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$	18,331.20		
COST OF POWER **KWH**	1,000,000	0.0452	$	45,200.00	COST OF POWER **KWH**	#######	0.0452	$	45,200.00		
CURRENT 2001 BILL			$	69,506.30	Adjusted 2002 BILL			$	71,707.85	$ 2,201.55	3.2%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17		
DISTRIBUTION KW	3000	1.9000	$	5,700.00	KW	3000	2.60616	$	7,818.47		
COST OF POWER KW	3000	6.1104	$	18,331.20	COST OF POWER KW	3000	6.1104	$	18,331.20		
COST OF POWER **KWH**	1,500,000	0.0452	$	67,800.00	COST OF POWER **KWH**	#######	0.0452	$	67,800.00		
CURRENT 2001 BILL			$	92,106.30	Adjusted 2002 BILL			$	94,307.85	$ 2,201.55	2.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17		
DISTRIBUTION KW	4000	1.9000	$	7,600.00	KW	4000	2.60616	$	10,424.63		
COST OF POWER KW	4000	6.1104	$	24,441.60	COST OF POWER KW	4000	6.1104	$	24,441.60		
COST OF POWER **KWH**	1,200,000	0.0452	$	54,240.00	COST OF POWER **KWH**	#######	0.0452	$	54,240.00		
CURRENT 2001 BILL			$	86,556.70	Adjusted 2002 BILL			$	89,464.40	$ 2,907.70	3.4%

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	$	275.10	MONTHLY SERVICE CHARGE	n/a	n/a	$	358.17		
DISTRIBUTION KW	4000	1.9000	$	7,600.00	KW	4000	2.60616	$	10,424.63		
COST OF POWER KW	4000	6.1104	$	24,441.60	COST OF POWER KW	4000	6.1104	$	24,441.60		
COST OF POWER **KWH**	1,800,000	0.0452	$	81,360.00	COST OF POWER **KWH**	#######	0.0452	$	81,360.00		
CURRENT 2001 BILL			$	113,676.70	Adjusted 2002 BILL			$	116,584.40	$ 2,907.70	2.6%

LARGE USE

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

ENTER DESIRED CONSUMPTION LEVELS

6000kW, 3,000,000kWh	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**

DISTRIBUTION					DISTRIBUTION					
kW	6000	0.7742	$	4,645.20	kW	6000	0.9705	$	5,822.74	
kW COST OF POWER					kW COST OF POWER Demand					
Demand Charge	6000	10.3094	$	61,856.40	Charge	6000	10.3094	$	61,856.40	
		RATE					**RATE**			
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0615	$	92,250.00	WINTER PEAK	#######	0.0615	$	92,250.00	
WINTER OFF PEAK	1,500,000	0.0338	$	50,700.00	WINTER OFF PEAK	1,500,000	0.0338	$	50,700.00	
MONTHLY SERVICE CHARGE			$	7,009.03	MONTHLY SERVICE CHARGE			$	10,246.18	
TOTAL			$	216,460.63	**TOTAL**			$	220,875.32	$ 4,414.69 2.0%

SUMMER					**SUMMER**						
	KW	**RATE $/kW**		**CHARGE $**		**KW**	**RATE $/kW**		**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION						
kW	6000	0.7742	$	4,645.20	kW	6000	0.9705	$	5,822.74		
kW COST OF POWER					kW COST OF POWER Demand						
Demand Charge	6000	7.4156	$	44,493.60	Charge	6000	7.4156	$	44,493.60		
		RATE					**RATE**				
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**				
SUMMER PEAK	1,500,000	0.0508	$	76,200.00	SUMMER PEAK	#######	0.0508	$	76,200.00		
SUMMER OFF PEAK	1,500,000	0.0232	$	34,800.00	SUMMER OFF PEAK	1,500,000	0.0232	$	34,800.00		
MONTHLY SERVICE CHARGE			$	7,009.03	MONTHLY SERVICE CHARGE			$	10,246.18		
TOTAL			$	167,147.83	**TOTAL**			$	171,562.52	$ 4,414.69	2.6%

	2001 PILs	2002 Pils	PilsTotal	Total Increase	MARR Inc.
Residential					
Ser. Chge Inc.	0.7457	2.121258	2.87		
KWH Inc.	0.0005077	0.001444	1.95		
Total			4.82	$ 5.87	$ 1.05
% Inc.			5.9%	7.1%	1.3%
GS<50					
Ser. Chge Inc.	1.879436604	5.346446	7.23		
KWH Inc.	0.000738822	0.002102	5.68		
Total			12.91	$ 15.66	$ 2.75
% Inc.			7.4%	9.0%	1.6%
GS>50					
Ser. Chge Inc.	17.20908251	48.95479	66.16		
KW Inc.	0.153294798	0.436079	153.24		
Total			219.40	$ 266.67	$ 47.27
% Inc.			3.2%	3.9%	0.7%

Schedule of Rates and Charges

Hydro Vaughan Distribution Inc. RP-2002-0056

Effective March 1, 2002 EB-2002-0065

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

Monthly Service Charge	(per month)	$13.95
Distribution Volumetric Rate	(per kWh)	$0.0090
Cost of Power Rate	(per kWh)	$0.0653

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.04
Distribution Volumetric Rate	(per kWh)	$0.0131
Cost of Power Rate	(per kWh)	$0.0645

GENERAL SERVICE > 50 KW (Non Time of Use)

Schedule of Rates and Charges

Monthly Service Charge	(per month)	$358.17
Distribution Volumetric Rate	(per kW)	$2.6062
Cost of Power Demand Rate	(per kW)	$6.1104
Cost of Power Energy Rate	(per kWh)	$0.0452

LARGE USE

Monthly Service Charge	(per month)	$10,246.18
Distribution Volumetric Rate	(per kW)	$0.9705
Cost of Power - Winter Peak	(per kW)	$10.3094
Cost of Power - Summer Peak	(per kW)	$7.4156
Cost of Power - Winter Peak	(per kWh)	$0.0615
Cost of Power - Winter Off Peak	(per kWh)	$0.0338
Cost of Power - Summer Peak	(per kWh)	$0.0508
Cost of Power - Summer Off Peak	(per kWh)	$0.0232

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$0.65
Distribution Volumetric Rate	(per kW)	$2.2084
Cost of Power Demand Rate	(per kW)	$28.0895

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$1.14
Distribution Volumetric Rate	(per kW)	$3.1923
Cost of Power Demand Rate	(per kW)	$19.7974

MISCELLANEOUS CHARGES

ADD 2002 OEB APPROVED MISCELLANEOUS CHARGES HERE

New Account Setup	$	10.00	
Change of Occupancy	$	-	
Account History			
Administration Fee	$	-	
Current Year Data	$	30.00	
Previous Year Billing Consumption Data			
On Line - per year charge	$	30.00	
Off Line - per year charge	$	50.00	
Easement Letter	$	20.00	
Arrear's Certificate	$	15.00	
Late Payment (per month, per annum)		1.50%	19.56%
Returned Cheque	$	20.00	
Collection of Account Charge	$	10.00	
Final Bill Fee	$	10.00	
Special Reading Charge Fee (Repeat F/B Fee)	$	20.00	
Income Tax Letter	$	15.00	
Bill Copy	$	2.00	
Reference Letter	$	15.00	
Temporary Service Disconnection	$	50.00	
Disconnect at Customer's Request	$	50.00	
Meter Test - Customer Request	$	50.00	
Temporary Pole Service	$	400.00	
Reconnect Charges (at meter) - during regular working hours	$	20.00	
Reconnect Charges (at meter) - after regular working hours	$	50.00	
Diversity Adjustment Winter	$	0.93	
(discontinued at Mar Summer	$	1.04	
Transformer Ownership Credit (per kw)	$	0.60	

Schedule of Rates and Charges

Primary Metering Allowance	1% of kw and kwh billed

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2002-0056
EB-2002-0065

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 Hydro Vaughan Distribution Inc. for an order or orders approving or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

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

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

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 named in one of the template 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), $1,654,859.

- the 2001 deferred Payments in Lieu of Taxes (PILs), $2,047,030.

- the 2002 Payments in Lieu of Taxes (PILs), $5,948,326.

- a change in the utility's investment revenue and a provision to account for revenue losses incurred by this change, $827,713.

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 adjusts the Applicant's proposals for the following reasons. Hydro Vaughan did not adjust the income tax gross-up formula for the 1.12% surtax rate. Additionally, the Board recalculated the 2002 capital cost allowance using a declining balance. As a result,

- the 2001 deferred Payments in Lieu of Taxes (PILs) was corrected for an overstatement of $32,735. REVISED APPROVED $2,014,295
- the 2002 Payments in Lieu of Taxes (PILs) was corrected for an overstatement of $218,246. REVISED APPROVED $5,730,080

The Applicant requested recovery of lost interest income of $827,713 not accounted for in the rates set by the Board in 2001. In the Board's view, the request is for the Board to vary its previous decision and approve a retroactive rate adjustment. The Applicant had not applied for such revenue adjustment in its initial filing for unbundled rates for which it has received a Board Decision. The Board relies on the applicants to bring their best case forward for prospective rate adjustments, not on a piecemeal and selective basis. The Board cannot be expected to vary its previous decisions because an applicant might have thought that, after the fact, it could have included in its application certain other matters. Fairness and regulatory efficiency require that there be finality to the rate setting process. The Board finds that the amount claimed is out of period and therefore denies the Applicant's request.

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 ORDERS THAT:

1) The rates set out in Appendix "A" of this Order are approved effective March 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, February 28, 2002.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0056
EB-2002-0065

February 28, 2002

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Hydro Vaughan Distribution Inc.
Schedule of Rates and Charges
Effective March 1, 2002

RP-2002-0056
EB-2002-0055

Time Periods for Time of Use (Eastern Standard Time)

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

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

RESIDENTIAL

Monthly Service Charge	(per month)	$13.95
Distribution Volumetric Rate	(per kWh)	$0.0090
Cost of Power Rate	(per kWh)	$0.0727

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.04
Distribution Volumetric Rate	(per kWh)	$0.0131
Cost of Power Rate	(per kWh)	$0.0719

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$358.17
Distribution Volumetric Rate	(per kW)	$2.6062
Cost of Power Demand Rate	(per kW)	$6.1104
Cost of Power Energy Rate	(per kWh)	$0.0526

Hydro Vaughan Distribution Inc.
Schedule of Rates and Charges -- Page 2
Effective March 1, 2002

RP-2002-0056
EB-2002-0065

LARGE USE

Monthly Service Charge	(per month)	$10,246.18
Distribution Volumetric Rate	(per kW)	$0.9705
Cost of Power - Winter Peak	(per kW)	$10.3094
Cost of Power - Summer Peak	(per kW)	$7.4156
Cost of Power - Winter Peak	(per kWh)	$0.0689
Cost of Power - Winter Off Peak	(per kWh)	$0.0412
Cost of Power - Summer Peak	(per kWh)	$0.0582
Cost of Power - Summer Off Peak	(per kWh)	$0.0306

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$0.65
Distribution Volumetric Rate	(per kW)	$2.2084
Cost of Power Demand Rate	(per kW)	$30.7395

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$1.14
Distribution Volumetric Rate	(per kW)	$3.1923
Cost of Power Demand Rate	(per kW)	$22.4474

UNMETERED SCATTERED LOAD

Monthly Service Charge	(per connection)	$34.04
Distribution Volumetric Rate	(per kW)	$0.0131
Cost of Power Demand Rate	(per kW)	$0.0719

Hydro Vaughan Distribution Inc.
Schedule of Rates and Charges – Page 3
Effective March 1, 2002

RP-2002-0056
EB-2002-0065

SPECIFIC SERVICE CHARGES

New Account Setup		$	10.00
Current Year Data		$	30.00
Previous Year Billing Consumption Data			
On Line - per year charge		$	30.00
Off Line - per year charge		$	50.00
Easement Letter		$	20.00
Arrear's Certificate		$	15.00
Late Payment	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		$	20.00
Collection of Account Charge		$	10.00
Final Bill Fee		$	10.00
Special Reading Charge Fee (Repeat F/B Fee)		$	20.00
Income Tax Letter		$	15.00
Bill Copy		$	2.00
Reference Letter		$	15.00
Temporary Service Disconnection		$	50.00
Disconnect at Customer's Request		$	50.00
Meter Test - Customer Request		$	50.00
Temporary Pole Service		$	400.00
Reconnect Charges (at meter) - during regular working hours		$	20.00
Reconnect Charges (at meter) - after regular working hours		$	50.00
Diversity Adjustment Credit (per KW)	Winter	$	0.93
(discontinued at Market Opening)	Summer	$	1.04
Transformer Ownership Credit (per kw)		$	0.60
Primary Metering Allowance		1% of kw and kwh billed	

Hydro Vaughan Distribution Inc.
Schedule of Rates and Charges -- Page 3
Effective March 1, 2002

RP-2002-0056
EB-2002-0065

SPECIFIC SERVICE CHARGES

New Account Setup		$	10.00
Current Year Data		$	30.00
Previous Year Billing Consumption Data			
On Line - per year charge		$	30.00
Off Line - per year charge		$	50.00
Easement Letter		$	20.00
Arrear's Certificate		$	15.00
Late Payment	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		$	20.00
Collection of Account Charge		$	10.00
Final Bill Fee		$	10.00
Special Reading Charge Fee (Repeat F/B Fee)		$	20.00
Income Tax Letter		$	15.00
Bill Copy		$	2.00
Reference Letter		$	15.00
Temporary Service Disconnection		$	50.00
Disconnect at Customer's Request		$	50.00
Meter Test - Customer Request		$	50.00
Temporary Pole Service		$	400.00
Reconnect Charges (at meter) - during regular working hours		$	20.00
Reconnect Charges (at meter) - after regular working hours		$	50.00
Diversity Adjustment Credit (per KW)	Winter	$	0.93
(discontinued at Market Opening)	Summer	$	1.04
Transformer Ownership Credit (per kw)		$	0.60
Primary Metering Allowance		1% of kw and kwh billed	

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

Commission de l'Énergie
de l'Ontario
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Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273

Ontario

BY PRIORITY POST

February 7, 2002

Scott Somerville
General Manager
Hydro Vaughan Distribution Inc.
2141 Major Mackenzie Drive
Suite 100
Vaughan, ON
L6A 1W8

Dear Mr. Somerville:

Re: Hydro Vaughan Distribution Inc.
Market Adjusted Rate of Return (MARR) Application
Board File No. RP-2002-0056/EB-2002-0065

This will acknowledge receipt on January 28, 2002 of Hydro Vaughan Distribution Inc.'s Market Adjusted Rate of Return (MARR) Application. The Board has assigned File Number **RP-2002-0056**(EB-2002-0065) to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

PowerStream Inc.
Account 1562 Disposition
Interest Expense - Year ending Dec 31, 2002

Hydro Vaughan Interest Expense	**Amount**	**Note**
Interest per Financial Statements	$ 6,769,000	
less 50% of RHHI interest included above	$ (1,142,804)	1
HVDI Interest	$ 5,626,197	
Adjustments		
less interest on investment in RHHI	$ (1,054,253)	2
Adjust interest re actual Rate base	$ (297,918)	3
Interest deducted for purposes of Interest Adjustment	$ 4,274,026	

Deemed Interest Expense $ 6,962,384

Notes

1. Hydro Vaughan (HVDI) owned a 50% interest in Richmond Hill Hydro Inc. (RHHI) The financial statements include a proportionate consolidation of its 50% interest in RHHI on a line by line basis. Accordingly interest expense includes 50% of RHHI's interest expense for 2002, which must be removed before making the comparison.

2.

Average investment in RHHI	$ 38,206,370	
Financed by debenture in August 2002	$ 30,000,000	
Rate	6.45%	
Interest expense	1,935,000	
Alternative calculation:		
Goodwill on purchase of RHHI	16,345,000	(Vaughan's share of puirchase price over NBV)
Financed by debenture in August 2002	$ 16,345,000	
Rate	6.45%	
Interest expense	1,054,253	

3. Calculation of deemed interest on actual rate base:

2002 Actual Rate Base ($000)	HVDI	Consolidated Per FS	less 50% of RHHI	equals HVDI
Opening Fixed assets excluding CWIP	157,514	157,514		157,514
Closing Fixed assets excluding CWIP	157,170	203,194	92,048	157,170
Average Net Fixed Assets	157,342	180,354	46,024	157,342
Working capital allowance (WCA)				
COP and OM&A	208,248	248,465	80,434	208,248
	15.00%			
WCA	31,237			
Total Rate base ($000)	**188,579**			
Deemed debt	$ 103,718,596	55.0%		
Deemed interest	$ 7,260,302	7.00%		
Increase in deemed interest	$ 297,918			

Actual interest expense deducted has been reduced by the amount of the deemed interest on the on the increase in actual rate base for purposes of the interest adjustment.

Consolidated Financial Statements of

HYDRO VAUGHAN DISTRIBUTION INC.

Year ended December 31, 2002

KPMG LLP
Chartered Accountants
Yonge Corporate Centre
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Toronto, On M2P 2H3

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AUDITORS' REPORT TO THE SHAREHOLDER

We have audited the consolidated balance sheet of Hydro Vaughan Distribution Inc. as at December 31, 2002 and the consolidated statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Toronto, Canada

March 28, 2003

HYDRO VAUGHAN DISTRIBUTION INC.

Consolidated Balance Sheet
(In thousands of dollars)

December 31, 2002, with comparative figures for 2001

	2002	2001
Assets		
Current assets:		
Cash and cash equivalents	$ 12,438	$ 35,204
Accounts receivable	15,332	20,008
Unbilled revenue	44,927	15,987
Inventory	3,349	1,622
Prepaids and other	321	289
	76,367	73,110
Investment in Richmond Hill Hydro Inc. (note 2)	–	70,103
Capital assets (note 3)	204,990	158,963
Other assets:		
Regulatory assets (note 4)	9,306	687
Deferred debt issue costs, net of amortization of $96,666	2,968	–
Intangibles	29	–
	12,303	687
Goodwill (note 2)	16,345	–
	$ 310,005	$ 302,863
Liabilities and Shareholder's Equity		
Current liabilities:		
Bank indebtedness (note 5)	$ 12,500	$ 61,878
Accounts payable and accrued liabilities (note 6)	35,434	24,332
Income taxes payable	2,059	–
Due to related parties (note 7)	12,321	38,587
Liability for subdivision development	1,579	–
	63,893	124,797
Long-term liabilities:		
Note payable, City of Vaughan (notes 7 and 12)	45,000	45,000
Debenture payable (note 8)	52,500	–
Customers' deposits (note 9)	14,128	9,673
Employee future benefits (note 10)	1,738	986
Other liabilities	39	–
	113,405	55,659
Shareholder's equity:		
Share capital (note 12)	120,342	120,342
Retained earnings	12,365	2,065
	132,707	122,407
Commitments (note 13)		
Contingencies (note 14)		
	$ 310,005	$ 302,863

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Susan Kadis, Director

Mario Ferri, Director

HYDRO VAUGHAN DISTRIBUTION INC.

Consolidated Statement of Earnings and Retained Earnings
(In thousands of dollars)

Year ended December 31, 2002, with comparative figures for 2001

	2002	2001
Revenue	$ 284,116	$ 199,431
Cost of energy	233,894	174,286
	50,222	25,145
Expenses:		
High voltage transformation	363	195
Distribution	4,333	3,259
Utilization	346	33
Billing and collection	3,237	1,830
Administration and general	5,504	3,760
Interest	6,769	3,187
Amortization of capital assets, net of $672 (2001 - $440) charged to other accounts	12,688	9,278
Taxes, other than amounts in lieu of corporate income taxes	788	330
	34,028	21,872
Earnings before amounts in lieu of corporate income taxes	16,194	3,273
Amounts in lieu of corporate income taxes	5,494	112
Net earnings	10,700	3,161
Retained earnings (deficit), beginning of year	2,065	(1,096)
Dividends paid	(400)	–
Retained earnings, end of year	$ 12,365	$ 2,065

See accompanying notes to consolidated financial statements.

HYDRO VAUGHAN DISTRIBUTION INC.

Consolidated Statement of Cash Flows
(In thousands of dollars)

Year ended December 31, 2002, with comparative figures for 2001

	2002	2001
Cash provided by (used in):		
Operations:		
Net earnings	$ 10,700	$ 3,161
Adjustments to determine cash provided by (used in) operations:		
Amortization of capital assets	13,359	9,719
Amortization of debt issue costs	97	–
Amortization of employee future benefits transitional amounts	235	201
Employee future benefits	386	301
Provision for recovery of regulatory assets	2,000	–
Gain on sale of capital assets	(5)	–
Increase in regulatory assets	(10,619)	(584)
Change in non-cash working capital (note 17)	(16,293)	(3,082)
	(140)	9,716
Financing:		
Increase (decrease) in bank indebtedness	(49,378)	61,878
Increase in liability for subdivision development	607	–
Increase (decrease) in due to related parties	(26,266)	2,013
Proceeds from debenture payable	52,500	–
Debt issue costs	(3,065)	–
Customer deposits	2,724	289
Decrease in other liabilities	(8)	–
Dividends paid	(400)	–
	(23,286)	64,180
Investments:		
Investment in Richmond Hill Hydro Inc.	(18)	(62,603)
Expenditures on capital assets, net of contribution of capital construction	(12,501)	(15,424)
Proceeds on sale of capital assets	5	–
	(12,514)	(78,027)
Other:		
Corporation's proportionate interest in cash of Richmond Hill Hydro Inc., beginning of year	13,174	–
Decrease in cash and cash equivalents	(22,766)	(4,131)
Cash and cash equivalents, beginning of year	35,204	39,335
Cash and cash equivalents, end of year	$ 12,438	$ 35,204

Supplemental cash flow information (note 18):

See accompanying notes to consolidated financial statements.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year ended December 31, 2002

Hydro Vaughan Distribution Inc. (the "Corporation"), owned solely by the Corporation of the City of Vaughan was incorporated on October 24, 2000 under the laws of the Province of Ontario. The Corporation commenced operations on November 1, 2000.

The principal activity of the Corporation is to distribute electricity in the service area of Vaughan, in the Province of Ontario, under the licence issued by the Ontario Energy Board ("OEB"). The Corporation is regulated under the OEB and adjustments to the distribution rates require OEB approval.

1. Significant accounting policies:

(a) Basis of presentation:

The Corporation's financial statements are prepared by management in accordance with Canadian generally accepted accounting principles and accounting guidance provided by its regulator, the OEB as contained in its Accounting Procedures Handbook, under the authority of the Ontario Energy Board Act, 1998.

Effective January 1, 2002, the Corporation's 50% interest in Richmond Hill Hydro Inc. ("RHHI") is accounted for using the proportionate consolidation method whereby the Corporation's proportionate share of the assets, liabilities and related revenues and expenses of RHHI are included in the consolidated financial statements.

(b) Rate setting:

The Corporation is regulated by the OEB under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenue and expenses for the distribution of electricity, accounting methods may differ from that otherwise expected under generally accepted accounting principles for non-rate regulated enterprises. Specifically:

(i) Capital and operating costs incurred in respect of the transition to competitive markets have been deferred with amortization to commence on the date that a rate increase is implemented to offset the amortization of the transition costs.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

1. Significant accounting policies (continued):

(ii) The Corporation provides for amounts in lieu of corporate income taxes using the taxes payable method.

(iii) The Corporation has deferred certain pre-market opening cost of power variances and post-market opening retail settlement variances in accordance with Article 490 of the OEB's Accounting Procedures Handbook.

(c) Cash and cash equivalents:

Cash and cash equivalents are defined as cash and bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days.

(d) Revenue recognition:

Revenue related to the distribution and sale of electricity 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 period reported. The related cost of power is recorded on the basis of power used. Actual results could differ from estimates.

(e) Inventory:

Inventory, which consists of parts and supplies acquired for internal construction or consumption, is valued at the lower of cost and replacement cost. Cost is determined on the lower of a weighted-moving average basis or replacement cost.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

1. Significant accounting policies (continued):

(f) Capital assets:

Capital assets are recorded at cost and include contracted services, materials, labour, engineering costs and overheads. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. Such contributions, whether in cash or in-kind, are offset against the related asset cost. Contributions in-kind are valued at their fair market value at the date of their contribution.

When identifiable assets, such as buildings, distribution station equipment and equipment and furniture are retired or otherwise disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets such as transmission and distribution facilities is removed from the accounts at the end of their estimated service life.

Amortization of capital asset values is charged to operations on a straight-line basis over the following years:

Buildings	10 years
Transformer stations	40 years
Transformers and meters	25 to 40 years
Plant and equipment	10 to 30 years
Other	4 to15 years

Construction in progress comprises capital assets under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

1. Significant accounting policies (continued):

(g) Regulatory assets:

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered in rates. Regulatory assets are comprised principally as follows:

(i) Transition costs, which represent costs related to the transition to a competitive electricity market, mandated by the Electricity Act, 1998. The OEB has established rules in respect of transition costs, to qualify amounts for deferral and amortization against future revenue. To the extent that transition costs have been incurred that do not qualify for deferral, these costs have been expensed during the period in which they were incurred.

(ii) Pre-market opening cost of power variances, which represent amounts accumulated as a result of the excess of the cost of power purchased by the Corporation over the amount billed for this power prior to the market opening. The OEB directed utilities to accumulate such variances in the period leading up to market opening.

(iii) Post-market opening retail settlement variances, which are variances that have occurred since May 1, 2002 when the competitive electricity market was declared open and that have accumulated pursuant to direction from the OEB. Specifically, these amounts include:

(a) variances between the amount charged by the Independent Market Operator ("IMO") for the operation of the markets and grid, as well as various wholesale market settlement charges, transmission charges as compared to the amount billed to consumers based on the OEB-approved wholesale market service rate; and

(b) variances between the amounts charged by the IMO to allow for purchases of imported power as compared to the amounts billed to consumers based on the OEB-approved rates.

On December 9, 2002, the Province of Ontario enacted the Electricity Pricing, Conservation and Supply Act, 2002 ("Bill 210"), which amended the Electricity Act, 1998 and other statutes for the purpose of implementing the Electricity Action Plan announced by the Premier of Ontario on November 11, 2002. The more significant provisions of Bill 210 are as follows:

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

1. Significant accounting policies (continued):

(i) Energy prices for low volume and designated consumers (as defined in Bill 210) are fixed at 4.3 cents per kwh;

(ii) Distribution rates are capped until at least April 30, 2006;

(iii) Effective December 1, 2002, the price paid by distributors to the IMO for wholesale market charges other than energy is largely fixed at the same price distributors are permitted to charge their customers; and

(iv) Bill 210 provides for the establishment or continuation of deferral accounts for certain amounts until disposition is addressed by the OEB. Specifically, these accounts include retail settlement variance accounts and transition costs.

As a result, the Corporation will not be able to implement the final rate increase to be able to achieve a 9.88% return on equity, nor will it be able to apply for recovery of transition costs expected to commence from 2003 rates. Bill 210 directed utilities to continue deferral of transition and energy variance accounts until their review by the OEB. In a January 23, 2003 letter to electricity distributors, the Minister of Energy indicated that he will ask the OEB to complete, before the end of 2003, a review to confirm the costs to be recovered, with recovery to commence no later than 2006.

The Corporation believes that it is probable the regulatory assets will be recovered through future rates. However, uncertainty as to full recovery is greater than before enactment of Bill 210. The likelihood of recovery of regulatory assets will be assessed on a regular basis. In the event that recovery from future rates is no longer considered probable or portions of those amounts deferred are determined not to be recoverable, such amounts will be expensed in the period this determination is made.

(h) Deferred debt issue costs:

Deferred debt issue costs represent the discount and the cost of the issue of debentures. Amortization is provided on a straight-line basis over the term of the debenture.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

1. Significant accounting policies (continued):

(i) Goodwill:

Goodwill represents the excess of the purchase price over the fair value assigned to the Corporation's 50% interest of the net identifiable assets acquired on the acquisition of RHHI. Goodwill is not amortized and is tested for impairment annually, or more frequently if events on changes in circumstances indicate that the asset might be impaired. When the carrying amount of goodwill exceeds the implied fair value of goodwill an impairment loss is recognized in an amount equal to the excess.

(j) Intangibles:

Intangibles consist of the Corporation's proportionate share of RHHI's restructuring costs that are comprised principally of professional fees. Intangibles are stated at cost and are being amortized over a five-year period.

(k) Pension and other post employment benefits:

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

The Corporation actuarially determines the cost of other employment and post-employment benefits offered to employees using the projected benefit method prorated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at date of hire, and ended at the earliest age the employee could retire and qualify for benefits. Compensated absences and termination benefits that do not vest or accumulate are recognized as an expense when the event occurs. This accounting policy for future employee benefits was applied on the prospective basis. The transitional obligation resulting from this treatment is being amortized under the average remaining service period of employees.

(l) Customers' deposits:

Customers may be required to post security to obtain electricity or other services. Interest is paid on customer balances at rates established from time to time by the Corporation.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

1. Significant accounting policies (continued):

(m) Corporate income and capital taxes:

In accordance with Ontario Regulation 162/01 made under the Electricity Act, 1998, the Corporation is required to make payments in lieu of corporate income taxes to Ontario Electricity Financial Corporation ("OEFC"), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

The Corporation provides for payments in lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

(n) Measurement uncertainty:

The preparation of the financial statements in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent assets and liabilities at the financial statement date. Accounts receivable, unbilled revenue and regulatory assets are reported based on amounts expected to be recovered and an appropriate allowance for unrecoverable amounts. Inventory is recorded net of provisions for obsolescence.

The Corporation reviews meter readings for reasonableness, however, estimates are required where meter readings are not available, disputed or subject to dispute resolution processes.

Due to the inherent uncertainty involved in making such estimates, actual results could differ from estimates recorded in preparing these consolidated financial statements, including changes as a result of future decisions made by the OEB or the Minister of Energy.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

2. Investment in Richmond Hill Hydro Inc.:

Effective December 27, 2001, the Corporation purchased RHHI in equal share with Markham Hydro Distribution Inc. for consideration of $120,000 plus purchase price adjustments of $19,599 for working capital, and received 1,001 common shares upon closing of the transaction. A further post-closing working capital adjustment of $3,200 (the Corporation's share being $1,600) based on the audited financial statements of RHHI on December 27, 2001 has been agreed to and the payment is to be made in 2003 upon execution of a mutual release.

During 2002, the Board of Directors of RHHI approved the return of capital in the amount of $70,000 to the purchasors, the Corporation's share being $35,000. The Corporation has received $30,000 by December 31, 2002, and the balance is receivable in 2003.

Corporation's share of the fair value of net assets acquired	$	20,376
Goodwill		16,345
	$	36,721

Purchase consideration, as originally stated	$	69,800
Working capital adjustment		1,600
Costs of acquisition		321
		71,721
Less return of capital by RHHI		(35,000)
	$	36,721

During 2002, the Council of the City of Vaughan ratified a shareholders' agreement made with the Town of Markham. Provisions of this shareholders' agreement provide for the joint control of RHHI by its shareholders. Accordingly, effective January 1, 2002, the Corporation accounts for its investment using the proportionate consolidation method.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

2. Investment in Richmond Hill Hydro Inc. (continued):

The consolidated financial statements include the Corporation's proportionate share of the assets, liabilities, revenue and expenses of RHHI as at December 31, 2002 and for the year then ended as follows:

	Total	Corporation's 50% interest
Assets:		
Current	$ 41,384	$ 20,692
Capital assets	92,048	46,024
Other assets	3,398	1,699
	$ 136,830	$ 68,415
Liabilities and equity:		
Bank indebtedness	$ 25,000	$ 12,500
Accounts payable and accrued liabilities	11,572	5,786
Income taxes payable	117	59
Due to related parties	10,000	5,000
Liability for subdivision development	3,157	1,578
Debenture payable	35,000	17,500
Customer deposits	4,808	2,404
Employee future benefits	396	198
Other liabilities	78	39
Equity	46,702	23,351
	$ 136,830	$ 68,415

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

2. Investment in Richmond Hill Hydro Inc. (continued):

	Total	Corporation's 50% interest
Revenue	$ 95,115	$ 47,558
Cost of energy	73,076	36,538
	22,039	11,020
Expenses:		
High voltage transformation	55	28
Distribution	2,072	1,036
Utilization	363	182
Billing and collection	1,160	580
Administration and general	3,455	1,727
Interest	2,286	1,143
Amortization of capital assets	5,756	2,878
Taxes, other than amounts in lieu of corporate income taxes	252	126
	15,399	7,700
Earnings before amounts in lieu of corporate income taxes	6,640	3,320
Amounts in lieu of corporate income taxes	690	345
Net earnings	$ 5,950	$ 2,975
Cash provided by (used in):		
Operations	$ (4,961)	$ (2,481)
Financing	1,046	523
Investments	(4,306)	(2,153)
Total decrease in cash	$ (8,221)	$ (4,111)

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

3. Capital assets:

			2002	2001
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 923	$ –	$ 923	$ 723
Buildings	453	84	369	–
Transformer stations	44,068	8,124	35,944	29,567
Transformers and meters	138,126	59,391	78,735	41,703
Plant and equipment	143,974	60,266	83,708	83,448
Other	9,807	6,292	3,515	2,073
Construction in progress	1,796	–	1,796	1,449
	$ 339,147	$ 134,157	$ 204,990	$ 158,963

Amortization expense included in overhead costs and other expense classifications is $672 (2001 - $440).

4. Regulatory assets:

Regulatory assets can arise as a result of the rate-making process.

	2002	2001
Deferred transition costs	$ 1,444	$ 687
Pre-market opening cost of power variances	5,914	–
Post-market opening retail settlement variances	3,948	–
	11,306	687
Less provision for non-recovery through rates being the Corporation's 50% proportionate share of the provision recorded in the accounts of RHHI	(2,000)	–
	$ 9,306	$ 687

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

5. Bank indebtedness:

The bank indebtedness as at December 31, 2001 that consisted of a bank loan of $61,878 was repaid with $35,000 proceeds from the EDFIN bond issue together with the application of $26,878 from the $30,000 proceeds received from RHHI as a return of capital (note 2).

During the year, the Corporation and RHHI each obtained a credit facility with a Canadian chartered bank to replace existing facilities. The Corporation's facility provides an operating loan and committed an extendible 364-day revolving credit facility. RHHI's credit facility provides a committed extendible 364 revolving credit facility, a letter of credit arrangement and a non-revolving credit facility.

The credit facilities can be drawn upon by either direct advances, bearing interest at prime less 0.5% or through Bankers' Acceptance, with a stamping fee of 3.0 basis points.

The Corporation's operating loan provides the Corporation with a line of credit of $15,000 for the purpose of providing financing of the day to-day operating requirements. The Corporation has no balance outstanding on this facility. The RHHI's committed extendible 364 revolving credit facility provide RHHI with a line of credit of $10,000 for the purpose of providing financing of the day-to-day operating requirements. RHHI has no balance outstanding on this facility.

The Corporation's revolving credit facility provides the Corporation a committed extendible 364-day revolving facility of $20,000 and RHHI's letter of credit arrangement provides financing of $12,000. The purpose is to provide financing to support letter of credit arrangements to provide prudential support to the Independent Electricity Market Operator (IMO) of the Ontario electricity wholesale market and to fund working capital. The IMO requires all purchasers of electricity in Ontario to provide security to mitigate the risk of default based on expected purchases from the IMO administered spot rate. As a December 31, 2002, the Corporation's and RHHI's letters of credit payable to the IMO are $8,900 (2001-nil) and $4,285 (2001-nil), respectively. If the Corporation or RHHI default on their normal monthly payments to the IMO, the IMO has the right to draw on the applicable corporation's letter of credit.

RHHI's non-revolving credit facility provided RHHI with $25,000 loan, which was fully drawn by October 31, 2002. The loan is repayable in full on June 30, 2003, however, the credit may be extended for successive periods of up to 364 days at the discretion of the bank, upon RHHI's written request at least 60 days prior to the maturity date. The consolidated financial statements include the Corporation's 50% proportionate share of $12,500 of the bank loan. RHHI used the proceeds of the loan to partially fund the return of capital to its shareholders (note 2).

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

6. Accounts payable and accrued liabilities:

	2002	2001
Accounts payable - energy purchased	$ 17,879	$ 17,599
Current portion of customer deposits	1,564	944
Payable to the Town of Richmond Hill for the acquisition of RHHI (note 2)	1,600	–
Other accounts payable and accrued liabilities	14,391	5,789
	$ 35,434	$ 24,332

7. Due to related parties:

The amount due to the City of Vaughan is comprised of amounts payable to the Corporation of the City of Vaughan and its wholly owned companies established under the provisions of the Ontario Business Corporation Act in order to comply with provisions of provincial legislation enacted to restructure the publicly owned electricity business in Ontario.

Components of the amount due to related parties are summarized as follows:

	2002	2001
Hydro Vaughan Holdings Inc.:		
Note payable, with interest at an annual average rate of approximately 3% (2001 - 6%)	$ (7,572)	$ (37,572)
Accrued interest on note	(3,515)	(2,590)
Advance to, without interest	12	25
	(11,075)	(40,137)
The Corporation of the City of Vaughan:		
Accrued interest on note payable of $45,000 at an annual rate of 8% (note 12)	(915)	(897)
Net balance receivable of inter entity transactions, without interest	(364)	2,384
	(1,279)	1,487
Hydro Vaughan Energy Corporation:		
Advance to, without interest	33	63
	$ (12,321)	$ (38,587)

Interest on the notes payable, aggregating $4,543 (2001 - $3,187) was charged to interest expense. At December 31, 2002, the amounts shown as due to related parties included an aggregate accrual of $4,430 (2001 - $3,487) related to such interest.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

8. Debenture payable:

	2002	2001
6.45%, unsecured debentures, due August 15, 2012	$ 52,500	$ –

In August 2002 the Corporation and RHHI each raised gross proceeds of $35,000 through a private placement bond offering. The Corporation and RHHI were two of five local distribution companies ("LDC") that participated in the Electricity Distributors Finance Corporation ("EDFIN") 10 Year Bond Issue (Series 2002-1) that was offered on a Private placement.

EDFIN is a special purpose corporation managed by MEARIE Management Inc., for the purpose of providing LDC's with efficient access to the debt capital markets. Each LDC has executed a debenture which is a direct and unsecured obligation of the LDC. The LDCs' obligations are several and not joint, and each LDC is liable for its own obligation and not that of any other LDC.

The unsecured debenture in the amount of $52,500 represents the Corporation's debenture payable of $35,000 plus the Corporation's 50% proportionate share of RHHI's debenture payable of $17,500.

Interest expense, including amortization of deferred debt issue costs is $1,790 (2001 - nil).

9. Customers' deposits:

	2002	2001
Service deposits	$ 12,307	$ 7,868
Deposits on capital projects	3,385	2,749
	15,692	10,617
Less amounts expected to be refunded within one year, included in payables	1,564	944
	$ 14,128	$ 9,673

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

10. Employee future benefits:

The Corporation pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services.

The benefits liability assumed from the former Vaughan Hydro-Electric Commission is being recorded in the accounts prospectively. Accordingly, the obligation is being amortized over the average remaining service period of active employees of 11 years determined by actuarial methodology.

The projected benefit obligations for active employees and retirees at December 31, 2002 of $1,738 (2001 - $986) and the expense of the year ended December 31, 2002 of $650 (2001 - $522) were determined by actuarial valuation using a discount rate of 6% to 7%.

The January 1 to December 31, 2002 payments are estimated to be equal to the estimated claims for extended health, dental benefits and life insurance in respect of retirees, and the assumed expenses and taxes associated with their benefits.

Information about the Corporation's defined benefit plans is as follows:

	2002	2001
Unamortized transitional obligation benefit liability, beginning of year	$ 2,139	$ 2,010
Unamortized transitional obligation, end of year	(1,904)	(1,809)
Portion of transitional obligation recognized in current year	$ 235	$ 201
Accrued employee future benefits, beginning of year	$ 986	$ 484
Proportionate share of RHHI balance of accrued benefit liability	131	–
Expense, including transitional obligation amortization charge	650	522
Benefits paid	(29)	(20)
Accrued employee future benefits, end of year	$ 1,738	$ 986

10. Employee future benefits (continued):

The main actuarial assumptions employed for the valuations are as follows:

(a) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed 2% to 3% in 2000 and thereafter.

(b) Interest (discount) rate:

The present value as at December 31, 2002 of the future benefits was determined using a discount rate of 6% to 7%. This corresponds to the assumed CPI rate plus an assumed rate of return of 4%.

(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% to 7.5% in 2002 graded down to 1% to 4.5% in 2004 and thereafter.

(e) Dental costs:

Dental costs were assumed to increase at the CPI rate plus a further increase of 1% to 1.5% in 2002 (2001 - 1% to 1.5%).

11. Pension agreement:

The Corporation provides a pension plan for its employees through OMERS. OMERS is a multi-employer pension plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. Currently, due to a surplus of investment earnings in the Fund, the Corporation and its employees are subject to a "contribution holiday". The contribution holiday ended for both the Corporation and its employees in January 2003.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

12. Share capital:

The Corporation's authorized share capital is an unlimited number of common shares. The issued share capital as at December 31, 2002 is as follows:

	2002	2001
1,000 common shares, beginning of year	$ 120,342	$ 165,342
Conversion of share capital to a note payable	–	(45,000)
1,000 common shares, end of year	$ 120,342	$ 120,342

In 2001, Vaughan City Council, approved that effective October 1, 2001, the capital structure be adjusted to provide a debt to equity ratio of 55% debt and 45% equity, defined as bank indebtedness and note payable. Accordingly, 27.2% of the issued share capital was allocated to a promissory note payable to the City of Vaughan in the amount of $45,000, with interest thereon commencing on October 1, 2001, at an annual rate of 8%.

The note payable has no specified terms of repayment. The City has agreed not to call for any portion of repayment before January 1, 2004, as the note is fully subordinated to secure credit agreements disclosed in note 5. Accordingly, the note payable has been classified as long-term.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

13. Commitments:

(a) Shared services agreement:

Pursuant to a shared services agreement between the former Hydro Vaughan Commission and the City of Vaughan, the Corporation charges the City, at agreed rates, for street lighting maintenance, forestry services and various administrative functions. In addition, the City performs certain shared services which are charged to the Corporation. Charges made for services under this agreement were $404 (2001 - $422).

(b) Long-term operating leases:

The Corporation rents buildings and facilities from the City of Vaughan under long-term operating leases, which expire February 28, 2003, with options for renewal, the annual rental for which is approximately $586 (2001 - $556). The cost of the rent including both the rent charged under the operating leases and rent not covered by operating leases aggregated $862 (2001 - $771).

14. Contingencies:

(a) Insurance claims:

The Corporation has been jointly named as a defendant in several actions. No provision has been made for these potential liabilities as the Corporation expects that these claims are adequately covered by its insurance.

(b) Other claims:

A class action claiming $500,000 in restitution payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against the former Toronto Hydro-Electric Commission 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 Electricity Distributors Association is undertaking the defence of this class action. At this time, it is not possible to quantify the effect, if any, on the consolidated financial statements.

15. Risk management:

The Corporation understands the risks inherent in its business and defines broadly as anything that could impact its ability to achieve its strategic objectives.

(a) Fair value of financial assets and liabilities:

The fair value of the Corporation's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying amount because of the short maturity of these instruments.

The fair value amount of the EDFIN debenture payable in the amount of $52,500 was $52,530 as at December 31, 2002 based on quoted market prices.

The fair value of the Corporation's note payable, City of Vaughan and due to related parties is not determined due to their related party nature and terms.

Financial assets held by the Corporation expose it to credit risk. As at December 31, 2002, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Corporation earns its revenue from a broad base of customers located in the City of Vaughan and Town of Richmond Hill. In 2002, Hydro Vaughan Distribution Inc. derived approximately 12% (10% - 2001) of its revenue from one customer. At December 31, 2002 the one customer represented $2,554 (2001 - $2,349) of the accounts receivable balance.

(b) Insurance:

The Corporation maintains appropriate types and levels of insurance with major insurers. With respect to liability insurance, it is a member of the Municipality Electric Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members.

Insurance premiums charged to each member consist of a levy per thousands dollars of service revenue subject to a credit or surcharge based on each member's claims experience. Effective January 1, 2001, coverage is provided to a level $20,000 per incident.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

16. Amounts in lieu of income taxes:

The Corporation follows the taxes payable method of accounting for amounts paid in lieu of income taxes.

The Corporation has unrecorded future income tax assets arising substantively from differences between accounting and tax values for capital assets amounting to $11,800 based on current rates. The benefit of these amounts, if any, will be recorded as they are realized as there is uncertainty as to whether the Corporation will retain these benefits.

The Corporation was not subject to amounts in lieu of corporate income taxes prior to October 2001.

17. Change in non-cash operating working capital:

	2002	2001
Accounts receivable	$ 7,552	$ (8,543)
Unbilled revenue	(25,913)	928
Inventory	(350)	(17)
Prepaid and other	54	(146)
Accounts payable and accrued liabilities	335	4,696
Income taxes payable	2,029	–
	$ (16,293)	$ (3,082)

The change in non-cash working capital includes the change in the Corporation's proportionate interest in the change in the non-cash operating working of RHHI.

HYDRO VAUGHAN DISTRIBUTION INC.

Notes to Consolidated Financial Statements (continued)
(In thousands of dollars)

Year ended December 31, 2002

18. Supplemental cash flow information:

(a) Cash paid for:

	2002	2001
Interest	$ 4,696	$ –
Income taxes	3,435	115

(b) Non-cash financing activity:

In fiscal 2002, the Corporation become obligated for a post-closing working capital adjustment in the amount of $1,600 related to its acquisition of a 50% interest in RHHI. The payment is to be made in fiscal 2003 (note 2).

19. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

T2 CORPORATION INCOME TAX RETURN

CLIENT COPY

EB-2012-0161
Code 0101
Appendix 5
Schedule 5-23
Page 165 of 204
Filed: May 4, 2012

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.

All 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 changes to this 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 the *General Index of Financial Information* 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 891096810RC0001

Corporation's name

002 Hydro Vaughan Distribution 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 2800 Rutherford Road

012

City	Province, territory, or state
015 Vaughan	016 ON
Country (other than Canada)	**Postal Code/ZIP code**
017	018 L4K-2N9

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes [X] 2 No [ ]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 2800 Rutherford Road

032

City	Province, territory, or state
035 Vaughan	036 ON
Country (other than Canada)	**Postal Code/ZIP code**
037	038 L4K-2N9

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 the type of corporation changed during the taxation year, please provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 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 [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
	Does the corporation have any non-resident shareholders?	151		19
	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
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		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
131	Is the corporation claiming a provincial 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
	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 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
149	Is the corporation an investment corporation or a mutual fund corporation?	218		18
130	Was the corporation carrying on business in Canada while not a Canadian corporation?	220		20
117	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227		27
120	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
123	Is the corporation subject to gross Part I.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		37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
127	Is the corporation claiming a Part I tax credit?	242		42
128	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
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		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		39
	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
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		41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Corporation's name	Business Number	Taxation year-end
Hydro Vaughan Distribution Inc.	891096810RC0001	2002-12-31

Attachments - continued from page 2

Guide item		Yes	Schedule
[illegible]	Is the corporation subject to Part XIII.1 tax?		92 *
[illegible]	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *yes* for first time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	hydro distribution	285	16 %
286	energy sale	287	84 %
288		289	0 %

[illegible] 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	13,367,249	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	338,796	
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		338,796	338,796 B
Subtotal (amount A minus amount B)			13,028,453 C
[illegible] Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355		0 D
[illegible]e Income (amount C plus amount D)	360		13,028,453
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)			13,028,453 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	13,367,249	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	405	13,028,453	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	200,000	C

Reduction to business limit:

Amount C 200,000 x 415*** 444,245 D / 11,250 = 7,897,689 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 (enter amount G on line 9 of page 7)	430	0	G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) 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 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
line 425 0 X $300,000 ÷ increased business limit (Schedule 23) = 0 A

Net active business income (amount from line 400) * 13,367,249 B

Taxable income from line 360 or amount Z on page 3, whichever applies, plus 10/4 of the maximum deductible amount at line 636** on page 7, and minus any amount that, because of federal law is exempt for Part I Tax 13,028,453 C

Deduct:
Aggregate investment income (amount from line 440 of page 6) 0 D

Amount C minus amount D (if negative, enter "0") 13,028,453 13,028,453 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 365/365 = 0 N

Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7) 0 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.

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				13,028,453 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")				13,028,453 J

Amount J	13,028,453 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365 x 1% =		0 K
Amount J	13,028,453 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365 x 3% =		390,854 L
Amount J	13,028,453 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365 x 5% =		0 M
Amount J	13,028,453 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365 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) ..... 390,854 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	0 / 365 x 1% =		0 H
Amount G	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365 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 / 365 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 / 365 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

Corporation's name	Business Number	Taxation year-end
Hydro Vaughan Distribution Inc.	891096810RC0001	2002-12-31

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) .... 440 0 x 26 2/3% = ... 0 A

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 0 x 9 1/3% = ... 0
(if negative, enter "0") 0 — 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 13,028,453

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

13,028,453 x 26 2/3% = 3,474,254 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 3,403,032

Deduct corporate surtax from line 600 of page 7 145,919

Net amount ..... 3,257,113 — 3,257,113 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	Business Number	Taxation year-end
Hydro Vaughan Distribution Inc.	891096810RC0001	2012 03 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 **4,950,812** A

Corporate surtax calculation

Base amount from line A above		4,950,812	1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		1,302,845	2
Investment corporation deduction from line 620 below		0	3
Federal logging tax credit from line 640 below		0	4
Federal qualifying environmental trust tax credit from line 648 below		0	5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 6:			
28.00 % of taxable income from line 360 of page 3	0 a		
28.00 % of taxed capital gains	0 b	0	6
Part I tax otherwise payable (line A plus lines C and D minus line F)	0 c		
Total of lines 2 to 6		1,302,845	7
Net amount (line 1 minus line 7)		3,647,967	8

Corporate surtax - 4.00% of the amount on line 8 ..... 600 **145,919** 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	13,028,453		
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 of page 4	0		
Net amount	13,028,453	13,028,453	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) **5,096,731** E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	1,302,845	
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	390,854	
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	
Subtotal		1,693,699	1,693,699 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... **3,403,032** G

Corporation's name: Hydro Vaughan Distribution Inc.

Business Number: 891096810RC0001

Taxation year end: 2011-12-31

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	3,403,032
Part I.3 tax payable from Schedule 33, 34, or 35	704	271,337
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
	Total federal tax	3,674,369

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	3,674,369 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	1,328,511	
	Total credits	890	1,328,511 1,328,511 B

Refund code 894 [0] Overpayment 0

Balance (line A minus line B) 2,345,858

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 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 2,345,858

Enclosed payment 898 2,345,858

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 [X]

Certification

I, 950 Cartwright (Last name in block letters) 951 Chris (First name in block letters) 954 DIRECTOR OF FINANCE (Position, office or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of an authorized signing officer of the corporation

956 905-832-8586 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 in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais [X] 2 Français/French ☐

Hydro Vaughan Distribution Inc. **Sch. 001**
Account/Business No.: 891096810RC0001 **Year Ended: 2002-12-31**

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			7,725,671	A
Additions:				
Provision for income taxes - current	101	5,148,755		
Amortization of tangible assets	104	10,340,655		
Non-deductible meals and entertainment expenses	121	20,000		
Reserves from financial statements - balance at the end of the year	126	1,540,000		
Subtotal of additions		17,049,410	17,049,410	
Other Additions:				
Financing fees deducted in books	216	96,667		
Miscellaneous Other Additions:				
Subtotal of Other Additions	199	96,667	96,667	
Total Additions	500	17,146,077	17,146,077	
Deductions:				
Capital cost allowance from Schedule 8	403	10,833,542		
Cumulative eligible capital deduction from Schedule 10	405	207,900		
Subtotal of Deductions		11,041,442	11,041,442	
Other Deductions:				
Miscellaneous Other Deductions:				
700 AMORTIZED FINANCING COSTS 20(1)(e)	390	463,057		
Subtotal of Other Deductions	499	463,057	463,057	
Total Deductions	510	11,504,499	11,504,499	
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)			13,367,249	

DFILED

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 820
33 King Street West
Oshawa ON L1H 8E9

2002 CT23 Corporations Tax and Annual Return

For taxation years commencing after May 1, 2002

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

[illegible]turn is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. [illegible] 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) [illegible]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 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? *(Not required if already filed or Annual Return exempt, Refer to Guide)* [X] Yes [ ] No **Page 1 of 24**

Ministry Use

Corporation's Legal Name *(including punctuation)* and Mailing Address

Hydro Vaughan Distribution Inc.

2800 Rutherford Road

Vaughan
ON CA L4K-2N9

Ontario Corporations Tax Account No. (MOF): 1800114

This CT23 Return covers the Taxation Year
Start: year month day 2002-01-01
End: year month day 2002-12-31

Has the mailing address changed since last filed CT23 Return? Yes [ ] Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 2002-10-24

Registered/Head Office Address

2800 Rutherford Road

Vaughan
ON CA L4K-2N9

Ontario Corporation No. (MCBS): 2020202

Location of Books and Records

[illegible]utherford Road

Vaughan
ON CA L4K-2N9

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 891096810RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Chris Cartwright	905-832-8586	

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)*

Chris Cartwright

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
Hydro Vaughan Distribution Inc.	1800114	2002-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [1] [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) [ ] %

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
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

Please "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]

Corporation's Legal Name: Hydro Vaughan Distribution Inc.

Ontario Corporations Tax Account No. (MOF): 1800114

Taxation Year End: 2002-12-31

DOLLARS ONLY

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 (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From 890	13,367,249.
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	338,796.
Net capital losses (From 715 page 17) 0. X inclusion rate 50.000000%	–	714	0.
Farm losses	–	From 724	0.
Restricted farm losses	–	From 734	0.
Limited partnership losses	–	From 754	0.
Taxable Income (Non-capital loss)	=	10	13,028,453.
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	13,028,453.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	13,028,453.	x 30	100.0000%	x 15.5000%	x	Days before May 2, 2000: 22 0	Total Days: 73 365	=	23	0.
From 10 (or 20 if applicable)	13,028,453.	x 30	100.0000%	x 14.5000%	x	Days after May 1, 2000 and before Jan 1, 2001: 24 0	Total Days: 73 365	=	25	0.
From 10 (or 20 if applicable)	13,028,453.	x 30	100.0000%	x 14.0000%	x	Days after Dec 31, 2000 and before Oct 1, 2001: 26 0	Total Days: 73 365	=	27	0.
From 10 (or 20 if applicable)	13,028,453.	x 30	100.0000%	x 12.5000%	x	Days after Sept 30, 2001 and before Jan 1, 2003: 28 365	Total Days: 73 365	=	29	1,628,557.
From 10 (or 20 if applicable)	13,028,453.	x 30	100.0000%	x 12.5000%	x	Days after Dec 31, 2002 and before Jan 1, 2004: 31 0	Total Days: 73 365	=	32	0.
			Ontario Allocation					=	40	1,628,557.

Income Tax Payable (before deduction of tax credits) 23 + 25 + 27 + 29 + 32

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	13,367,249.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	13,028,453.	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	338,796.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	338,796.	
	=	13,028,453.	54 13,028,453.
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 after Dec 31, 2000 and before Oct 1, 2001: 0	Total Days: 73 365			
X From 55 200,000	÷ 200,000		=+ 42	0.	
80,000 x	Days after Sept 30, 2001 and before Jan 1, 2003: 365	Total Days: 73 365			
X From 55 200,000	÷ 200,000		=+ 43	80,000.	
120,000 x	Days after Dec 31, 2002 and before Jan 1, 2004: 0	Total Days: 73 365			
From 55 200,000	÷ 200,000		=+ 46	0.	

Ontario enhancement of federal business limit: 42 + 43 + 46 = 80,000. + 44 80,000.

Business Limit for Ontario purposes: 55 + 44 = 280,000. 45 280,000.

Income eligible for the IDSBC: From 30 100.0000% * Ontario Allocation x 56 280,000. = 60 280,000. 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: Hydro Vaughan Distribution Inc.

Ontario Corporations Tax Account No. (MOF): 1800114

Taxation Year End: 2002-12-31

DOLLARS ONLY

Income Tax *continued from Page 4*

n of IDSBC Rate	7.00 %	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	365	= + 75	.0000.
	7.50 %	x	Days after Dec 31, 1998 and before Oct 1, 2001	76	0	÷ 73	365	= + 77	.0000.
	6.50 %	x	Days after Sept 30, 2001 and before Jan 1, 2003	28	365	÷ 73	365	= + 79	6.5000.
	7.00 %	x	Days after Dec 31, 2002 and before Jan 1, 2004	31	0	÷ 73	365	= + 89	.0000.
IDSBC Rate for Taxation Year 75 + 77 + 79 + 89								= 78	6.5000.
Claim From 60 280,000. x From 78 6.5000 %								= 70	18,200.

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 13,028,453.

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 0.
			+ 83 .
			+ 84 .
			= 85 13,028,453.

Aggregate Taxable Income 80 + 82 + 83 + 84, etc. = 85 13,028,453.

Number of Days In Taxation Year

Subtract: 200,000 x	Days before Jan 1, 2001	558	0	÷ 73	365	= + 111	0.		
240,000 x	Days after Dec 31, 2000 and before Oct 1, 2001	26	0	÷ 73	365	= + 112	0.		
280,000 x	Days after Sept 30, 2001 and before Jan 1, 2003	28	365	÷ 73	365	= + 113	280,000.		
320,000 x	Days after Dec 31, 2002 and before Jan 1, 2004	31	0	÷ 73	365	= + 115	0.		
						111 + 112 + 113 + 115 =	280,000.	- 114	280,000.
(If negative, enter nil)								= 86	12,748,453.

Number of Days In Taxation Year

Calculation of Specified Rate for Surtax	4.67 %	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	365	= + 92	.0000
	5.00 %	x	Days after Dec. 31, 1999 and before Oct 1, 2001	76	0	÷ 73	365	= + 93	.0000
	4.3330 %	x	Days after Sept 30, 2001 and before Jan 1, 2003	28	365	÷ 73	365	= + 95	4.3330
	4.6670 %	x	Days after Dec 31, 2002 and before Jan 1, 2004	31	0	÷ 73	365	= + 96	.0000
Specified rate of surtax for Taxation Year 92 + 93 + 95 + 96								= 94	4.3330
From 86 12,748,453. x From 94 4.3330 %								= 87	552,390.
From 87 552,390. x From 60 280,000. ÷ From 114 280,000.								= 88	552,390.
Surtax Lesser of 70 or 88								= 100	18,200

Continued on Page 6

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 6 of 24
Hydro Vaughan Distribution Inc.	1800114	2002-12-31	DOLLARS ONLY

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		280,000.
Add: Adjustment for Surtax on Canadian-controlled private corporations				
From 100 18,200. + From 30 100.0000 % * Ontario Allocation + From 78 6.5000 % =	121 280,000.			
Lesser of 56 or 121 / 120 – 56 + 122		+	122	280,000.
		=	130	0.
Taxable Income		+ From	10	13,028,453.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)		– From	56	280,000.
Add: Adjustments for Surtax on Canadian-controlled private corporations		+ From	122	280,000.
Subtract: Taxable Income From 10 3,028,453. 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	13,028,453.

Claim — Number of Days in Taxation Year

143 0. X From 30 100.0000 % * Ontario Allocation X 2.0000 % X	Days before Oct 1, 2001: 152 0	Total Days: + 73 365	= +	153	0.
Lesser of 130 or 142							
143 0. X From 30 100.0000 % * Ontario Allocation X 1.5000 % X	Days after Sept 30, 2001 and before Jan 1, 2003: 28 0	Total Days: + 73 365	= +	154	0.
Lesser of 130 or 142							
143 0. X From 30 100.0000 % * Ontario Allocation X 1.5000 % X	Days after Dec 31, 2002 and before Jan 1, 2004: 31 0	Total Days: + 73 365	= +	155	0.
Lesser of 130 or 142							
M&P claim for taxation year 153 + 154 + 155			=	160	0.

*Note: *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations ..... = 161 **0.**

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 **0.**

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (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 **1,628,557.**

continued on Page 7

Corporation's Legal Name: Hydro Vaughan Distribution Inc

Ontario Corporations Tax Account No. (MOF): 1800114

Taxation Year End: 2002-12-31

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 + [193] 0.
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

Graduate Transitions Tax Credit (GTTC) (s.43.6)
No. of Graduates From [6598] [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 + [197] 0.
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

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 + [199] 0.
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

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 + [200] 0.
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

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] 1,628,557.

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.***

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 8 of 24
Hydro Vaughan Distribution Inc.	1800114	2002-12-31	DOLLARS ONLY

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	261,966,097.	
* Total Revenue of the corporation			+ 241 237,132,666.

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 15,040,718.	+ 244 928,293.
			+ 245 .	+ 246 .
			+ 247 .	+ 248 .
Aggregate Total Assets 240 + 243 + 245 + 247 , etc.			= 249 277,006,815.	
Aggregate Total Revenue 241 + 244 + 246 + 248 , etc.				= 250 238,060,959.

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 10,135,424. (If negative, enter zero)	X From 30 100.0000% (Ontario Allocation)	X 4%	= 276	405,417.
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				– 277	0.
Subtract: Income Tax				– From 190	1,628,557.
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	1,628,557.
Gross CMT Payable	+ From 276	405,417.			
Subtract: Foreign Tax Credit for CMT purposes	– From 277	0.			
If 276 – 277 is negative, enter NIL in 290	=	405,417.	–	290	405,417.
Income Tax eligible for CMT Credit			=	300	1,223,140.
B. Income tax (after deduction of specified credits)				+ From 230	1,628,557.
Subtract: CMT credit used to reduce income taxes			–	310	0.
Income Tax			=	320	1,628,557.

Transfer to page 18

If A applies, 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 is 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	120,342,256.
Retained earnings (if deficit, deduct)	± 351	9,390,252.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ 352	0.
Loans and advances *(Attach schedule)*	+ 353	89,171,740.
Bank loans	+ 354	0.
Bankers acceptances	+ 355	0.
Bonds and debentures payable	+ 356	0.
Mortgages payable	+ 357	0.
[illegible]s payable	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+ 359	11,723,987.
Contingent, investment, inventory and similar reserves	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	+ 361	1,540,000.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	+ 362	0.
Subtotal	= 370	232,168,235.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	- 371	886,380.
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	231,281,855.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	- 381	0.
Net Paid-up Capital	= 390	231,281,855.

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	36,720,957.
Loans and advances to unrelated corporations	+ 405	0.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
S[illegible] of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	36,720,957.

continued on Page 10

Capital assets - book	158,966,090.00
CEC Deduction - 2002	207,900.00
UCC	-217231421.00
Land - book	-737,376.00
Construction in Progress - book	-1,796,253.00
Share issue costs ($463,057 - $96,666)	366,391.00
Contributions and Grants - book	38,521,049.00
Asset increment ($201,348-$181,578 + $2,820)	22,590,000.00
	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	886,380.00

Loans and advances

Note payable City of Vaughan	45,000,000.00
Note payable Hydro Vaughan Holdings Inc.	7,571,740.00
Payable to the Town of Richmond Hill	1,600,000.00
Debenture payable	35,000,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	89,171,740.00

Capital Tax *continued from Page 9*

Total Assets

Total assets per balance sheet	+ 420	261,966,097.
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	261,966,097.
Amounts in 360 and 361 (if deducted from assets)	+ 440	0.
Subtract: Amounts in 371, 372 and 381	- 441	886,380.
Subtract: Appraisal surplus if booked	- 442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	± 443	0.
Total Assets	= 450	261,079,717.

Investment Allowance (410 + 450) x 390 — Not to exceed 410	= 480	32,529,877.
Taxable Capital 390 - 460	= 470	198,751,978.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	237,132,666.
Total Assets (as adjusted)	From 430	261,966,097.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2002) 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 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. Next review, and if applicable, complete Section D. If Section D is not applicable review Section E 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 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

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*

B5. If taxable capital, 470 exceeds $2,000,000 but is $5,000,000 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 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) = + 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) = + 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 558 / ** 365 (366 if leap year) = + 522 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL ..... + 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.*

B6. If 470 exceeds $5,000,000, complete the following calculations and transfer the amount from 508 to 543 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 0. x From 30 Ontario Allocation 100.0000% x .3000% x Days in taxation year before Oct 1, 2001 559 / ** 365 (386 if leap year) ..... = + 502 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From 470 0.

Exemption – 0.

= 471 0. x From 30 Ontario Allocation 100.0000% x .3000% x Days in taxation year after Sept 30, 2001 560 / ** 365 (366 if leap year) ..... = + 523 0.

Capital Tax for the taxation year 502 + 523 ..... = 508 0.

Transfer to 543 *on page 13 and complete the return from that point.*

** *If floating taxation year, refer to Guide.*

continued on Page 12

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 12 of 24
Hydro Vaughan Distribution Inc.	1800114	2002-12-31	DOLLARS ONLY

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 two aggregate taxable capital calculations as applicable, and (x) 510 [X] (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation ..... + From 470 198,751,978.

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		Taxable Capital
See attached	+ 531	1,600,166.
Aggregate Taxable Capital 470 + 531	= 540	200,352,144.

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(d) or E2(b), 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 portion of the taxation year after September 30, 2001.

From 470 198,751,978. ÷ From 540 200,352,144. x 5,000,000 ..... = 541 4,960,066.
Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Canadian & Foreign associated corporations or related partners permanent establishment in Canada		Taxable Capital
	+ 514	0.
Total Aggregate Taxable Capital 540 + 514	= 520	200,352,144.

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 470 198,751,978. ÷ From 520 0. = 521 .0000.
Transfer to Section E1(a) and/or (b) and/or (c) as applicable

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at 520 is *$2,000,000 or less.*

Enter NIL in 550 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 total AGGREGATE taxable capital at
...ceeds $2,000,000.

E1. If the 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 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 [482]

([504] = [490] – [492]) = [504] 0. x From [30] 100.0000% Ontario Allocation x Days in taxation year after May 4, 1999 and before Jan 1, 2000 [552] 0 ** 365 (366 if leap year) = + [505] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From [470] 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]

([506] = [490] – [493]) = [506] 0. x From [30] 100.0000% Ontario Allocation x Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 [553] 0 ** 365 (366 if leap year) = + [507] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From [470] 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]

([509] = [490] – [495]) = [509] 0. x From [30] 100.0000% Ontario Allocation x Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 [557] 0 ** 365 (366 if leap year) = + [522] 0.

...lation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at [540] is $5,000,000 or less is NIL. Enter NIL ..... = + [523] 0.

Total Capital Tax for the taxation year [505] + [507] + [522] + [523] ..... = [508] 0.

Transfer to [543] *and complete the return from that point.*

E2. If the total aggregate taxable capital at [520] exceeds $3,200,000 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 before October 1, 2001

(a) From [470] 198,751,978. 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] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From [470] 198,751,978.

From [541] (section C) – 4,960,066.

= [471] 193,791,912. x From [30] 100.0000% Ontario Allocation x .3000% x Days in taxation year after Sept 30, 2001 [580] 365 ** 365 (366 if leap year) = + [523] 581,376.

Total Capital Tax for the taxation year [502] + [523] ..... = [508] 581,376.

Transfer to [543] *and complete the return from that point.*

** *" floating taxation year, refer to Guide.*

Capital Tax *before application of specified credits* ..... = [543] 581,376.

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* ..... – [546] 0.

Capital Tax [543] – [546] ..... = [550] 581,376.

Transfer to Page 18

continued on Page 14

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc	1800114	2002-12-31

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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.*

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

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 15 of 24
Hydro Vaughan Distribution Inc.	1800114	2002-12-31	DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for [illegible] purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1		± 600	13,367,249.
			Transfer to page 16
Add:			
Federal capital cost allowance	+ 601		10,833,542.
Federal cumulative eligible capital deduction	+ 602		207,900.
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		1,540,000.
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. × 5 ÷ 15.5000 ×	22	0 ÷	73 365	= + 630	0.
			Days after May 1, 2000 and before Jan 1, 2001	Total Days		
612	0. × 5 ÷ 14.5000 ×	24	0 ÷	73 365	= + 631	0.
			Days after Dec 31, 2000 and before Oct 1, 2001	Total Days		
612	0. × 5 ÷ 14.0000 ×	26	0 ÷	73 365	= + 632	0.
			Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
612	0. × 5 ÷ 12.5000 ×	28	365 ÷	73 365	= + 633	0.
			Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
612	0. × 5 ÷ 12.5000 ×	31	0 ÷	73 365	= + 634	0.

Total add-back amount for Management fees, etc.	630 + 631 + 632 + 633 + 834 =	0. + 613	0.
Federal allowable business investment loss		+ 620	0.
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		+ 814	0.
Federal Scientific Research Expenses claimed in year from federal form T661	0.		
Negative Ontario SR&ED Pool amounts from Ontario schedule 161 line 473	+ 0.		
	= 0.	+ 615	0.
Subtotal of Additions 601 to 611 + 613 + 620 + 614 + 615	=	12,581,442. 640	12,581,442.
			Transfer to page 16

continued on Page 16

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2002-12-31

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

d from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1	From	+ 600	13,367,249.
Subtotal of Additions	From	+ 640	12,581,442.

Deduct:

Ontario capital cost allowance	+ 650	10,833,542.
Ontario cumulative eligible capital deduction	+ 651	207,900.
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	1,540,000.
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	+ 858	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:

Gross-up of CCA 0. x (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 689 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: 670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation) = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation) = 673 0.

Ontario allowable business investment loss	+ 878	0.
Ontario Scientific Research Expenses claimed in the year from Ontario form CT161	+ 679	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 + 679 + 664	=	880	12,581,442.
Net income (loss) for Ontario Purposes 600 + 640 – 680	=	690	13,367,249. *Transfer to Page 4*

Corporation's Legal Name: Hydro Vaughan Distribution Inc.

Ontario corporations Tax Account No. (MOF): 1800114

Taxation Year End: 2002-12-31

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) 338,796	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	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 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 338,796	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	707 338,796	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	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 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 1994-09-30				850 0	870 0
801 1995-09-30				851 0	871 0
802 1996-09-30				852 0	872 0
803 1997-09-30	820 0	830 0	840 0	853 0	873 0
804 1998-09-30	821 0	831 0	841 0	854 0	874 0
805 1999-09-30	822 0	832 0	842 0	855 0	875 0
806 2000-09-30	823 0	833 0	843 0	856 0	876 0
807 2001-09-30	824 0	834 0	844 0	857 0	877 0
808 2001-12-31	825 0	835 0	845 0	858 0	878 0
809 2002-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	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 [illegible] taxation years under s.80(16) with respect to one or more types of [illegible]ied 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 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending (year month day)				
i) 3rd preceding ____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding ____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding ____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320	1,628,557.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	581,376.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	2,209,933.
Subtract: Payments	- 960	2,209,933.
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	- 985	0.
Specified Tax Credits *(Refer to Guide)*	- 955	0.
Other (specify) ____	-	0.
Balance	= 970	0.
If payment due	Enclosed * 990	0.
If overpayment: Refund *(Refer to Guide)*	= 975	0.
Apply to ____ (year month day)	980	0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Chris Cartwright
Title

DIRECTOR OF FINANCE
Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

apital assets - book	158,966,090.00
CEC Deduction - 2002	207,900.00
UCC	-217231421.00
Land - book	-737,376.00
Construction in Progress - book	-1,796,253.00
Share issue costs ($463,057 - $96,666)	366,391.00
Contributions and Grants - book	38,521,049.00
Asset increment ($201,348-$181,578 + $2,820)	22,590,000.00
	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	886,380.00

Loans and advances

Note payable City of Vaughan	45,000,000.00
Note payable Hydro Vaughan Holdings Inc.	7,571,740.00
Payable to the Town of Richmond Hill	1,600,000.00
Debenture payable	35,000,000.00
	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	89,171,740.00

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2002-12-31

CT23 Schedule A
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DOLLARS ONLY

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 **7,725,671.**

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	5,148,755.
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	=	5,148,755. + 2115 **5,148,755.**

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	12,874,426.
** 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	12,874,426.

Deduct: * CMT losses: pre-1994 Loss + From 2210 **0.**
* CMT losses: other eligible losses + From 2211 **2,739,002.**
= 2,739,002. − 2134 **2,739,002.**

* losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

CMT Base = 2135 **10,135,424.**

Transfer to CMT Base on Page 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2002-12-31

CT23 Schedule B & C
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DOLLARS ONLY

Corporate Minimum Tax (CMT)

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	2,739,002.
Add: Current year's losses	+ 2202	0.			
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	=	0.	+ 2207		0.
Adjustments (attach schedule)			± 2208		0.
CMT losses available 2201 + 2207 ± 2208			= 2209		2,739,002.
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	2,739,002.			
Losses expired during the year	+ 2212	0.			
Subtotal	=	2,739,002.	- 2213		2,739,002.
Balances at End of Year (5) 2209 - 2213			= 2214		0.

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 0	2280 0
2241	2002-12-31	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 0	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro Vaughan Distribution Inc.	1800114	2002-12-31

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))

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	2002-12-31	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
23[illegible]		2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310.

Hydro Vaughan Distribution Inc.
Account/Business No.: 891096810RC0001 Year Ended: 2002-12-31 Sch 033

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

[illegible]I.3 TAX ON LARGE CORPORATIONS
([illegible] 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	1,540,000
Capital stock (or members' contributions if incorporated without share capital)	103	120,342,256
Retained earnings	104	9,390,252
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	89,171,740
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	109	0
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	11,723,987

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts (...ould 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	232,168,235	232,168,235	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	0		
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	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		232,168,235	

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	36,720,957	
A loan or advance to another corporation (other than a financial institution)	402	0	
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	36,720,957	

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)		232,168,235	C
Deduct: Investment allowance for the year (line 490)		36,720,957	D
Taxable capital for the taxation year (amount C minus amount D) (if negative, enter "0")	500	195,447,278	

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)	195,447,278	X	Taxable income earned in Canada	610	13,028,453	=	Taxable capital employed in Canada	690	195,447,278
			Taxable income		13,028,453				

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	
[illegible]unt 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)			195,447,278
Deduct: Capital deduction claimed for the year (enter $10,000,000 or, for related corporations, the amount allocated on Schedule 36)	801	10,000,000	
Excess of taxable capital employed in Canada over capital deduction	811		185,447,278

Gross Part I.3 tax: Line 811 185,447,278 x .2250% = 417,256 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 417,256 x (Number of days in the year 365 / 365) = 0 G

Gross Part I.3 tax (amount F or G, whichever applies)	820		417,256

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 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	145,919 x	195,447,278	=	145,919	
			195,447,278			
			line 500 of this schedule			
d)	line 700 from the T2 return				3,403,032	145,919 I
Current year surtax credit (amount H or I, whichever applies)					830	145,919

Part 8 - Calculation of Part I.3 tax credit available for carry- forward

Amount on line 830		145,919	
Part I.3 tax before deducting surtax credits (line 820)		417,256	J
	Net amount	-271,337	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

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 ..... 271,337 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)			417,256	N
Deduct the following amounts:				
Current year surtax credit applied (the lesser of lines 820 and 830)	861	145,919		
Unused surtax credit from prior years applied	862	0		
Total (cannot exceed amount on line 820)		145,919	145,919	O
Net Part I.3 tax payable (amount N minus amount O)				
Enter this amount at line 704 of the T2 return	870		271,337	

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

MENT 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 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 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
Hydro Vaughan Distribution Inc	891096810RC0001	10,000,000	
See attached		0	
	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.

Hydro Vaughan Distribution Inc. Sch. 036-Supp
Account/Business No.: 891096810RC0001 Year Ended: 2002-12-31
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]
Hydro Vaughan Energy Corp		0	2002-12-31
1446631 Ontario Inc.		0	2002-12-31
TOTAL		0	

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.

Disposition of Balance Recorded in Account 1562 D

Distributor	**PowerStream Inc. - Vaughan**
OEB File Number	**0**
Filing Year	**2003**

	A	B	C	D
1	**PILs TAXES**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - Vaughan**			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	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		0%
22		LCT		0%
23				
24	Accounting Year End		Date	31-Dec-03
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			180,841,143
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			15,002,581
42				
43	1999 return from RUD Sheet #7			10,038,003
44				
45	Total Incremental revenue			4,964,578
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			1,654,859
48	Amount allowed in 2002			1,654,859
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			81,378,514
57				
58	Return at target ROE			8,040,197
59				
60	Debt			99,462,629
61				
62	Deemed interest amount in 100% of MARR			6,962,384
63				
64	Phase-in of interest - Year 1 (2001)			5,426,413
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			6,194,398
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			6,194,398
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			6,962,384
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: PowerStream Inc. - Vaughan**							
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	13,347,721		11,162,924		24,510,645	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	7,733,745		3,085,480		10,819,225	
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			2,098,889		2,098,889	
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"**				4,776,676		4,776,676	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	7,241,188		3,320,117		10,561,305	
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	6,194,398		615,667		6,810,065	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			1,540,000		1,540,000	
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			18,401		18,401	
48	**Items on which true-up does not apply "TAXREC 3"**				7,432,770		7,432,770	
49								
50	TAXABLE INCOME/ (LOSS)		7,645,880		8,197,014	Before loss C/F	15,842,894	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.9998%		36.62%	
54								
55	REGULATORY INCOME TAX		2,952,839		2,848,867	Actual	5,801,706	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		2,952,839		2,848,867	Actual	5,801,706	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	180,841,143		44,634,554		225,475,697	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		175,841,143		44,634,554		220,475,697	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		527,523		133,904	**Overpaid**	661,427	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	180,841,143		34,206,402		215,047,545	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		170,841,143		34,206,402		205,047,545	
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)		384,393		76,964		461,357	
82	Less: Federal Surtax 1.12% x Taxable Income	21	85,634		91,807		177,440	
83								
84	Net LCT		298,759		-14,842		283,917	
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: PowerStream Inc. - Vaughan**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	4,724,542			**Actual 2003**	5,801,706	
91	LCT (proxy tax is grossed-up)	23	478,014			**Actual 2003**	283,917	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	527,523			**Actual 2003**	661,427	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	5,730,080			**Actual 2003**	6,747,050	
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			2,098,889			
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			1,540,000			
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		=	558,889			
121								
122	Income Tax Rate (including surtax) from **2003** Utility's tax return			x	36.62%			
123								
124	Income Tax Effect on True-up adjustments			=	204,665			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				204,665			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				317,310			
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)			=	7,645,880			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	36.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	2,799,921			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	2,799,921			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,952,839			
147								
148	Regulatory Income Tax Variance			=	(152,918)			
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: PowerStream Inc. - Vaughan**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	180,841,143			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	175,841,143			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	527,523			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	527,523			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				180,841,143			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	170,841,143			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				384,393			
169	Less: Federal surtax			-	85,634			
170	Revised Net LCT			=	298,759			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	298,759			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.50%			
176								
177	**Income Tax (grossed-up)**			+	(237,082)			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(237,082)			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	317,310			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	80,229			
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)				6,962,384			
194	Interest phased-in (Cell C36)				6,194,398			
195								
196	Variance due to phase-in of debt component of MARR in rates				767,986			
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)				4,552,568			
202	Total deemed interest (REGINFO CELL D61)				6,962,384			
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**				767,986			
209								
210								

	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: PowerStream Inc. - Vaughan**				
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 :**		203,446	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-35,329,870		-35,329,870
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	10,819,225		10,819,225
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	24,510,645	0	24,510,645
51	Less: Interest expense for accounting purposes	-	6,810,065		6,810,065
52	Provision for payments in lieu of income taxes	-	5,353,134		5,353,134
53	**Net Income (loss)**	=	12,347,446	0	12,347,446
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	+	5,353,134	0	5,353,134
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	10,819,225	0	10,819,225
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	+	2,098,889	0	2,098,889
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	***Items on which true-up does not apply "TAXREC 3"***		4,776,676	0	4,776,676
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*		23,047,924	0	23,047,924
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	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**
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	=	23,047,924	0	23,047,924
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	-	10,360,318		10,360,318
98	Cumulative eligible capital deduction	-	200,987		200,987
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*	-	1,540,000	0	1,540,000
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		7,432,770	0	7,432,770
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	-	18,401	0	18,401
112					
113	Subtotal	=	19,552,476	0	19,552,476
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	=	19,552,476	0	19,552,476
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	=	15,842,894	0	15,842,894
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	15,842,894	0	15,842,894
140					

	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**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	3,821,344		3,821,344	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,980,362		1,980,362	
144	Subtotal	=	5,801,706	0	5,801,706	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	5,801,706	0	5,801,706	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	Divide Ontario
151	Blended Income Tax Rate		36.62%	**********	36.62%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	5,801,706	0	5,801,706	
157	Ontario Capital Tax	+	661,427		661,427	
158	Federal Large Corporations Tax	+	283,917		283,917	
159						
160	**Total income and capital taxes**	=	6,747,050	0	6,747,050	
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: PowerStream Inc. - Vaughan**					
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		1,540,000		1,540,000	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		1,540,000	0	1,540,000	
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		2,098,889		2,098,889	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		2,098,889	0	2,098,889	
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: PowerStream Inc. - Vaughan**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		203,446			
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: PowerStream Inc. - Vaughan**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		203,446			
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	-	18,401		18,401	
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	=	18,401	0	18,401	
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		18,401	0	18,401	
121	Total Deductions		18,401	0	18,401	
122						
123						
124						

	A	B	C	D	E
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: PowerStream Inc. - Vaughan**				**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	+	10,391		10,391
33	Non-deductible club dues	+			0
34	Non-deductible automobile costs	+			0
35	**Donations - amount per books**	+	10,750		10,750
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	Financing Fees Deducted	+	257,779		257,779
40	**Ontario capital tax adjustments**	+			0
41	**Changes in Regulatory Asset balances**	+			0
42	Organization Costs	+	210,495		210,495
43	*Other Additions: (please explain in detail the nature of the item)*	+			0
44	Dividends	+	4,287,261		4,287,261
45		+			0
46		+			
47	**Total Additions on which true-up does not apply**	=	4,776,676	0	4,776,676
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**	-	10,750		10,750
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	Dividends	-	4,287,261		4,287,261
70	Equity in Income	-	2,671,702		2,671,702
71	Amort Finance Fees	-	463,057		463,057
72		-			0

	A	B	C	D	E	
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: PowerStream Inc. - Vaughan**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	7,432,770	0	7,432,770	
74						

PILs TAXES
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: PowerStream Inc. - Vaughan
Reporting period: 2003

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 2003 and Capital Tax Exemptions for 2003

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

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

Table 3

Input Information from Utility's Actual 2003 Tax Returns

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

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

	A	B	C	D	E	F	G	H	I	J	K
1	**PILs TAXES**										
2	**Analysis of PILs Tax Account 1562:**										
3	**Utility Name: PowerStream Inc. - Vaughan**										
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		80,229		80,229
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-									
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-									
16	**True-up Variance Adjustment (3)**	+/-					317,310				
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**	+/-									
20	**Deferral Account Variance Adjustment (5)**	+/-					-237,082				
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		80,229		80,229		80,229

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		80,229		0
12				0
14				0
16				317,310
18				0
20				-237,082
22				0
23				0
25				0
26				
27		80,229		80,229

PowerStream Inc.
Account 1562 Disposition
Interest Expense - Year ending Dec 31, 2003

Hydro Vaughan Interest Expense	As filed	**Note**
Interest per Financial Statements	$ 6,810,068	1
less interest on investment in RHHI	$ (1,054,253)	2
less interest on increase in Rate base	$ (173,370)	3
Interest deducted for purposes of Interest Adjustment	$ 5,755,816	

Deemed Interest Expense $ 6,962,384

Notes

1. Hydro Vaughan owned a 50% interest in Richmond Hill Hydro Inc. (RHHI)
   Per unconsolidated statements - no adjustment for consolidation necessary.

2. Average investment in RHHI $ 38,206,370
   Financed by debenture in August 2002 $ 35,000,000
   Rate 6.45%
   Interest expense 2,257,500

   Alternative calculation:
   Goodwill on purchase of RHHI 16,345,000
   Financed by debenture in August 2002 $ 16,345,000
   Rate 6.45%
   Interest expense 1,054,253

3. Calculation of deemed interest on actual rate base:

2003 Actual Rate Base		
Average Net Fixed Assets	156,399,973	
Working capital allowance (WCA)		
COP and OM&A	192,961,830	
	15.00%	
WCA	28,944,275	
Total Rate base	**185,344,248**	
Deemed debt	101,939,336	55.0%
Deemed interest	7,135,754	7.00%
Increase in deemed interest	173,370	

Actual interest expense deducted has been reduced by the amount of the deemed interest on the on the increase in actual rate base for purposes of the interest adjustment.

ASSURANCE AND ADVISORY BUSINESS SERVICES

ASSURANCE SERVICES

Non-consolidated Financial Statements

Hydro Vaughan Distribution Inc.

December 31, 2003

ERNST & YOUNG

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

1. INCORPORATION AND REGULATION

Hydro Vaughan Distribution Inc. [the "Corporation"], owned solely by the Corporation of the City of Vaughan, was incorporated on October 24, 2000 under the laws of the Province of Ontario. The Corporation commenced operations on November 1, 2000.

The principal activity of the Corporation is to distribute electricity in the service area of Vaughan, in the Province of Ontario, under the licence issued by the Ontario Energy Board ["OEB"]. The Corporation is regulated under the OEB and adjustments to the distribution rates require OEB approval.

The OEB has regulatory oversight of electricity matters in the Province. The Act sets out the OEB's powers to issue a distribution license, which must be obtained by any person owning or operating a distribution system under the Ontario Energy Board Act, 1998. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, separation of accounts for separate businesses and filing/process requirements for rate-setting purposes.

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In December 2002, the Province passed the Electricity Pricing, Conservation and Supply Act, 2002 ["Bill 210"] which among other things:

[a] Fixed the price of electricity paid by low volume and designated consumers at 4.3 cents per Kwh [retroactive to May 1, 2002]; and

[b] Capped distribution rates at current levels and deferred further rate increases and certain cost recoveries by distributors.

The price freeze and rate caps were originally expected to continue until at least May 1, 2006.

In November 2003, the Province announced its intention to increase [effective April 1, 2004] the price of electricity payable by low volume and designated customers from 4.3 cents to 4.7 cents per Kwh on the first 750 Kwhs consumed during a month and 5.5 cents per Kwh thereafter and directed the OEB to develop new pricing mechanisms [to take effect no later than May 1, 2005] for setting the price of electricity payable by low volume and designated customers.

The Province also announced its intention in November 2003 to permit electricity distributors to make rate applications to the OEB earlier than had been contemplated under Bill 210 with respect to the:

[a] Recovery of regulatory assets [based on year-end balances at December 31, 2002] to be phased in over a four-year period effective March 1, 2004; and

[b] Third adjustment necessary to achieve a market-based rate of return [subject to a one-time investment in conservation and demand management initiatives equal to one year of additional revenue resulting from such rate increase] effective March 1, 2005.

In December 2003, the OEB issued filing guidelines with respect to the recovery of regulatory assets. The OEB's filing guidelines provided that:

[a] Distributors will be permitted to recover 25% of regulatory assets in rate adjustments to become effective March 1, 2004;

[b] The 2004 rate adjustment will be implemented on April 1, 2004 (with a gross-up added to the recovered amount to allow recovery over 11 months);

[c] The OEB will provide additional instructions with respect to the filing of evidence to facilitate the OEB's review of the balance of the regulatory assets; and

[d] Permitted recoveries will be phased in over a four-year period [2004 through 2007]

During the period that the price freeze is in effect, it is expected that distributors and retailers will be compensated by the Ontario Electricity Financial Corporation ["OEFC"]:

[a] In the case of distributors, for amounts by which the price paid by distributors for electricity purchased by them in the wholesale market on behalf of low volume and designated consumers is greater than the fixed price per Kwh; and

[b] In the case of retailers, for amounts by which the retail contract price between retailers and low volume and designated consumers is greater than the fixed price per Kwh.

Consumers other than designated consumers who annually utilize more than 250,000 Kwhs continue to be eligible to receive Business Protection Plan ["BPP"] rebates [formerly received under the Market Power Mitigation Agreement] from Ontario Power Generation Inc. ["OPG"] to the extent that electricity prices exceed certain prescribed thresholds.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and future possible consultations between the OEB and interested stakeholders,

AUDITORS' REPORT

To the Directors of
Hydro Vaughan Distribution Inc.

We have audited the non-consolidated balance sheet of **Hydro Vaughan Distribution Inc.** [the "Corporation"] as at December 31, 2003 and the non-consolidated statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2003 and the results of its earnings and its cash flows for the year then ended in accordance with the basis of accounting disclosed in note 2 to the financial statements.

The non-consolidated financial statements as at December 31, 2002 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated March 28, 2003.

Ernst & Young LLP

Toronto, Canada,
April 23, 2004.

Chartered Accountants

Hydro Vaughan Distribution Inc.

NON-CONSOLIDATED BALANCE SHEET

As at December 31

	2003 $	2002 $ Restated – note 3
ASSETS		
Current		
Cash and cash equivalents	**42,187,046**	3,374,866
Restricted cash	**109,972**	4,274,931
Accounts receivable *[note 19]*	**15,878,000**	12,666,493
Unbilled revenue	**26,960,773**	37,993,431
Inventory	**1,525,521**	1,785,410
Prepaids and other	**85,887**	124,208
Total current assets	**86,747,199**	60,219,339
Investment in Richmond Hill Hydro Inc. *[note 5]*	**38,101,462**	39,695,718
Property, plant and equipment *[note 6]*	**157,018,255**	158,966,090
Other assets		
Regulatory assets *[note 7]*	**426,900**	6,475,754
Deferred debt issue costs, net of amortization of $256,250 [2002 - $96,666]	**1,960,839**	2,218,618
Total other assets	**2,387,739**	8,694,372
	284,254,655	267,575,519
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable and accrued liabilities *[note 10]*	**27,460,767**	31,001,306
Income taxes payable	**294,648**	2,000,000
Due to related parties *[note 11]*	**16,727,122**	6,747,188
Total current liabilities	**44,482,537**	39,748,494
Long-term liabilities		
Note payable, Corporation of the City of Vaughan *[notes 11 and 16]*	**45,000,000**	45,000,000
Debenture payable *[note 12]*	**35,000,000**	35,000,000
Regulatory liabilities *[note 7]*	**2,030,214**	1,855,769
Customers' deposits *[note 13]*	**10,588,300**	11,723,987
Employee future benefits *[note 14]*	**2,098,889**	1,540,000
Total long-term liabilities	**94,717,403**	95,119,756
Shareholder's equity		
Share capital *[note 16]*	**120,342,256**	120,342,256
Retained earnings	**24,712,459**	12,365,013
Total shareholders' equity	**145,054,715**	132,707,269
	282,254,655	267,575,519

See accompanying notes

On behalf of the Board:

Director Director

Hydro Vaughan Distribution Inc.

NON-CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

Year ended December 31

	2003 $	2002 $ Restated – note 3
Revenue	**225,049,850**	237,132,666
Cost of energy	**179,687,583**	197,355,444
	45,362,267	39,777,222
Expenses		
High voltage transformation	**301,678**	335,189
Distribution	**3,857,499**	3,297,095
Utilization	**142,039**	164,320
Billing and collection	**3,008,478**	2,656,799
Administration and general	**4,814,287**	3,776,839
Interest	**6,810,065**	6,200,443
Amortization of property, plant and equipment net of $570,148 [2002 - $530,511] charged to other accounts	**10,249,077**	9,810,145
Taxes, other than amounts in lieu of corporate income taxes	**1,150,266**	661,966
	30,333,389	26,902,796
Earnings before amounts in lieu of corporate income taxes	**15,028,878**	12,874,426
Amounts in lieu of corporate income taxes *[note 20]*	**5,353,134**	5,148,755
Net earnings before proportionate return from Richmond Hill Hydro Inc.	**9,675,744**	7,725,671
Equity Income *[note 5]*	**2,671,702**	2,974,761
Net earnings for the year	**12,347,446**	10,700,432
Retained earnings, beginning of year	**12,365,013**	2,064,581
Dividends paid	**—**	(400,000)
Retained earnings, end of year	**24,712,459**	12,365,013

See accompanying notes

Hydro Vaughan Distribution Inc.

NON-CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31

	2003 $	2002 $
OPERATING ACTIVITIES		
Net earnings for the year	**9,675,744**	7,725,671
Adjustments to determine cash provided by operating activities		
Amortization of property, plant and equipment	**10,819,224**	10,340,656
Amortization of debt issue costs	**256,250**	96,666
Employee future benefits	**558,889**	554,000
Decrease (increase) in regulatory assets	**6,048,854**	(5,788,916)
Net change in non-cash operating working capital *[note 21]*	**4,647,915**	(10,013,141)
Cash provided by operating activities	**32,006,876**	2,914,936
FINANCING ACTIVITIES		
Decrease in bank indebtedness	**—**	(61,877,860)
Increase (decrease) in due to related parties	**4,979,934**	(26,840,132)
Proceeds from debenture payable	**—**	35,000,000
Debt issue costs	**—**	(2,315,284)
Increase (decrease) in customer's deposits	**(1,135,687)**	2,051,345
Dividends paid	**—**	(400,000)
Cash provided by (used in) financing activities	**3,844,247**	(54,381,931)
INVESTING ACTIVITIES		
Investment in Richmond Hill Hydro Inc.	**(1,578,697)**	(18,418)
Return of capital from Richmond Hill Hydro Inc.	**5,000,000**	30,000,000
Expenditure on capital assets, net of contribution of capital construction	**(8,912,466)**	(10,343,886)
Dividends received	**4,287,261**	—
Cash provided by (used in) investing activities	**(1,203,902)**	19,637,696
Net increase (decrease) in cash and cash equivalents during the year	**34,647,221**	(31,829,299)
Restricted cash	**4,164,959**	—
Cash and cash equivalents, beginning of year	**3,374,866**	35,204,166
Cash and cash equivalents, end of year	**42,187,046**	3,374,866

Supplemental cash flow information *[note 22]*

See accompanying notes

may affect the distribution rates, including payments in lieu of taxes ["PILs"] collected from customers, that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

The Corporation will not be able to implement the final rate increase to be able to achieve a 9.88% return on equity until 2005, at which time the monies will be directed specifically to demand side management and energy conservation initiatives for a one year period. Beginning in 2006, the Corporation expects rates to be established allowing the ability to achieve a 9.88% return on equity.

2. BASIS OF PRESENTATION

These non-consolidated financial statements, which have been prepared for income tax purposes, are in accordance with Canadian generally accepted accounting principles ["GAAP"] except that the accounts of Richmond Hill Hydro Inc. ["RHHI"] have not been consolidated with those of the Corporation. The investment in this subsidiary is accounted for on an equity basis. As these non-consolidated financial statements have not been prepared for general purposes, some users may require further information.

3. CHANGE IN ACCOUNTING POLICY

In 2003, the Corporation changed the method of accounting for its interest in RHHI to the equity method. The 2002 results have been adjusted to reflect this change in accounting policy. The effect of the change on the 2002 results was to increase the Investment in RHHI and increase retained earnings by $2,974,761.

4. SIGNIFICANT ACCOUNTING POLICIES

Investment in Richmond Hill Hydro Inc.

These non-consolidated statements have been prepared in accordance with Canadian generally accepted accounting principles except that the Corporation's 50% interest in RHHI has not been accounted for using the proportionate consolidation method whereby the Corporation's proportionate share of the assets, liabilities and related revenues and expenses of RHHI would be included and presented in consolidated financial statements. The Company accounts for this investment on an equity basis since it has significant influence in it.

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

Rate setting

The Corporation is regulated by the OEB under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenue and expenses for the distribution of electricity, accounting policies may differ from that otherwise expected under Canadian generally accepted accounting principles for non-rate regulated enterprises. Specifically:

[i] Capital and operating costs incurred in respect of the transition to competitive markets have been deferred with amortization to commence on the date that a rate increase is implemented to offset the amortization of the transition costs.

[ii] The Corporation provides for payments in lieu of corporate income taxes using the taxes payable method for its regulated activities as permitted by The Canadian Institute of Chartered Accountants ["CICA"] and as directed by the OEB.

[iii] The Corporation has deferred certain pre-market opening cost of power variances and post-market opening retail settlement variances in accordance with Article 490 of the OEB's Accounting Procedures Handbook.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days.

Restricted cash

Restricted cash relates to amounts received from the Independent Market Operator ["IMO"] for distribution to customers as fixed price rebates as a result of Bill 210.

Revenue recognition

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. The related cost of power is recorded on the basis of power used.

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

Long-term value-added service contract revenue is accounted for under the percentage of completion method, with revenue recognized proportionately with the degree of completion of the services under contract. Losses on contracts are fully recognized when they become evident. Actual results could differ from estimates.

Inventory

Inventory, which consists of parts and supplies acquired for internal construction or consumption, is valued at the lower of cost and replacement cost. Cost is determined at the lower of a weighted-moving average basis or replacement cost.

Property, plant and equipment and amortization

Property, plant and equipment are recorded at cost and include contracted services, materials, labour, engineering costs and overheads. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. Such contributions, whether in cash or in-kind, are offset against the related asset cost. Contributions in-kind are valued at their fair market value at the date of their contribution.

When identifiable assets, such as buildings, distribution station equipment and equipment and furniture are retired or otherwise disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets such as transmission and distribution facilities are removed from the accounts at the end of their estimated service life.

Amortization of property, plant and equipment is charged to operations on a straight-line basis over the following periods:

Transformer stations	40 years
Transformers and meters	25 to 40 years
Plant and equipment	10 to 30 years
Other	4 to 5 years

Construction in progress comprises property, plant and equipment under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

Regulatory assets

Under Bill 210, certain costs and variance account balances are deemed to be regulatory assets and are reflected in the Corporation's non-consolidated balance sheet until the manner and timing of

disposition is determined by the OEB. Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered in rates. Regulatory assets are comprised principally as follows:

[i] Transition costs, which represent costs related to the transition to a competitive electricity market, mandated by the Electricity Act, 1998. The OEB has established rules in respect of transition costs, to qualify amounts for deferral and amortization against future revenue. To the extent that transition costs have been incurred that do not qualify for deferral, these costs have been expensed during the period in which they were incurred.

[ii] Pre-market opening cost of power variances, which represent amounts accumulated as a result of the excess of the cost of power purchased by the Corporation over the amount billed for this power prior to the market opening. The OEB directed utilities to accumulate such variances in the period leading up to market opening.

[iii] Post-market opening retail settlement variances, which are variances that have occurred since May 1, 2002 when the competitive electricity market was declared open and that have accumulated pursuant to direction from the OEB. Specifically, these amounts include:

[a] variances between the amount charged by the IMO for the operation of the markets and grid, as well as various wholesale market settlement charges, transmission charges as compared to the amount billed to consumers based on the OEB-approved wholesale market service rate; and

[b] variances between the amounts charged by the IMO to allow for purchases of imported power as compared to the amounts billed to consumers based on the OEB-approved rates.

Deferred debt issue costs

Deferred debt issue costs represent the cost of the issue of debentures. Amortization is provided on a straight-line basis over the term of the debenture.

Derivative financial instruments

A derivative financial instrument was utilized to reduce interest rate risk on the Corporation's bond debt. The Corporation does not enter into derivative financial instruments for trading or speculative purposes.

The Corporation's policy is to formally designate each derivative financial instrument as a hedge of a specifically identified debt instrument. The Corporation believes the derivative financial instruments are effective as hedges at inception and over the term of the instrument.

Bond forward transaction agreements involve the periodic exchange of payments without the exchange of the notional principal amount upon which the payments are based, and are recorded as an adjustment of interest expense on the hedged debt instrument.

Gains and losses on terminations of bond forward transaction agreements are deferred under other assets or liabilities on the balance sheet and amortized as an adjustment to interest expense related to the obligation over the remaining term of the original contract life of the terminated bond forward transaction agreement. In the event of early extinguishment of the debt obligation, any deferred costs would be recognized in the statement of earnings at the time of extinguishment.

Pension and other post-employment benefits

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ["OMERS"], a multi-employer public sector pension fund, as a defined contribution plan.

The Corporation actuarially determines the cost of other employment and post-employment benefits offered to employees using the projected benefit method prorated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at date of hire, and ended at the earliest age the employee could retire and qualify for benefits. Compensated absences and termination benefits that do not vest or accumulate are recognized as an expense when the event occurs.

Customers' deposits

Customers may be required to post security to obtain electricity or other services. Interest is paid on customer balances at rates established from time to time by the Corporation.

Corporate income taxes, LCT and capital taxes

Under the Electricity Act, 1998 the Corporation is required to make payments in lieu of corporate income taxes and capital taxes to Ontario Electricity Financial Corporation ["OEFC"], commencing October 1, 2001. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. OEFC is a government of Ontario agency responsible for the collection of these payments. Other payments remitted to OEFC are applied against the stranded debt of Ontario Hydro.

The Corporation is a "municipal electric utility" ["MEU"] for purposes of the PILs regime contained in the Electricity Act, 1998. The PILs regime came into effect on October 1, 2001, at which time the Corporation was deemed to have commenced a new taxation year for purposes of

determining its respective liabilities for PILs. Accordingly, the Corporation was deemed to have disposed of its assets at their then fair market value and to have reacquired such assets at that same amount for the purposes of computing its future income subject to PILs. For purposes of certain provisions, the Corporation was deemed to be a new company and, as a result, tax credits or tax losses not previously utilized by the Corporation would not be available to it after the change in tax status. Essentially, the Corporation was taxed as though it had a "fresh start" at the time of its change in tax status. The differences between the financial statement carrying value and tax bases of assets and liabilities were accounted for using the taxes payable method of accounting and were applied in accordance with recommendations of the CICA and the OEB.

The Corporation provides for PILs using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

The OEB's Electricity Distribution Rate Handbook provides for the recovery of PILs by local distribution companies through annual distribution rate adjustments as permitted by the OEB.

The OEB may initiate industry consultations in 2004 on the recovery of PILs through distribution rates. The method that has been used to set the PILs portion of the Corporation's rates for 2004 is consistent with the approach used in past periods. The Corporation cannot predict the timing and outcome of any such consultations and whether there could be any impact on the amount of PILs payments that are recoverable through distribution rates.

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent assets and liabilities at the financial statement date. Accounts receivable, unbilled revenue and regulatory assets are reported based on amounts expected to be recovered and an appropriate allowance for unrecoverable amounts. Inventory is recorded net of provisions for obsolescence.

Due to the inherent uncertainty involved in making such estimates, actual results could differ from estimates recorded in preparing these non-consolidated financial statements, including changes as a result of future decisions made by the OEB or the Minister of Energy.

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

5. INVESTMENT IN RICHMOND HILL HYDRO INC.

Effective December 27, 2001, the Corporation purchased RHHI in equal share with Markham Hydro Distribution Inc. all of the issued and outstanding shares of RHHI for cash consideration of $120,000,000 plus purchase price adjustments and acquisition costs of $11,720,957 for working capital upon closing of the transaction. A further post-closing working capital adjustment of $3,200,000 [the Corporation's share being $1,600,000 based on the audited financial statements of RHHI as at December 27, 2001 was agreed to and the payment was made during the year ended December 31, 2003. During fiscal 2002, the Board of Directors of RHHI approved the return of capital in the amount of $70,000,000 to the purchasers, the Corporation's share being $35,000,000. The Corporation received $30,000,000 by December 31, 2002, and the balance of $5,000,000 was received during the year ended December 31, 2003. An additional post-closing working capital adjustment of $21,303 was made in fiscal 2003.

	2003 $	2002 $
Balance, beginning of year	**39,695,718**	70,102,539
Cost of acquisition	**21,303**	18,418
Working capital adjustment	**—**	1,600,000
	36,717,021	71,720,957
Less return of capital by RHHI	**—**	(35,000,000)
	36,717,021	36,720,957
Equity Income	**2,671,702**	2,974,761
Dividend received	**(4,287,261)**	—
	38,101,462	39,695,718

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	2003		
	Cost $	Accumulated depreciation $	Net book value $
Land	737,376	—	737,376
Transformer stations	36,309,116	8,055,219	28,253,897
Transformers and meters	73,269,558	31,978,689	41,290,869
Plant and equipment	144,411,075	62,413,917	81,997,158
Other	12,033,843	8,683,034	3,350,809
Construction in progress	1,388,146	—	1,388,146
	268,149,114	111,130,859	157,018,255

	2002		
	Cost $	Accumulated depreciation $	Net book value $
Land	737,376	—	737,376
Transformer stations	35,826,236	7,147,492	28,678,744
Transformers and meters	70,891,278	29,118,882	41,772,396
Plant and equipment	140,945,002	58,479,303	82,465,699
Other	9,807,537	6,291,915	3,515,622
Construction in progress	1,796,253	—	1,796,253
	260,003,682	101,037,592	158,966,090

Amortization expense included in overhead costs and other expense classifications is $570,148 [2002 - $530,511].

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

7. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities arise as a result of the rate-making process and consist of the following:

Regulatory assets	**2003** **$**	**2002** **$**
Deferred transition costs	**1,206,998**	1,206,996
Pre-market opening cost of power variances	**4,289,968**	4,288,439
Post-market opening retail settlement variances	**(5,070,066)**	980,319
	426,900	6,475,754

Regulatory liabilities	**2003** **$**	**2002** **$**
Power saving	**(1,095,769)**	(1,095,769)
Penalty and interest	**(934,445)**	(760,000)
	(2,030,214)	(1,855,769)

8. BUSINESS PROTECTION PLAN REBATE

As at December 31, 2003, the Corporation had received $25,123,092 from the IMO in connection with the Business Protection Plan Rebates for the period starting May 1, 2002 and ending December 31, 2003. The entire balance was allocated to customers and retailers.

9. CREDIT FACILITY

During the year, the Corporation obtained a credit facility with a Canadian chartered bank to replace an existing facility. The credit facility provides an operating loan and a committed extendible 364-day revolving credit facility.

The operating loan provides the Corporation with a line of credit of $15,000,000 for the purpose of providing financing of the day-to-day operation requirements. The Corporation has no balance outstanding on this facility. The revolving credit facility provides the Corporation a committed extendible 364-day revolving credit facility of $20,000,000. The purpose is to provide financing to support a letter of credit arrangement to provide prudential support to the IMO of the Ontario electricity wholesale market and to fund working capital. The IMO requires all purchasers of electricity in Ontario to provide security to mitigate the risk of default based on expected

purchases from the IMO administered spot market. As at December 31, 2003, the Corporation's letter of credit payable to the IMO is $8,900,000. If the Corporation defaults on its normal monthly payments to the IMO, the IMO has the right to draw on the letter of credit.

The credit facility can be drawn upon by either direct advances, bearing interest at prime less 0.50% or Bankers' Acceptances, with a stamping fee of 3.0 basis points.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2003 $	2002 $
Accounts payable - energy purchased	**15,194,078**	14,922,319
Current portion of customers' deposits	**1,370,452**	1,030,682
Other accounts payable and accrued liabilities	**10,896,237**	13,448,305
Payable to the Town of Richmond Hill for acquisition of RHHI	—	1,600,000
	27,460,767	31,001,306

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

11. DUE TO RELATED PARTIES

The following summarizes the Corporation's related party balances with RHHI and the Corporation of the City of Vaughan and its wholly-owned companies established under the provisions of the Ontario Business Corporation Act in order to comply with provisions of provincial legislation enacted to restructure the publicly-owned electricity business in Ontario.

Components of the amount due to related parties are summarized as follows:

	2003 $	2002 $
Richmond Hill Hydro Inc.		
Receivable for return of capital *[note 5]*	—	5,000,000
Accrued interest on receivable for return of capital	—	573,805
	—	5,573,805
Hydro Vaughan Holdings Inc.		
Note payable, with interest at an annual average rate of approximately 3% [2002 - 3%]	**(7,571,740)**	(7,571,740)
Accrued interest on note	**(3,835,405)**	(3,514,635)
Advance to, without interest	—	11,625
	(11,407,145)	(11,074,750)
The Corporation of the City of Vaughan		
Accrued interest on note payable of $45,000,000 at an annual rate of 8% *[note 16]*	**(4,500,000)**	(915,239)
Net balance receivable of inter-entity transactions, without interest	**(819,977)**	(363,754)
	(5,319,977)	(1,278,993)
Hydro Vaughan Energy Corporation		
Advance to, without interest	—	32,750
	(16,727,122)	(6,747,188)

Interest on the notes payable, aggregating $8,335,405 [2002 - $4,542,550] was charged to interest expense. As at December 31, 2003, the amounts shown as due to related parties included an aggregate accrual of $4,500,000 [2002 - $4,429,874] related to such interest.

12. DEBENTURE PAYABLE

	2003 $	2002 $
6.45%, unsecured debenture, due August 15, 2012	**35,000,000**	35,000,000

In August 2002 the Corporation refinanced part of the existing short-term bank loan with a 10-year bond issue for $35,000,000. The Corporation was one of five local distribution companies ["LDC"] that participated in the Electricity Distributors Finance Corporation ["EDFIN"] 10-year bond issue (Series 2002-1) that was offered on a private placement. EDFIN is a special purpose corporation managed by MEARIE Management Inc., for the purpose of providing LDCs with efficient access to the debt capital markets. Each LDC has executed a debenture which is a direct and unsecured obligation of the LDC. The LDCs' obligations are several and not joint, and each LDC is liable for its own obligation and not that of any other LDC.

Interest expense, including amortization of deferred debt issue costs, was $2,520,210 during the year [2002 - $943,299].

13. CUSTOMERS' DEPOSITS

	2003 $	2002 $
Service deposits	**10,944,954**	9,369,837
Deposits on capital projects	**1,013,798**	3,384,832
	11,958,752	12,754,669
Less amounts expected to be refunded within one year, included in payables	**1,370,452**	1,030,682
	10,588,300	11,723,987

14. EMPLOYEE FUTURE BENEFITS

The Corporation pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees rendered their services.

The benefits liability assumed from the former Vaughan Hydro-Electric Commission is being amortized over the average remaining service period of active employees determined by actuarial methodology.

Hydro Vaughan Distribution Inc.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

The projected benefit obligations for active employees and retirees as at December 31, 2003 of $2,098,889 [2002 - $1,540,000] and the expense for the year ended December 31, 2003 of $559,730 [2002 - $553,159] were determined by actuarial valuation using a discount rate of 6%.

Payments for the year ended December 31, 2003 are estimated to be equal to the estimated claims for extended health, dental benefits and life insurance in respect of retirees, and the assumed expenses and taxes associated with their benefits.

Information about the Corporation's defined benefit plans is as follows:

	2003 $	2002 $
Unamortized transitional obligation benefit liability, beginning of year	**1,608,000**	1,809,000
Unamortized transitional obligation benefit liability, end of year	**(1,406,903)**	(1,608,000)
Portion of transitional obligation benefit liability recognized in current year	**201,097**	201,000
Accrued employee future benefits, beginning of year	**1,539,159**	986,000
Expense, including transitional obligation amortization charge	**580,477**	575,000
Benefits paid	**(20,747)**	(21,000)
Accrued employee future benefits, end of year	**2,098,889**	1,540,000

The main actuarial assumptions employed for the valuations are as follows:

[a] General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index ["CPI"], were assumed at 2% in 2000 and thereafter.

[b] Interest (discount) rate:

The present value as at December 31, 2003 of the future benefits was determined using a discount rate of 6%. This corresponds to the assumed CPI rate plus an assumed rate of return of 4%.

[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 4.5% in 2003 [2002 - 4%] graded down to CPI plus 3.5 % in 2004 and CPI plus 2.5% thereafter.

[e] Dental costs:

Dental costs were assumed to increase at the CPI rate plus a further increase of 2.5% in 2003 [2002 - 1%].

15. PENSION

The Corporation provides a pension plan for its employees through OMERS. OMERS is a multi-employer pension plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. Due to a surplus of investment earnings in the fund, the Corporation and its employees were subject to a "contribution holiday" until January 2003. Employees resumed contributions at one third of the rate in January 2003 and were contributing the full rate beginning January 2004. The Corporation incurred $178,232 of contribution expense during the year ended December 31, 2003.

16. SHARE CAPITAL

The Corporation's authorized share capital is an unlimited number of common shares. The issued share capital as at December 31, 2003 is as follows:

	2003 $	2002 $
1,000 common shares, beginning and end of year	**120,342,256**	120,342,256

In 2001, Vaughan City Council approved that effective October 1, 2001, the capital structure of the Corporation be adjusted to provide a debt to equity ratio of 55% debt and 45% equity, defined as bank indebtedness and note payable. Accordingly, 27.2% of the issued share capital was allocated to a promissory note payable to the Corporation of the City of Vaughan ["City"] in the

amount of $45,000,000 with interest thereon commencing on October 1, 2001 at an annual rate of 8%.

The note payable has no specified terms of repayment. The City has agreed not to call for any portion of repayment before January 1, 2005, as the note is fully subordinated to secure credit agreements disclosed in Note 10. Accordingly, the note payable has been classified as long-term.

17. COMMITMENTS

Shared services agreement

Pursuant to a shared services agreement between the former Vaughan Hydro-Electric Commission and the City, the Corporation charges the City, at agreed rates, for various administrative functions. In addition, the City performs certain shared services, which are charged to the Corporation. Charges made for services under this agreement were $411,430 [2002 - $403,960].

Long-term operating leases

The Corporation rents buildings and facilities from the City under long-term operating leases, which expired February 28, 2004, with an option for renewal. The Corporation has exercised its option to renew the lease on a monthly basis. The terms for establishing the agreement will be drafted by June 1, 2004. For fiscal 2003, the annual rental for the buildings and facilities was approximately $659,600 [2002 - $586,000]. The cost of the rent including both the rent charged under the operating leases and rent not covered by operating leases aggregated $961,756 [2002 - $861,800].

18. CONTINGENCIES

Insurance claims

The Corporation has been jointly named as a defendant in several actions. No provision has been made for these potential liabilities as the Corporation expects that these claims are adequately covered by its insurance.

Other claims

A class action claiming $500,000,000 in restitution payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against the former Toronto Hydro-Electric Commission 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 was that late payment penalties resulted 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 Electricity Distributors Association is undertaking the defence of this class action. At this time, it is not possible to quantify the effect, if any, on the non-consolidated financial statements.

19. RISK MANAGEMENT

The Corporation understands the risks inherent in its business and defines broadly as anything that could impact its ability to achieve its strategic objectives.

Fair value of financial assets and liabilities

The fair value of the Corporation's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their carrying amount because of the short maturity of these instruments.

The fair value amount of the EDFIN debenture payable in the amount of $35,000,000 was $35,000,000 as at December 31, 2003 based on quoted market prices.

The fair value of the Corporation's note payable, Corporation of the City of Vaughan and due to related parties is not determined due to their related party nature and terms.

The Company is not exposed to significant interest rate risk as a result of the short-term maturity of its monetary current assets and current liabilities.

Financial assets held by the Corporation expose it to credit risk. As at December 31, 2003, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Corporation earns its revenue from a broad base of customers located in Vaughan, Ontario. In 2003, the Corporation derived approximately 13% [12% - 2002] of its revenue from one customer. As at December 31, 2003, the one customer represented $2,554,027 [2002 - $2,554,000] of the accounts receivable balance.

Insurance

The Corporation maintains appropriate types and levels of insurance with major insurers. With respect to liability insurance, it is a member of the Municipality Electric Association Reciprocal Insurance Exchange ["MEARIE"]. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members.

Insurance premiums charged to each member consist of a levy per thousands of dollars of service revenue subject to a credit or surcharge based on each member's claims experience. Effective January 1, 2001, coverage is provided to a level of $20,000,000 per incident.

20. CORPORATE INCOME TAXES

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

	2003 $	2002 $
Rate reconciliation		
Income from continuing operations before PILs	**15,028,184**	12,874,426
Statutory Canadian federal and provincial income tax rate	**36.62%**	38.62%
Expected tax provision on income at statutory rates	**5,503,321**	4,972,103
Increase (decrease) in income taxes resulting from		
Large corporations tax net of surtax	**292,951**	117,530
Effect of rate changes on temporary differences	**3,943**	40,110
Utilization of tax losses previously not benefited	**—**	(130,843)
Other timing differences non-benefited:		
Amortization/CCA differences	**172,403**	(148,488)
Post employment benefits	**202,174**	463,595
Eligible capital expenditures	**(15,573)**	(62,619)
Allowance for regulatory assets	**—**	—
Other	**(74,146)**	(110,357)
Valuation allowance	**—**	—
Permanent differences	**23,076**	7,724
Other	**(755,015)**	—
Provision for PILs	**5,353,134**	5,148,755

Components of provision for PILs		
LCT	**292,951**	117,530
Income tax expense	**5,060,183**	5,031,225
Provision for PILs	**5,353,134**	5,148,755

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future electricity rate revenues. As at December 31, 2003, future income tax assets of $18,839,922 [2002 - $19,498,082] [consisting mostly of non-deductible reserves and the difference between the tax and book bases of fixed assets], based on substantively enacted income tax rates, have not been recorded.

21. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	2003 $	2002 $
Accounts receivable	**(3,211,507)**	7,341,780
Unbilled revenue	**11,032,659**	(22,006,590)
Inventory	**259,889**	(163,070)
Prepaids and other	**38,321**	165,132
Accounts payable and accrued liabilities	**(1,940,541)**	2,649,607
Regulatory liabilities	**174,446**	—
Income taxes payable	**(1,705,352)**	2,000,000
	4,647,915	(10,013,141)

22. SUPPLEMENTAL CASH FLOW INFORMATION

[a] Cash paid during the year for:

	2003 $	2002 $
Interest	**6,739,939**	4,126,597
Payments in lieu of taxes	**7,898,556**	3,148,729

[b] Non-cash financing activities:

[i] In fiscal 2002, the Corporation became obligated for a post-closing working capital adjustment in the amount of $1,600,000 related to its acquisition of a 50% interest in RHHI *[note 5]*. The payment was made in fiscal 2003

[ii] In fiscal 2002, the Board of Directors of RHHI approved the return of capital in the amount of $35,000,000. The Corporation had received $30,000,000 by December 31, 2002 and the balance was received in fiscal 2003.

23. COMPARATIVE NON-CONSOLIDATED FINANCIAL STATEMENTS

The comparative non-consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2003 non-consolidated financial statements. In 2003, the Corporation also changed the method of accounting for its interest in RHHI to the equity method. The 2002 results have been adjusted to reflect this change in accounting policy.

24. SUBSEQUENT EVENT

Hydro Vaughan Distribution Inc. and Markham Hydro Distribution Inc., who are the owners of Richmond Hill Hydro Inc., have negotiated an amalgamation of the three utilities. A tentative agreement has been reached which will combine the Corporation, Markham Hydro Distribution Inc. and RHHI into a new merged company. A proposed agreement is currently being reviewed by the OEB and it is expected to be finalized in June 2004.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Code 0301

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file the 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.

CLIENT COPY

Identification

Business Number (BN) 001 891096810RC0001

Corporation's name

002 HYDRO VAUGHAN DISTRIBUTION INC. PILS

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 2800 RUTHERFORD ROAD

012

City	Province, territory, or state
015 VAUGHAN	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L4K-2N9

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 1 Yes [ ] 2 No [X]

021 c/o

022 2800 RUTHERFORD ROAD

023

City	Province, territory, or state
025 VAUGHAN	026 ON
Country (other than Canada)	**Postal code/ZIP code**
027	028 L4K-2N9

Location of books and records

031 2800 RUTHERFORD ROAD

032

City	Province, territory, or state
035 VAUGHAN	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 L4K-2N9

040 **Type of corporation at the end of the taxation year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2003-01-01 YYYY/MM/DD	061 2003-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes [ ] 2 No [X]

If *Yes*, give the date control was acquired ..... 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? ..... 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? ..... 070 1 Yes [ ] 2 No [X]
Amalgamation? ..... 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? ..... 072 1 Yes [ ] 2 No [X]

If *yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? ..... 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? ..... 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? ..... 082 1 Yes [ ] 2 No [X]

If *yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
	Is the corporation related to any other corporations?	150	X	9
	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
1-81	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
1,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
1-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
[illegible]	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	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		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
50	Is the corporation an investment corporation or a mutual fund corporation?	218		18
31	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
18	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
55	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
11	Does the corporation have any Canadian manufacturing and processing profits?	227		27
21	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
24	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
24	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
24	Is the corporation claiming a surtax credit?	237		37
28	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
28	Is the corporation claiming a Part I tax credit?	242		42
29	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
29	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
25	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
[illegible]	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
[illegible]	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
28	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
32	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Attachments – continued from page 2

Guide item		Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?		92 *
	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *Yes* was entered at line 281.) 282

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale 2 Retail

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each ... or service represents.

284	HYDRO DISTRIBUTION	285	16%
286	ENERGY SALE	287	84%
288		289	0%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI 300 20,140,905 A

Deduct:

Charitable donations from Schedule 2	311	10,750	
Gifts to Canada, a province, or a territory from Schedule 2	312	0	
Cultural gifts from Schedule 2	313	0	
Ecological gifts from Schedule 2	314	0	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	4,287,261	
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		4,298,011	4,298,011 B

Subtotal (amount A minus amount B) (if negative, enter "0") 15,842,894 C

Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions 355 0 D

...ncome (amount C plus amount D) 360 15,842,894

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) 15,842,894 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 15,853,644 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 15,842,894 B

alculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003 / Number of days in the taxation year	0 / 365	=	0	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	=	225,000	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 365	=	0	3
275,000	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 365	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 225,000 4

Business limit (see notes 1 and 2 below) ..... 410 225,000 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of dyas in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 225,000 x 415 *** 417,256 / 11,250 D = ... 8,345,120 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F ..... 430 0 G
(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 0 x 300,000 / line 4 above = 0 A

Net active business income (amount from line 400) * ..... 15,853,644 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I Tax ..... 15,842,894 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 15,842,894 15,842,894 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

'al of amounts G, H, I, J, and K ..... 0 0 L

.ount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income ..... 435 _____

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 365	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 365	x 3% =	0 C.1

Resource deduction – total of amounts B, C, and C.1 (enter amount D on line 10 of page 7) ..... 438 0 D

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 15,842,894 E

Amount Z from Part 9 of Schedule 27	0 x 100/7	0 F	
Amount QQ from Part 13 of Schedule 27		0 G	
Taxable resource income from line 435 above		0 H	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 I	
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0 J	
Aggregate investment income from line 440 of page 6		0 K	
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0 L	
Total of amounts F, G, H, I, J, K, and L		0	0 M

Amount E minus amount M (if negative, enter "0") ..... 15,842,894 N

Amount N	15,842,894	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365	x 1% =	0
Amount N	15,842,894	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 365	x 3% =	0 O
Amount N	15,842,894	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 5% =	792,145 P
Amount N	15,842,894	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =	0 Q

General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q (enter amount R on line 638 of page 7) ..... 792,145 R

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7	0 T	
Amount QQ from Part 13 of Schedule 27		0 U	
Taxable resource income from line 435 above		0 V	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 W	
Total of amounts T, U, V, and W		0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365	x 1% =	0
Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 365	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =	0 BB

General tax reduction - total of amounts year 2001, Z, AA, and BB (enter amount CC on line 639 of page 7) ..... 0 CC

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) .... 440 0 x 26 2/3% = ... 0 A

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 0 x 9 1/3% = ... 0
(if negative, enter "0") 0 — 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 15,842,894

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is less 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 3 = 0

0 — 0

15,842,894 x 26 2/3% = 4,224,772 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 3,821,306

Deduct: Corporate surtax from line 600 of page 7 177,440

3,643,866 — 3,643,866 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less ..... 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct: Dividend refund for the previous taxation year 465 0

0 — 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 38

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

38 — 38 B

Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B 485 38

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

fundable dividend tax on hand at the end of the taxation year from line 485 above ..... 38 B

Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 6,020,300 A

Corporate surtax calculation

Base amount from line A above	6,020,300	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	1,584,289	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0 a	
28.00% of taxed capital gains	0 b	0 6
Part I tax otherwise payable (line A plus lines C and D minus line F)	0 c	
Total of lines 2 to 6	1,584,289	7
Net amount (line 1 minus line 7)	4,436,011	8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 177,440 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	15,842,894		
Deduct:			
Amount on line 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	15,842,894	15,842,894	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) 6,197,740 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	1,584,289	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	792,145	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		2,376,434	2,376,434 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 3,821,306 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	3,821,306
Part I.3 tax payable from Schedule 33, 34, or 35	704	283,917
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	38
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		4,105,261

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
Total tax payable	770	4,105,261 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	4,105,261
Total credits	890	4,105,261
Balance (line A minus line B)		4,105,261 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 GLICKSMAN (Last name in block letters) 951 JOHN (First name in block letters) 954 CHIEF FINANCIAL 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 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 905-417-6904 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 Name in block letters 959 Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2007

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

...is a combination of the Ministry of Finance (MOF) CT23 ...s Tax Return and the Ministry of Consumer and Business ...ervices (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act*, for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario incorporated corporations or Foreign Business Corporations that have an extra-provincial licence to operate in Ontario.

CT23 PDF
Version 3

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt, Refer to Guide)* [X] Yes [ ] No

Page 1 of 24

Ministry Use

Corporation's Legal Name *(including punctuation)*

HYDRO VAUGHAN DISTRIBUTION INC. PILS

Mailing Address

800 RUTHERFORD ROAD

VAUGHAN

ON CA L4K-2N9

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Registered/Head Office Address

800 RUTHERFORD ROAD

VAUGHAN

ON CA L4K-2N9

Location of Books and Records

800 RUTHERFORD ROAD

VAUGHAN

ON CA L4K-2N9

Name of person to contact regarding this CT23 Return | Telephone No. | Fax No.

JOHN GLICKSMAN | 905-417-6904 | 905-303-2000

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

N CA -

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

Ontario Corporations Tax Account No. (MOF)
1800114

This CT23 Return covers the Taxation Year
Start: year month day 2003-01-01
End: year month day 2003-12-31

Date of Incorporation or Amalgamation
year month day 2000-10-24

Ontario Corporation No. (MCBS) 2020202

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter 891096810RC0001

Jurisdiction Incorporated: ONTARIO

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day
Ceased: year month day
[X] *Not Applicable*

...rmation on Directors/Officers/Administrators must be completed on MCBS ...hedule A or K as appropriate. If additional space is required for Schedule A, ...y this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 5

...ere is no change to the Directors'/Officers'/Administrators' information previously ...mitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS).

[ ] No change

Preferred Language/*Langue de préférence*
[X] English *anglais* [ ] French *français*

Ministry use

Certification (MCBS)

...ertify that all information set out in the **Annual Return** is true, correct and complete.

...orized Person *(Print clearly or type in full)*

JOHN GLI...SMAN

...le: [ ] D Director [X] O Officer [ ] P Other individual having knowledge of the affairs of the Corporation

...te: 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
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2003-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

[1]
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)
[ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

Please "X" box(es) if applicable:

[ ] First Year of Filing
[ ] Amended Return
[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up) (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]
Was 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]

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 4 of 24
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2003-12-31	

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

(loss) for Ontario purposes (per reconciliation schedule, page 15)			±	From 690	20,140,905.
Subtract: Charitable donations			–	1	10,750.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*			–	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3			–	3	4,287,261.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)			–	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 (page 16) From 715	0. X inclusion rate	50.000000% =	–	714	0.
Farm losses			–	From 724	0.
Restricted farm losses			–	From 734	0.
Limited partnership losses			–	From 754	0.
Taxable Income (Non-capital loss)			=	10	15,842,894.
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	15,842,894.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	15,842,894.	x 30 Ontario Allocation	100.0000%	x	12.5000%	x	Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 365 ÷ Total Days 73 365	= +	29	1,980,362.
From 10 (or 20 if applicable)	15,842,894.	x 30 Ontario Allocation	100.0000%	x	14.0000%	x	Days after Dec. 31, 2003 and before Jan. 1, 2005: 34 0 ÷ Total Days 73 365	= +	32	0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 **1,980,362.**

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	15,853,644.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51 15,842,894.		
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.		
	= 15,842,894.	54	15,842,894.
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 0 ÷ Total Days 73 365				
X From	55 200,000 ÷ 200,000	=+	43	0.	
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.	
100,000 x	Days after Dec 31, 2003 and before Jan 1, 2005: 31 0 ÷ Total Days 73 365				
	55 200,000 ÷ 200,000	=+	47	0.	
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% * Ontario Allocation	x	56 320,000.	= 60	320,000.

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
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2003-12-31

DOLLARS ONLY

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

			Days after		Total Days		
6.50%	x	28 Sept. 30, 2001 and before Jan 1, 2003: 0	÷	73	365	= + 79	.0000
7.00%	x	31 Dec. 31, 2002 and before Jan. 1, 2004: 365	÷	73	365	= + 89	7.0000
8.50%	x	34 Dec. 31, 2003 and before Jan 1, 2005: 0	÷	73	365	= + 90	.0000

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 **15,842,894.**

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 **0.**
			+ 83
			+ 84

Aggregate Taxable Income 80 + 82 + 83 + 84, etc. = 85 **15,842,894.**

Number of Days in Taxation Year

			Days after		Total Days		
Subtract: 280,000	x	28 Sept. 30, 2001 and before Jan. 1, 2003: 0	÷	73	365	= + 113	0.
320,000	x	31 Dec. 31, 2002 and before Jan 1, 2004: 365	÷	73	365	= + 115	320,000.
400,000	x	34 Dec 31, 2003 and before Jan 1, 2005: 0	÷	73	365	= + 116	0.

113 + 115 + 116 = **320,000.** − 114 **320,000.**

If negative, enter nil) = 86 **15,522,894.**

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax

			Days after		Total Days		
4.3330%	x	28 Sept. 30, 2001 and before Jan 1, 2003: 0	÷	73	365	= + 95	.0000
4.6670%	x	31 Dec. 31, 2002 and before Jan. 1, 2004: 365	÷	73	365	= + 96	4.6670
4.6670%	x	34 Dec. 31, 2003 and before Jan 1, 2005: 0	÷	73	365	= + 97	.0000

Surtax rate for Taxation Year 95 + 96 + 97 = 94 **4.6670**

From 86 **15,522,894.** x From 94 **4.6670%** = 87 **724,453.**

From 87 **724,453.** x From 60 **320,000.** ÷ From 114 **320,000.** = 88 **724,453.**

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
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2003-12-31

Income Tax *continued from Page 5*

tional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... − From 56 320,000.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 22,400. ÷ From 30 100.0000 % * Ontario Allocation ÷ From 78 7.0000 % = 121 320,000.

Lesser of 56 or 121 ..... + 122 320,000.

120 − 56 + 122 ..... = 130 0.

Taxable Income ..... + From 10 15,842,894.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... − From 56 320,000.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 320,000.

Subtract: Taxable Income 10 15,842,894. 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 15,842,894.

Claim

Number of Days in Taxation Year

143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 1.5000 % X Days after Sept 30, 2001 and before Jan 1, 2004: 33 0 ÷ Total Days 73 365 =+ 154 0.

143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 2.0000 % X Days after Dec 31, 2003 and before Jan 1, 2005: 34 0 ÷ Total Days 73 365 =+ 156 0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 − 70 + 100 − 110 − 160 − 161 − 162 − 170 − 180 ..... = 190 1,980,362.

continued on Page 7

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2003-12-31

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* . . . + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F . . . + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.) . . . + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduate. 194 0
Eligible Credit From 6598 Summary Schedule G . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.) . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* . . . + 201 0.

Other (specify) _____ . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . = 225 0.

Income Tax 190 - 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)*. . . . = 230 1,980,362.

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
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DOLLARS ONLY

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]	284,254,655.
* Total Revenue of the corporation	+ [241]	227,721,552.

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] .	+ [244] .
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets [240] + [243] + [245] + [247] , etc.	= [249]	284,254,655.
Aggregate Total Revenue [241] + [244] + [246] + [248] , etc.	= [250]	227,721,552.

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]	13,413,319. (If negative, enter zero)	X From [30]	100.0000 % (Ontario Allocation)	X 4.0000	= [276]	536,533.
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*					– [277]	0.
Subtract: Income Tax					– From [190]	1,980,362.
Net CMT Payable (If negative, enter Nil on Page 17.)					= [280]	0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 17.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 17*** and transfer [280] to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)			+ From [190]	1,980,362.	
Gross CMT Payable	+ From [276]	536,533.			
Subtract: Foreign Tax Credit for CMT purposes	– From [277]	0.			
If [276] – [277] is negative, enter NIL in [290]	=	536,533.	– [290]	536,533.	
Income Tax eligible for CMT Credit			= [300]	1,443,829.	
B. Income tax (after deduction of specified credits)			+ From [230]	1,980,362.	
Subtract: CMT credit used to reduce income taxes			– [310]	0.	
Income Tax			= [320]	1,980,362.	

Transfer to page 17

If both 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].

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Capital Tax *(Refer to Guide and Int.B. 3011)*

r corporation is a Financial Institution (s.58(2)), complete lines 480 ***430*** ***on page 10 then proceed to page 13.***

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax Items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed. Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.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	120,342,256.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	24,712,459.
Capital and other surpluses, excluding appraisal surplus (Inf.B.3012)	+	352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+	353	94,607,471.
Bank loans (Int.B. 3013)	+	354	0.
Bankers acceptances (Int.B. 3013)	+	355	0.
Bonds and debentures payable (Int.B. 3013)	+	356	0.
Mortgages payable (Int.B. 3013)	+	357	0.
Lien notes payable (Int.B. 3013)	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+	359	13,988,966
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+	360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+	361	2,098,889.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+	362	0.
Subtotal	=	370	255,750,041.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	−	371	-4,060,168.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	−	372	0.
Total Paid-up Capital	=	380	259,810,209.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	−	381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	0.
Net Paid-up Capital	=	390	259,810,209.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	38,101,462.
Loans and advances to unrelated corporations	+	405	0.
Loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	0
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	0
Total Eligible Investments	=	410	38,101,462.

Continued on Page 10

Line 359

CUSTOMER DEPOSITS	11,958,752.00
REGULATORY LIABILITIES	2,030,214.00
	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
Total	13,988,966.00

Line 371
Amounts deducted for tax in excess of amounts booked

NBV of fixed assets	157,018,255.00
less: land	-737,376.00
less: construction in progress	-1,388,146.00
less: UCC per Ont Sch 8	-202446409.00
Asset increment	47,310,874.00
less: accumulated amortization on asset increment	-4,688,785.00
Debt issue costs:	0.00
Book basis	0.00
Tax basis	1,960,839.00
	-1,389,170.00
Organization costs:	0.00
Book basis	0.00
Tax basis ($210,495 x 75% x 93%)	0.00
	-146,820.00
Goodwill:	0.00
Cumulative CEC deductions	0.00
	446,570.00
	0.00
	0.00
	0.00
	0.00
Total	-4,060,168.00

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DOLLARS ONLY

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Assets per balance sheet	+	420	284,254,655.
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	284,254,655.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	−	441	-4,060,168.
Subtract: Appraisal surplus if booked	−	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	288,314,823.

Investment Allowance (410 ÷ 450) x 390 ..... Not to exceed 410	=	460	34,334,512.
Taxable Capital 390 − 460	=	470	225,475,697.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	227,721,552.
Total Assets (as adjusted) From 430		284,254,655.

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	0.									
−	0.									
= 471	0.	X From 30	100.0000%	X	.3000%	X	555 365 ** 365 (366 if leap year)	..... = +	523	0.
			Ontario Allocation				Days in taxation year			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
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Capital Tax Calculation *continued from page 10*

TION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. X 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

***Calculation** Do NOT complete this calculation if ss.69(2.1) election is filed*

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt form capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .

Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. ..... = 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. ÷ From 540 0. x 0 ..... = 541 0.

Transfer to 542 in Section D on page 12

.69(2.1) Election Filed

X 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2003-12-31

DOCUMENTS ONLY

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, [540] *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From [523] to [543], and complete the return from that point.

+ From [470]	0.											
− [542]	0.											
= [471]	0.	x From [30]	100.0000%	x	.3000%	x	[555] 365 / ** 365 (366 if leap year)	Days in taxation year	.....	= + [523]	0.	**Total Capital Tax for the taxation year**
			Ontario Allocation									*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] 225,475,697.	x From [30]	100.0000%	x	.3000%	.....	= + [561]	676,427.			
			Ontario Allocation								
−	Capital tax deduction From [995] relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form					.....	− From [995]	15,000.			
							= [562]	661,427.			

Capital Tax	[562] 661,427.	x	[555] 365 / ** 365 (366 if leap year)	Days in taxation year	.....	= [563]	661,427.	*Transfer to [543] and complete the return from that point.*

g taxation year, refer to Guide.

Capital Tax *before application of specified credits*	= [543]	661,427.	
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	− [546]	0.	
Capital Tax [543] − [546] *(amount cannot be negative)*	= [550]	661,427.	*Transfer to Page 17*

ontinued on Page 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2003-12-31

DOLLARS ONLY

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.6% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [574] 0.

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

*** If floating taxation year, refer to Guide.*

II Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.

Transfer to page 17

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	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 **20,140,905.**
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	10,360,318.
Federal cumulative eligible capital deduction	+ 602	200,987.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	1,540,000.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	2,098,889.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days		
612 0.	x 5 ÷ 12.5000	x	33 365	÷ 73 365	= + 633	0.
612 0.	x 5 ÷ 14.0000	x	Days after Dec. 31, 2003 and before Jan. 1, 2005: 34 0	÷ 73 365	= + 634	0.

al add-back amount for Management fees, etc. 633 + 634 =	0. + 613	0.
l Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161	+ 615	0.
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	0.
Federal allowable business investment loss	+ 620	0.
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	0.
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 =	14,200,194.	640 14,200,194.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	10,360,318.
Ontario cumulative eligible capital deduction	+ 651	200,987.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	1,540,000.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	2,098,889.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(Applies only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Su of deductions for this page 650 to 659 + 661 + 674 + 675 =	681	14,200,194.

Transfer to Page 15

ontinued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

nued from Page 14

Net income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 20,140,9

Total of Additions ..... From = 640 14,200,194.

Subtotal of deductions on page 14 ..... From = 681 14,200,194.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x (100 - From 30 .0000 Ontario Allocation)] - From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: [665 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: [667 0. x 100.00% x (100 / From 30 100.0000 Ontario Allocation)] = 668 0.

Number of employees accommodated 669 0

.ntario School Bus Safety Tax Incentive (OSBSTI): (*Applies* to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 671 0.

Educational Technology Tax Incentive: (*Applies* to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation)] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161 ..... + 679 0.

Amount added to income federally for an amount that was negative in line 454 of federal form T661 ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 14,200,194. 680 14,200,194.

Net income (loss) for Ontario Purposes 600 + 640 - 680 ..... = 690 20,140,905.

Transfer to Page 4

Corporation's Legal Name	Ontario corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	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) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	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 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1994-12-31				850 0	870 0
801 8th preceding taxation year 1995-12-31				851 0	871 0
802 7th preceding taxation year 1996-12-31				852 0	872 0
803 6th preceding taxation year 1997-12-31	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1998-12-31	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 1999-12-31	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2000-12-31	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2003-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	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 ...us taxation years under s.80(16) with respect to one or more types of ...s 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 0	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		901		911 0	921 0	931 0	941 0
ii) 2nd preceding		902		912 0	922 0	932 0	942 0
iii) 1st preceding		903		913 0	923 0	933 0	943 0
Total loss to be carried back				From 706 0	From 716 0	From 726 0	From 736 0
F...nce of loss available for carry-forward				919 0	929 0	939 0	949

Summary

Income tax	+ From 230 or 320		1,980,362.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		661,427.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		2,641,789.
Subtract: Payments	- 960		1,447,437.
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		1,194,352.
If payment due	Enclosed * 990		1,194,352.
...rpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day)	980		0.

(Includes credit interest)

Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

JOHN GLICKSMAN
Title

CHIEF FINANCIAL OFFICER
Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Line 359

USTOMER DEPOSITS	11,958,752.00
REGULATORY LIABILITIES	2,030,214.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	13,988,966.00

Line 371
Amounts deducted for tax in excess of amounts booked

NBV of fixed assets	157,018,255.00
less: land	-737,376.00
less: construction in progress	-1,388,146.00
less: UCC per Ont Sch 8	-202446409.00
Asset increment	47,310,874.00
less: accumulated amortization on asset increment	-4,688,785.00
	0.00
Debt issue costs:	0.00
Book basis	1,960,839.00
Tax basis	-1,389,170.00
	0.00
Organization costs:	0.00
Book basis	0.00
Tax basis ($210,495 x 75% x 93%)	-146,820.00
	0.00
Goodwill:	0.00
Cumulative CEC deductions	446,570.00
	0.00
	0.00
	0.00
	0.00
Total	-4,060,168.00

HYDRO VAUGHAN DISTRIBUTION INC. PILS Sch 001
Account/Business No.: 891096810RC0001 Year Ended: 2003-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			12,347,446 A
Additions:			
Provision for income taxes - current	101	5,353,134	
Amortization of tangible assets	104	10,819,225	
Charitable donations from Schedule 2	112	10,750	
Non-deductible meals and entertainment expenses	121	10,391	
Reserves from financial statements - balance at the end of the year	126	2,098,889	
Subtotal of additions		18,292,389	18,292,389
Other Additions:			
Dividends credited to the investment account	214	4,287,261	
Financing fees deducted in books	216	257,779	
Miscellaneous Other Additions:			
F ORGANIZATION COSTS EXPENSED FOR ACCOUNTING	290	210,495	
Subtotal of Other Additions	199	4,755,535	4,755,535
Total Additions	500	23,047,924	23,047,924
Deductions:			
Gain on disposal of assets per financial statements	401	18,401	
Capital cost allowance from Schedule 8	403	10,360,318	
Cumulative eligible capital deduction from Schedule 10	405	200,987	
Reserves from financial statements-balance at the beginning of the year	414	1,540,000	
Subtotal of Deductions		12,119,706	12,119,706
Other Deductions:			
Equity in income from subsidiaries or affiliates	306	2,671,702	
Miscellaneous Other Deductions:			
700 20(1)(e) deduction on debt issue costs	390	463,057	
Subtotal of Other Deductions	499	3,134,759	3,134,759
Total Deductions	510	15,254,465	15,254,465
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)			20,140,905

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES
(1998 and later taxation years)

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
001	$ 002	$ 003	$	$	$ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0	009 0	0	0	010 0

The capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
POST-EMPLOYMENT BENEFITS	1,540,000	0	558,889	0	2,098,889
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	1,540,000	0	558,889	0	2,098,889

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

HYDRO VAUGHAN DISTRIBUTION INC. PILS Sch. 013
Account/Business No.: 891096810RC0001 Year Ended: 2003-12-31

Part 2 - Other reserves

Description			Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
	[X]		$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

HYDRO VAUGHAN DISTRIBUTION INC. PILS Sch. 033
Account/Business No.: 891096810RC0001 Year Ended: 2003-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

3 TAX ON LARGE CORPORATIONS
(2000 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 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.

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	2,098,889
Capital stock (or members' contributions if incorporated without share capital)	103	120,342,256
Retained earnings	104	23,353,257
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	87,571,740
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	0
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	18,402,360

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts t would be determined under lines 101, 107, 108, 109, 111, and 112) 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 (see note below)	112	0		
	Subtotal	251,768,502	251,768,502	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	0		
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	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		251,768,502	

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 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	36,720,957
A loan or advance to another corporation (other than a financial institution)	402	0
A bond, debenture, note, mortgage, hypothecary claim, 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, 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	0
An interest in a partnership (see note 1 below)	407	0
nvestment allowance for the year	480	36,720,957

HYDRO VAUGHAN DISTRIBUTION INC. PILS Sch. 003
Account/Business No.: 891096810RC0001 Year Ended: 2003-12-31

Part 2 - Investment allowance (cont'd)

Notes:

1) If the corporation has an interest in a partnership, the carrying value at the end of the taxation year, of that interest is deemed to be equal to that proportion of the total of the carrying value of each asset of the partnership described in 401 to 405 above, at the end of its last fiscal period ending at or before the end of the year, that the corporation's share of the partnership's income or loss is of the partnership's income or loss for that period.

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, in certain circumstances, 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)		251,768,502	C
Deduct: Investment allowance for the year (line 490)		36,720,957	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	215,047,545	

Part 4 - Taxable capital employed in Canada

Completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	215,047,545	X	Taxable income earned in Canada	610	15,842,894	Taxable capital employed in Canada	690	215,047,545
			Taxable income		15,842,894			

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 4 - Taxable capital employed in Canada (cont'd)

...e completed by a corporation that was a non-resident of Canada throughout the year and carried on ...siness 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	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 through a permanent establishment in Canada	712	0	
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	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

N...:

...plete line 713 only if the country in which the corporation is resident imposed neither a capital tax for the year on similar assets, nor 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 I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)			215,047,545
Deduct: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36)	801	10,000,000	
Excess of taxable capital employed in Canada over capital deduction	811	205,047,545	

Gross Part I.3 Tax

Year	Line 811		Number of days		Number of days in the taxation year				
Before 2004	205,047,545	x	(365	/	365)	x .2250% =	461,357	1	
2004	205,047,545	x	(0	/	365)	x .2000% =	0	2	
2005	205,047,545	x	(0	/	365)	x .1750% =	0	3	
Total Gross Part I.3 tax (add lines 1, 2, and 3)							461,357		461,357 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 461,357 x (Number of days in the year 365 / 365) = 0 G

Gross Part I.3 tax (amount F or G, whichever applies)	820	461,357

HYDRO VAUGHAN DISTRIBUTION INC. PILS Sch. 013
Account/Business No.: 891096810RC0001 Year Ended: 2003-12-31

Part 6 - 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) 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, the lesser of a and b, below:

a)	line 600 from the T2 return				0		
b)	line 700 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	177,440	x	215,047,545 / 215,047,545	=	177,440		
				line 500 of this schedule				
d)	line 700 from the T2 return					3,821,306	177,440	I

Current-year surtax credit available (amount H or I, whichever applies) 830 177,440

Part 7 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830) 177,440

Taxable capital employed in Canada (line 690 or 790, whichever applies)	215,047,545		
Deduct: Capital deduction claimed for the year	10,000,000		
Excess of taxable capital employed in Canada over capital deduction	205,047,545	a	
Less: Gross Part I.3 tax			
Line a 205,047,545 x .2250% =	461,357	461,357	b

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

			Number of days in the year				
Amount b	461,357	x	365 / 365	=		0	c

Current-year unused surtax credit (If negative, enter "0") 850 0

Enter this amount at line 600 on Schedule 37

* For the purposes of the calculation of current-year unused surtax credit, the calculation is performed on a capital deduction based on $10 millions and a specified percentage of 0.225%.

HYDRO VAUGHAN DISTRIBUTION INC. PILS Sch. 553
Account/Business No.: 891096810RC0001 Year Ended: 2003-12-31

Part 8 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			461,357 J
Deduct:			
Current-year surtax credit applied (the lesser of lines 820 and 830)	861	177,440	
Unused surtax credit from previous years applied	862	0	
Subtotal (cannot exceed amount on line 820)		177,440	177,440 K
Net Part I.3 tax payable (amount J minus amount K)	870		283,917

Enter this amount at line 704 of the T2 return

HYDRO VAUGHAN DISTRIBUTION INC.
Account/Business No.: 891096810RC0001 Year Ended: PILS Attached Sch. 2003-12-31

Line 111
ALL OTHER INDEBTEDNESS > 365 DAYS

CUSTOMER DEPOSITS	11,958,752.00
REGULATORY LIABILITIES	2,030,214.00
ACCRUED INTEREST > 1 YEAR:	0.00
HYDRO VAUGHAN HOLDINGS INC.	3,513,394.00
CITY OF VAUGHAN	900,000.00
	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	18,402,360.00

LINE 108 - LOANS AND ADVANCES

NOTE PAYABLE - CITY OF VAUGHAN	45,000,000.00
DEBENTURE PAYABLE	35,000,000.00
NOTE PAYABLE - HYDRO VAUGHAN HOLDINGS INC.	7,571,740.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	87,571,740.00

HYDRO VAUGHAN DISTRIBUTION INC.
Account/Business No.: 891096810RC0001 Year Ended: PILS 2003-12-31 Attached Sch.

Line 104 Retained earnings

Retained earnings under equity basis	24,712,459.00
less: cumulative equity income	-5,646,463.00
add: cumulative dividend income	4,287,261.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	23,353,257.00

Line 401 Shares in other corporations

Greater of:	0.00
Cost ($36,720,957)	0.00
Book value ($38,101,462 - 5,646,463 + 4,287,261 = $36,720,957)	0.00
	36,720,957.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	36,720,957.00

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

EMENT AMONG RELATED CORPORATIONS - PART I.3 TAX
(1 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 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 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 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
HYDRO VAUGHAN DISTRIBUTION INC	891096810RC0001	10,000,000	
See attached		0	

Total (Before 2004 must not exceed $10,000,000 After 2003 must not exceed $50,000,000)		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.

HYDRO VAUGHAN DISTRIBUTION INC.

PILS Sch. 036-SUPP
2003-12-31

Account/Business No.: 891096810RC0001 Year Ended:
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 or $50,000,000 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]
HYDRO VAUGHAN ENERGY CORP	864241997RC0001	0	
1446631 ONTARIO INC.	891093213RC0001	0	
HYDRO VAUGHAN HOLDINGS INC.	864238597RC0001	0	
TOTAL		0	

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.

Disposition of Balance Recorded in Account 1562 D

Distributor	**PowerStream Inc. - Vaughan**
OEB File Number	**0**
Filing Year	**2004**

Consolidation 2004

	Vaughan
Rate Base (wires-only)	180,841,143
1999 return from RUD Sheet #7	10,038,003
Amount allowed in 2001	1,654,859
Amount allowed in 2002	1,654,859
Amount allowed in 2005	
Other	
Regulatory Net Income REGINFO E53	13,347,721
Depreciation & Amortization	7,733,745
Capital Cost Allowance and CEC	7,241,188
Interest Expense Deemed/ Incurred	6,194,398
Total Regulatory Income Tax	2,952,839
Income Tax Rate used for gross- up (exclude surtax)	37.50%
	4,724,542
Income Tax (proxy tax is grossed-up)	4,724,542
LCT (proxy tax is grossed-up)	478,014
Ontario Capital Tax (no gross-up since it is deductible)	527,523
Total PILs for Rate Adjustment	5,730,080

Allocation of 2004 Annual PIL's Proxy

Original Annual 2004	Vaughan
Days	366
Income Tax	4,724,542
LCT	478,014
OCT	527,523
Total PIL's Proxy	5,730,080

To May 31, 2004	**Vaughan**
Days	152
Income Tax	1,962,105
LCT	198,519
OCT	219,081
Total PIL's Proxy	**2,379,705**

To Dec 31, 2004	Vaughan
Days	214
Income Tax	2,762,437
LCT	279,494
OCT	308,443
Total PIL's Proxy	3,350,374

	A	B	C	D
1	**PILs TAXES - EB-2008-381**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - Vaughan**			Colour Code
4	**Reporting period: 2004**			**Input Cell**
5				**Formula in Cell**
6	**Days in reporting period:**	152	days	
7	**Total days in the calendar year:**	366	days	
8				
9	**BACKGROUND**			
10	Has the utility reviewed section 149(1) ITA to			
11	confirm that it is not subject to regular corporate			
12	tax (and therefore subject to PILs)?		Y/N	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		0.0000%
22		LCT		0.0000%
23				
24	Accounting Year End		Date	31-Dec-04
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			180,841,143
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			15,002,581
42				
43	1999 return from RUD Sheet #7			10,038,003
44				
45	Total Incremental revenue			4,964,578
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			1,654,859
48	Amount allowed in 2002			1,654,859
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			81,378,514
57				
58	Return at target ROE			8,040,197
59				
60	Debt			99,462,629
61				
62	Deemed interest amount in 100% of MARR			6,962,384
63				
64	Phase-in of interest - Year 1 (2001)			5,426,413
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			6,194,398
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			6,194,398
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			6,962,384
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: PowerStream Inc. - Vaughan**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	152	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	13,347,721		-5,188,914		8,158,807	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	7,733,745		-3,245,082		4,488,663	
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			2,862,110		2,862,110	
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			4,153		4,153	
30	**Items on which true-up does not apply "TAXREC 3"**				5,029,089		5,029,089	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	7,241,188		-2,974,332		4,266,856	
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	6,194,398		-3,426,398		2,768,000	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			2,098,889		2,098,889	
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			9,130		9,130	
48	**Items on which true-up does not apply "TAXREC 3"**				5,429,718		5,429,718	
49								
50	TAXABLE INCOME/ (LOSS)		7,645,880		(1,675,651)	Before loss C/F	5,970,229	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5701%		36.05%	
54								
55	REGULATORY INCOME TAX		2,952,839		-800,579	Actual	2,152,260	
56								
57								
58	Miscellaneous Tax Credits	14			4,153	Actual	4,153	
59								
60	**Total Regulatory Income Tax**		2,952,839		-804,732	Actual	2,148,107	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	180,841,143		22,207,069		203,048,212	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		175,841,143		22,207,069		198,048,212	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax (pro-rated)		219,081		28,344		247,425	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	180,841,143		43,580,208		224,421,351	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		170,841,143		83,580,208		174,421,351	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		384,393		-239,518		144,875	
82	Less: Federal Surtax 1.12% x Taxable Income	21	85,634		-18,767		66,867	
83								
84	Net LCT (pro-rated)		124,075		-220,751		78,008	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: PowerStream Inc. - Vaughan**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	152	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up) (pro-rated)	22	1,962,105			**Actual 2004**	2,152,260	
91	LCT (proxy tax is grossed-up)	23	198,519			**Actual 2004**	78,008	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	219,081			**Actual 2004**	247,425	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	2,379,705			**Actual 2004**	2,477,693	
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			2,862,110			
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			2,098,889			
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		=	763,221			
121								
122	Income Tax Rate (including surtax) from **2004** Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	275,675			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				275,675			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				424,116			
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)			=	7,645,880			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX (pro-rated)			=	1,146,932			
141								
142	Less: Revised Miscellaneous Tax Credits			-	4,153			
143								
144	Total Revised Regulatory Income Tax			=	1,142,779			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) (pro-rated)			-	1,226,316			
147								
148	Regulatory Income Tax Variance			=	(83,536)			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: PowerStream Inc. - Vaughan**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	152	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	180,841,143			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	175,841,143			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax (pro-rated)			=	219,081			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	219,081			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				180,841,143			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	130,841,143			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount (pro-rated)				108,677			
169	Less: Federal surtax (pro-rated)			-	35,564			
170	Revised Net LCT			=	73,113			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	124,075			
173	Regulatory Federal LCT Variance			=	(50,962)			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	**Income Tax (grossed-up)**			+	(128,518)			
178	**LCT (grossed-up)**			+	(78,403)			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(206,920)			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	424,116			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	217,196			
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)				6,962,384			
194	Interest phased-in (Cell C36)				6,194,398			
195								
196	Variance due to phase-in of debt component of MARR in rates				767,986			
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)				1,758,270			
202	Total deemed interest (REGINFO CELL D61) (pro-rated)				2,891,482			
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**				767,986			
209								
210								

	A	B	C	D	E
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: PowerStream Inc. - Vaughan**				
8	**Reporting period: 2004**				
9	**Taxation Year's start date:**				
10	**Taxation Year's end date:**				
11	**Number of days in taxation year:**		152	days	
12					
13	**Please enter the Materiality Level :**		203,446	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-12,647,470		-12,647,470
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	4,488,663		4,488,663
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	8,158,807	0	8,158,807
51	Less: Interest expense for accounting purposes	-	2,768,000		2,768,000
52	Provision for payments in lieu of income taxes	-	2,178,997		2,178,997
53	**Net Income (loss)**	=	3,211,810	0	3,211,810
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	+	2,178,997	0	2,178,997
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	4,488,663	0	4,488,663
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	+	2,862,110	0	2,862,110
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	***Items on which true-up does not apply "TAXREC 3"***		5,029,089	0	5,029,089
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	4,153	0	4,153
69					
70	*Subtotal*		14,563,012	0	14,563,012
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	A	B	C	D	E
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	=	14,563,012	0	14,563,012
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	-	4,178,333		4,178,333
98	Cumulative eligible capital deduction	-	88,523		88,523
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*	-	2,098,889	0	2,098,889
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		5,429,718	0	5,429,718
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	-	9,130	0	9,130
112					
113	Subtotal	=	11,804,593	0	11,804,593
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	=	11,804,593	0	11,804,593
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	=	5,970,229	0	5,970,229
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	5,970,229	0	5,970,229
140					

	A	B	C	D	E	
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)	+	1,320,615		1,320,615	
143	Net Ontario Income Tax (Must agree with tax return)	+	831,645		831,645	
144	Subtotal	=	2,152,260	0	2,152,260	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	2,152,260	0	2,152,260	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.93%		13.93%	Divide Ontario
151	Blended Income Tax Rate		36.05%	**********	36.05%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	2,152,260	0	2,152,260	
157	Ontario Capital Tax	+	247,425		247,425	
158	Federal Large Corporations Tax	+	78,008		78,008	
159						
160	**Total income and capital taxes**	=	2,477,693	0	2,477,693	
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: PowerStream Inc. - Vaughan**					
8	**Reporting period: 2004**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		2,098,889		2,098,889	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		2,098,889	0	2,098,889	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts		380,000		380,000	
58	Inventory obsolescence		150,000		150,000	
59	Property taxes				0	
60	OPEB		2,332,110		2,332,110	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		2,862,110	0	2,862,110	
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: PowerStream Inc. - Vaughan**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		152			
11	**Materiality Level:**		203,446			
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	Ontario Specified Tax Credit	+	4,153		4,153	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	4,153	0	4,153	
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: PowerStream Inc. - Vaughan**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		152			
11	**Materiality Level:**		203,446			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		4,153	0	4,153	
81	Total Additions		4,153	0	4,153	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-	9,130		9,130	
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	=	9,130	0	9,130	
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		9,130	0	9,130	
124	Total Deductions		9,130	0	9,130	
125						
126						

	A	B	C	D	E
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: PowerStream Inc. - Vaughan**				**Version 2009.1**
9					
10					
11	**Reporting period: 2004**				
12	**Number of days in taxation year:**		152		
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	+	6,926		6,926
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	Capital Items	+	6,360		6,360
40	**Ontario capital tax adjustments**	+	276,502		276,502
41	**Changes in Regulatory Asset balances**	+			0
42	Carrying Charges	+	245,132		245,132
43	Financing Fees Deducted	+	107,407		107,407
44	Dividends	+	1,960,077		1,960,077
45	Non Deductible Expense	+	100,000		100,000
46	Add Back 12 1x	+	2,326,685		
47	**Total Additions on which true-up does not apply**	=	5,029,089	0	2,702,404
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**	-	249,039		249,039
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	Dividends	-	1,960,077		1,960,077
70	Equity in Income	-	781,611		781,611
71	13 7.4 Election	-	$2,326,685		2,326,685
72	Amort Finance Fees	-	112,306		112,306

	A	B	C	D	E	
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: PowerStream Inc. - Vaughan**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	5,429,718	0	5,429,718	
74						
75						
76						

PILs TAXES - EB-2008-381
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: PowerStream Inc. - Vaughan
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: PowerStream Inc. - Vaughan**														**Version 2009.1**
4	**Reporting period: 2004**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		217,196		217,196		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**	+/-							424,116						424,116
18	**Deferral Account Variance Adjustment Q4, 2001 (4**														0
20	**Deferral Account Variance Adjustment (5**	+/-							-206,920						-206,920
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		217,196		217,196		217,196		217,196

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:

(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.

SHEET 1 - December 31, 2002 Regulatory Assets

V1

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2003-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

Enter the total applied-for regulatory asset amounts for each account in the appropriate cells below:
(These amounts should correspond to your December 31, 2002 regulatory filings with the OEB.)

Description	Account Number		Applied-for Amount Balance as at Dec. 31, 2002	
RSVA - Wholesale Market Service Charge	1580		$4,231,334	
RSVA - Retail Transmission Network Charge	1584		$600,453	
RSVA - Retail Transmission Connection Charge	1586		-$4,393,506	
RSVA - Power	1588		$2,452,245	
Sub-Total			$2,890,527	
RSVA - One-time Wholesale Market Service	1582		$0	
Other Regulatory Assets	1508		$0	
Retail Cost Variance Account - Retail	1518		$0	
Retail Cost Variance Account - STR	1548		$0	
Misc. Deferred Debits - incl. Rebate Cheques	1525		$0	
Deferred Payments in Lieu of Taxes	1562		$0	
PILs Contra Account	1563		$0	
Qualifing Transition Costs	1570		$1,206,996	
Pre-Market Opening Energy Variances Total	1571		$4,288,439	
Pre-Market Opening Energy Variances - 2001		$0		
Pre-Market Opening Energy Variances - 2002		$0		
Extra-Ordinary Event Losses	1572		$0	
Deferred Rate Impact Amounts	1574		$0	
Other Deferred Credits	2425		$0	
Total Applied-for Regulatory Assets		**(a)**	$8,385,962	
(1) Total of 4 RSVA Accounts		**(b)**	$2,890,527	Approved for 2004 Final Recovery
4 RSVA accounts as a percent of total: (b) / (a)			34.5%	
(2) 25 % of (a)		**(c)**	$2,096,491	

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)	$2,096,491	Approved for Final 2004 Rate Recovery
Gross Up for Recovery over 11 months: Amount (c) x 12/11	$2,287,081	Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.)
Remaining Final Amount to be recovered in future periods (b) - (c)	$794,036	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)		$2,096,491	Approved for 2004 Rate Recovery
Final 4 RSVA Amount as shown at (b)		$2,890,527	
Gross Up for Recovery over 11 months: Amount (b) x 12/11		$3,153,302	Enter this amount on Sheet 3
Interim Amount to be recovered (c) - (b)	**(d)**	-$794,036	
Gross Up for Recovery over 11 months: Amount (d) x 12/11		-$866,221	Enter this amount on Sheet 5
Total Final + Interim Amount for Recovery (b) + (d) (no gross up)		$2,096,491	

Rate Implementation

	Check Box Yes or No
Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.	YES
Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.	

SHEET 2 - 2002 Base Rate Schedule

V1

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

Enter the values for your 2002 Base Rates as shown in your 2002 RA Model at Sheet 4.
This is the version of the model that was used to determine your current OEB approved rate schedule.
(This removes the impact of the recovery of Q4 2001 PILs, 2002 PILs, and any Z-factors or Interim Transition Cost approvals from Existing Rates).
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0071
MONTHLY SERVICE CHARGE (Per Customer)	$11.19

RESIDENTIAL (TIME OF USE)

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

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0104
MONTHLY SERVICE CHARGE (Per Customer)	$27.07

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.0365
MONTHLY SERVICE CHARGE (Per Customer)	$294.86

GENERAL SERVICE > 50 KW (TIME OF USE)

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	$0.8299
MONTHLY SERVICE CHARGE (Per Customer)	$7,512.55

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.6099
MONTHLY SERVICE CHARGE (Per Connection)	$0.54

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	$2.5025
MONTHLY SERVICE CHARGE (Per Connection)	$0.92

OR

STREET LIGHTING (TIME OF USE)

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

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES BELOW.
Please enter these charges exactly as they are entered on your current approved rate schedule.
Please add your own specific charges as necessary.

New Account Setup		$	10.00	
Change of Occupancy		$	-	
Account History				
Administration Fee		$	-	
Current Year Data		$	30.00	
Each Additional Year Data		$	-	
Previous Year Billing Consumption Data				
On Line - per year charge		$	30.00	
Off Line - per year charge		$	50.00	
Easement Letter		$	20.00	
Arrear's Certificate		$	15.00	
Late Payment (Per Month)			1.50%	19.56 Per Annum
Returned Cheque		$	20.00	
Collection of Account Charge		$	10.00	
Final Bill Fee		$	10.00	
Special Reading Charge Fee (Repeat F/B Fee)		$	20.00	
Income Tax Letter		$	15.00	
Bill Copy		$	2.00	
Reference Letter		$	15.00	
Temporary Service Disconnection		$	50.00	
Disconnect at Customers' Request		$	50.00	
Meter Test - Customer Request		$	50.00	
Disconnect/Reconnect Charges (non payment of account)				
At Meter - During Regular Hours		$	20.00	
At Meter - After Hours		$	50.00	
Temporary Pole Service		$	400.00	
After Hours High Voltage Station Outage		$	-	
Residential Service 2nd Visit to Connect New Service		$	-	
Residential Service After Hours Visit to Connect New Service		$	-	
Diversity Adjustment Credit (per KW)	Winter	$	0.93	
(discontinued at Market Opening)	Summer	$	1.04	
Transfer Ownership		$	0.60	
Primary Metering Allowance		1% of kw and kwh billed		

SHEET 3 - Calculating Rate Increases using 2002 LDC Data and adding the 4 major 2004 RSVA related Approved Regulatory Assets

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This schedule requires LDCs to input the 2002 statistics which will be used to allocate Regulatory Assets related to the 4 major RSVA accounts.
The 4 RSVA related accounts will be allocated to the customer classes on the basis of kWh sales.

Enter the Approved Regulatory Asset recovery from Sheet 1 at either cell D57 or D72. $ 3,110,429.00
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	-	652,378,137	57,929	$5,609,661.28	22.2%	$ 689,887.77
GENERAL SERVICE <50 KW CLASS	-	329,769,691	8,850	$4,180,899.91	11.2%	$ 348,730.38
GENERAL SERVICE >50 KW NON TIME OF USE	3,953,647	1,554,970,833	1,713	$10,024,533.00	52.9%	$ 1,644,376.63
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	706,227	392,362,812	5	$261,657.00	13.3%	$ 414,922.40
SENTINEL LIGHTS	680	0	78	$1,503.63	0.0%	$ -
STREET LIGHTING CLASS	32,282	11,831,541	239	$103,052.96	0.4%	$ 12,511.82
TOTALS		2,941,313,014	68,814	$20,181,307.78	1.00	$ 3,110,429.00
		Allocated Total for 4 major RSVA accounts ==>				$ 3,110,429.00

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)	$ 689,887.77	$ -	$ 689,887.77
(B) RETAIL kWh in 2002	652,378,137		
(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)	$0.001057		

General Service <50kW Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)	$ 348,730.38	$ -	$ 348,730.38
(B) RETAIL kWh in 2002	329,769,691		
(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)	$0.001057		

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	$ 1,644,376.63	$ -	$ 1,644,376.63
(B) RETAIL KW in 2002	3,953,647		
(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)	$0.415914		

General Service >50kW ClassTOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	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	#DIV/0!		

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)	$ 414,922.40	$ -	$ 414,922.40
(B) RETAIL KW in 2002	706,227		
(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)	$0.587520		

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)	$ -	$ -	$ -
(B) RETAIL KW in 2002	680		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

Streetlighting Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G29 above)	$ 12,511.82	$ -	$ 12,511.82
(B) RETAIL KW in 2002	32,282		
(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)	$0.387582		

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	(905) 417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of the 4 major RSVA accounts.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0082
MONTHLY SERVICE CHARGE (Per Customer)	$11.19

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0011
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0115
MONTHLY SERVICE CHARGE (Per Customer)	$27.07

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.4524
MONTHLY SERVICE CHARGE (Per Customer)	$294.86

GENERAL SERVICE > 50 KW (TIME OF USE)

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	$1.4174
MONTHLY SERVICE CHARGE (Per Customer)	$7,512.55

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.6099
MONTHLY SERVICE CHARGE (Per Connection)	$0.54

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	$2.8901
MONTHLY SERVICE CHARGE (Per Connection)	$0.92

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.3876

MONTHLY SERVICE CHARGE (Per Connection)	$0.00

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

RETURN OF OVER RECOVERED MISCELLANEOUS SERVICE CHARGES - FILE NO RP-2000-0251/EB-2000-0538/EB-2001-0157

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate interim approved Regulatory Asset amounts required to achieve the 25% threshold. (If the 4 major RSVA accounts do not total to 25% or more of total Reguatory Assets applied for.)

The interim Regulatory Assets will be allocated to the customer classes on the basis of distribution revenue.

Enter the Interim Regulatory Asset recovery from Sheet 1 at cell D76. $ (1,019,394.45)

RETURN OF OVER RECOVERED MISCELLANEOUS SERVICE CHARGES - FILE NO RP-2000-0251/EB-2000-0538/EB-2001-0157

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2002 Interim Reg. Asset Allocations
RESIDENTIAL CLASS	-	652,378,137	57,929	$5,609,661.28	27.8%	$ (283,354.16)
GENERAL SERVICE <50 KW CLASS	-	329,769,691	8,850	$4,180,899.91	20.7%	$ (211,184.83)
GENERAL SERVICE >50 KW NON TIME OF USE	3,953,647	1,554,970,833	1,713	$10,024,533.00	49.7%	$ (506,357.34)
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	706,227	392,362,812	5	$261,657.00	1.3%	$ (13,216.77)
SENTINEL LIGHTS	680	0	78	$1,503.63	0.0%	$ (75.95)
STREET LIGHTING CLASS	32,282	11,831,541	239	$103,052.96	0.5%	$ (5,205.39)
TOTALS		2,941,313,014	68,814	$20,181,307.78	1.00	$ (1,019,394.45)
		Allocated Total for additional interim amounts ==>				$ (1,019,394.45)

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)	$ (283,354.16)	$ -	$ (283,354.16)
(B) RETAIL kWh in 2002	652,378,137		
(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)	($0.000434)		

General Service <50kW Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	$ (211,184.83)	$ -	$ (211,184.83)
(B) RETAIL kWh in 2002	329,769,691		
(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)	($0.000640)		

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	$ (506,357.34)	$ -	$ (506,357.34)
(B) RETAIL KW in 2002	3,953,647		
(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)	($0.128073)		

General Service >50kW ClassTOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	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)	$ (13,216.77)	$ -	$ (13,216.77)
(B) RETAIL KW in 2002	706,227		
(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)	($0.018715)		

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)	$ (75.95)	$ -	$ (75.95)
(B) RETAIL KW in 2002	680		
(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)	($0.111693)		

Streetlighting Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G29 above)	$ (5,205.39)	$ -	$ (5,205.39)
(B) RETAIL KW in 2002	32,282		

(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)	($0.161249)

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of interim Regulatory Asset Amounts if required to achieve the 25% Regulatory Asset threshold.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0077
MONTHLY SERVICE CHARGE (Per Customer)	$11.19

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0006
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0108
MONTHLY SERVICE CHARGE (Per Customer)	$27.07

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.3243
MONTHLY SERVICE CHARGE (Per Customer)	$294.86

GENERAL SERVICE > 50 KW (TIME OF USE)

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	$1.3987
MONTHLY SERVICE CHARGE (Per Customer)	$7,512.55

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.4982
MONTHLY SERVICE CHARGE (Per Connection)	$0.54

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	-$0.1117
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.7288
MONTHLY SERVICE CHARGE (Per Connection)	$0.92

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.2263

MONTHLY SERVICE CHARGE (Per Connection)	$0.00

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

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8. $ 5,948,326.00

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	652,378,137	57,929	$5,609,661.28	27.8%	$ 1,653,415.84
GENERAL SERVICE <50 KW CLASS	-	329,769,691	8,850	$4,180,899.91	20.7%	$ 1,232,296.53
GENERAL SERVICE >50 KW NON TIME OF USE	3,953,647	1,554,970,833	1,713	$10,024,533.00	49.7%	$ 2,954,674.24
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	706,227	392,362,812	5	$261,657.00	1.3%	$ 77,121.92
SENTINEL LIGHTS	680	0	78	$1,503.63	0.0%	$ 443.19
STREET LIGHTING CLASS	32,282	11,831,541	239	$103,052.96	0.5%	$ 30,374.28
TOTALS		2,941,313,014	68,814	$20,181,307.78	1.00	$ 5,948,326.00
		Allocated Total for additional interim amounts ==>				$ 5,948,326.00

Residential Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	###########	$ -	$ 1,653,415.84
(B) RETAIL kWh in 2002	652,378,137		
(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)	$0.002534		

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)	###########	$ -	$ 1,232,296.53
(B) RETAIL kWh in 2002	329,769,691		
(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)	$0.003737		

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)	###########	$ -	$ 2,954,674.24
(B) RETAIL KW in 2002	3,953,647		
(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)	$0.747329		

General Service >50kW ClassTOU

The 2004 PILs proxy 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 2004 PILs Proxy Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	Percentage	Percentage	
	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 kWh charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G27 above)	$ 77,121.92	$ -	$ 77,121.92
(B) RETAIL KW in 2002	706,227		
(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)	$0.109203		

Sentinel Lighting Class

The 2004 PILs proxy 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 2004 PILs Proxy Recovery (Total in Cell G28 above)	$ 443.19	$ -	$ 443.19
(B) RETAIL KW in 2002	680		
(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)	$0.651745		

Streetlighting Class

The 2004 PILs proxy 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 2004 PILs Proxy Recovery (Total in Cell G29 above)	$ 30,374.28	$ -	$ 30,374.28
(B) RETAIL KW in 2002	32,282		
(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)	$0.940912		

SHEET 8 - 2004 Rates including Recovery of 2004 PILs

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0103
MONTHLY SERVICE CHARGE (Per Customer)	$11.19

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0032
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0146
MONTHLY SERVICE CHARGE (Per Customer)	$27.07

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.0717
MONTHLY SERVICE CHARGE (Per Customer)	$294.86

GENERAL SERVICE > 50 KW (TIME OF USE)

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	$1.5079
MONTHLY SERVICE CHARGE (Per Customer)	$7,512.55

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.1500
MONTHLY SERVICE CHARGE (Per Connection)	$0.54

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.5401
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.6697
MONTHLY SERVICE CHARGE (Per Connection)	$0.92

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$1.1672

MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 9 - Adjustment to Maintain the Current Service Charge Level

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This sheet adjusts the resulting fixed Monthly Service Charge to maintain the charge at current levels.
The kWh distribution rate is then adjusted to maintain revenue neutrality in the class.

Input the current approved Monthly Service Charge in the following table at Column E.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Current Approved Fixed Charge
RESIDENTIAL CLASS	-	652,378,137	57,929	$13.95
GENERAL SERVICE <50 KW CLASS	-	329,769,691	8,850	$34.04
GENERAL SERVICE >50 KW NON TIME OF USE	3,953,647	1,554,970,833	1,713	$358.17
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00
INTERMEDIATE USE	0	0	0	$0.00
LARGE USER CLASS	706,226	392,362,812	5	$10,246.18
SENTINEL LIGHTS	680	2,000	78	$0.65
STREET LIGHTING CLASS	32,281	11,831,541	239	$1.14
TOTALS		2,941,315,014	68,814	

Residential Class

Revenue from Current Monthly Service Charge		$9,697,315	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$7,778,706	
Difference		$1,918,608	
Variable Rate Adjustment	$/kWh	$ 0.0029	
Adjusted Variable Rate	$/kWh		$ 0.0073

Residential Class (Time of Use)

Revenue from Current Monthly Service Charge		$9,697,315	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$7,778,706	
Difference		$1,918,608	
Variable Rate Adjustment	$/kWh	$ 0.0029	
Adjusted Variable Rate	$/kWh		$ 0.0002

General Service <50 kW Class

Revenue from Current Monthly Service Charge		$3,615,048	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$2,874,834	
Difference		$740,214	
Variable Rate Adjustment	$/kWh	$ 0.0022	
Adjusted Variable Rate	$/kWh		$ 0.0123

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

Revenue from Current Monthly Service Charge		$7,362,543	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$6,061,142	
Difference		$1,301,400	
Variable Rate Adjustment	$/kW	$ 0.3292	
Adjusted Variable Rate	$/kW		$ 2.7425

General Service >50 kW Class (Time of Use)

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

General Service Intermediate Use Class

Revenue from Current Monthly Service Charge		$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		$614,771	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$450,753	
Difference		$164,018	
Variable Rate Adjustment	$/kW	0.23	
Adjusted Variable Rate	$/kW		$ 1.2757

Sentinal Lights (Non Time of Use)

Revenue from Current Monthly Service Charge		$608	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$505	
Difference		$103	
Variable Rate Adjustment	$/kW	0.151411765	
Adjusted Variable Rate	$/kW		$ 1.9985

OR

Sentinal Lights (Time of Use)

Revenue from Current Monthly Service Charge		$608	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$608	
Variable Rate Adjustment	$/kW	0.894705882	
Adjusted Variable Rate	$/kW		$ (0.3547)

Streetlighting (Non Time of Use)

Revenue from Current Monthly Service Charge		$3,270	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$2,639	
Difference		$631	
Variable Rate Adjustment	$/kW	0.0195	
Adjusted Variable Rate	$/kW		$ 3.6502

OR

Streetlighting (Time of Use)

Revenue from Current Monthly Service Charge		$3,270	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$3,270	
Variable Rate Adjustment	$/kW	0.10	
Adjusted Variable Rate	$/kW		$ 1.0660

Hydro Vaughan Distribution
Schedule of Distribution Rates and Charges
Effective April 1, 2004 until February 28, 2005

RP-2004-0101
EB-2004-0087

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

RESIDENTIAL

Monthly Service Charge	(per month)	$13.95
Distribution Volumetric Rate	(per kWh)	$0.0073

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.04
Distribution Volumetric Rate	(per kWh)	$0.0123

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	$358.17
Distribution Volumetric Rate	(per kW)	$2.7425

LARGE USER

Monthly Service Charge	(per month)	$10,246.18
Distribution Volumetric Rate	(per kW)	$1.2757

SENTINEL LIGHTS

Monthly Service Charge	(per month)	$0.65
Distribution Volumetric Rate	(per kW)	$1.9985

STREET LIGHTING

Monthly Service Charge	(per month)	$1.14
Distribution Volumetric Rate	(per kW)	$3.6502

SPECIFIC SERVICE CHARGES

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

New Account Setup	$ 10.00		
Change of Occupancy	$ -		
Account History			
Administration Fee	$ -		
Current Year Data	$ 30.00		
Each Additional Year D	$ -		
Previous Year Billing Consumption Data			
On Line - per year charge	$ 30.00		
Off Line - per year charge	$ 50.00		
Easement Letter	$ 20.00		
Arrear's Certificate	$ 15.00		
Late Payment (Per Month)	1.50%	19.56	Per Annum
Returned Cheque	$ 20.00		
Collection of Account Charge	$ 10.00		
Final Bill Fee	$ 10.00		
Special Reading Charge Fee (Repea	$ 20.00		
Income Tax Letter	$ 15.00		
Bill Copy	$ 2.00		
Reference Letter	$ 15.00		
Temporary Service Disconnection	$ 50.00		
Disconnect at Customers' Request	$ 50.00		
Meter Test - Customer Request	$ 50.00		
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regula	$ 20.00		
At Meter - After Hours	$ 50.00		
Temporary Pole Service	$ 400.00		
After Hours High Voltage Station Out	$ -		
Residential Service 2nd Visit to Conn	$ -		
Residential Service After Hours Visit	$ -		
Diversity Adjustment Cr Winter	$ 0.93		
(discontinued at Market Summer	$ 1.04		
Transfer Ownership	$ 0.60		
Primary Metering Allowance	1% of kw and kwh billed		

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

(commodity price constant)

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill does not include the new tiered commodity rate that will come into effect on April 1, 2004.

Note: Enter your current kWh rates, not the rates on Sheet 2.

Enter your Current Distribution kWh Charge. Monthly Service Charge is Transferred from Sheet 9

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL					2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)						
ENTER DESIRED CONSUMPTION LEVEL	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
100 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION kWh	100	0.0090	$	0.90		DISTRIBUTION kWh	100	0.0073	$ 0.73			
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			$	21.54		Adjusted 2004 BILL			$ 21.37	$ (0.17)	-0.8%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
250 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION kWh	250	0.0090	$	2.25		DISTRIBUTION kWh	250	0.0073	$ 1.83			
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			$	32.93		Adjusted 2004 BILL			$ 32.50	$ (0.42)	-1.3%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
500 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION kWh	500	0.0090	$	4.50		DISTRIBUTION kWh	500	0.0073	$ 3.66			
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			$	51.90		Adjusted 2004 BILL			$ 51.06	$ (0.84)	-1.6%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
750 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION kWh	750	0.0090	$	6.75		DISTRIBUTION kWh	750	0.0073	$ 5.49			
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			$	70.88		Adjusted 2004 BILL			$ 69.61	$ (1.26)	-1.8%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
1000 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION kWh	1000	0.0090	$	9.00		DISTRIBUTION kWh	1000	0.0073	$ 7.32			
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			$	89.85		Adjusted 2004 BILL			$ 88.17	$ (1.68)	-1.9%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
1500 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION kWh	1500	0.0090	$	13.50		DISTRIBUTION kWh	1500	0.0073	$ 10.97			
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			$	127.80		Adjusted 2004 BILL			$ 125.27	$ (2.53)	-2.0%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
2000 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95			
DISTRIBUTION kWh	2000	0.0090	$	18.00		DISTRIBUTION kWh	2000	0.0073	$ 14.63			
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			$	165.75		Adjusted 2004 BILL			$ 162.38	$ (3.37)	-2.0%	

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL										
1000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a		$34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	1000	0.0131	$	13.10	DISTRIBUTION kWh	1000	0.0123	$ 12.31		
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			$	113.04	Adjusted 2004 BILL			$ 112.25	$ (0.79)	-0.7%
MONTHLY CONSUMPTION 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	2000	0.0131	$	26.20	DISTRIBUTION kWh	2000	0.0123	$ 24.62		
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			$	192.04	Adjusted 2004 BILL			$ 190.46	$ (1.58)	-0.8%
MONTHLY CONSUMPTION 5000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	5000	0.0131	$	65.50	DISTRIBUTION kWh	5000	0.0123	$ 61.55		
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			$	429.04	Adjusted 2004 BILL			$ 425.09	$ (3.95)	-0.9%
MONTHLY CONSUMPTION 10,000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	10000	0.0131	$	131.00	DISTRIBUTION kWh	10000	0.0123	$ 123.09		
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			$	824.04	Adjusted 2004 BILL			$ 816.13	$ (7.91)	-1.0%
MONTHLY CONSUMPTION 15,000 KWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	15000	0.0131	$	196.50	DISTRIBUTION kWh	15000	0.0123	$ 184.64		
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			$	1,219.04	Adjusted 2004 BILL			$ 1,207.18	$ (11.86)	-1.0%

GENERAL SERVICE > 50 KW NON TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates
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 Price)					
	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$358.17	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION kW	60	2.6062	$ 156.37	DISTRIBUTION kW	60	2.7425	$ 164.55		
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			$ 1,772.14	Adjusted 2004 BILL			$ 1,780.32	$ 8.18	0.5%

MONTHLY CONSUMPTION 100kW, 40,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION kW	100	2.6062	$ 260.62	DISTRIBUTION kW	100	2.7425	$ 274.25		
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			$ 3,737.79	Adjusted 2004 BILL			$ 3,751.42	$ 13.63	0.4%

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	$ 358.17	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION kW	500	2.6062	$ 1,303.10	DISTRIBUTION kW	500	2.7425	$ 1,371.25		
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			$ 10,436.27	Adjusted 2004 BILL			$ 10,504.42	$ 68.15	0.7%

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	$ 358.17	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION kW	1000	2.6062	$ 2,606.20	DISTRIBUTION kW	1000	2.7425	$ 2,742.50		
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			$ 34,154.37	Adjusted 2004 BILL			$ 34,290.67	$ 136.30	0.4%

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	$ 358.17	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION kW	3000	2.6062	$ 7,818.60	DISTRIBUTION kW	3000	2.7425	$ 8,227.51		
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			$ 88,106.77	Adjusted 2004 BILL			$ 88,515.68	$ 408.91	0.5%

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	$ 358.17	MONTHLY SERVICE CHARGE	n/a	n/a	$ 358.17		
DISTRIBUTION kW	4000	2.6062	$ 10,424.80	DISTRIBUTION kW	4000	2.74250	$ 10,970.02		
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			$ 149,182.97	Adjusted 2004 BILL			$ 149,728.19	$ 545.22	0.4%

GENERAL SERVICE >50 KW TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates
Consumption has not been adjusted for line losses.

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

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	#REF!		
DISTRIBUTION kW	60	0.0000	$ -	DISTRIBUTION kW	60	#REF!	#REF!		
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			#REF!	#REF!	#REF!

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	#REF!		
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#REF!	#REF!		
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			#REF!	#REF!	#REF!

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	#REF!		
DISTRIBUTION kW	500	0.0000	$ -	DISTRIBUTION kW	500	#REF!	#REF!		
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			#REF!	#REF!	#REF!

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	#REF!		
DISTRIBUTION kW	1000	0.0000	$ -	DISTRIBUTION kW	1000	#REF!	#REF!		
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			#REF!	#REF!	#REF!

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	#REF!		
DISTRIBUTION kW	3000	0.0000	$ -	DISTRIBUTION kW	3000	#REF!	#REF!		
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			#REF!	#REF!	#REF!

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	#REF!		
DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#REF!	#REF!		
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			#REF!	#REF!	#REF!

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 accurate estimates
Consumption has not been adjusted for line losses.

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

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
3000kW, 800,000 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	#REF!		
	DISTRIBUTION kW	3000	0.0000	$ -	DISTRIBUTION kW	3000	#REF!	#REF!		
	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			#REF!	#REF!	#REF!

MONTHLY CONSUMPTION 3000kW, 1,000,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	#REF!		
	DISTRIBUTION kW	3000	0.0000	$ -	DISTRIBUTION kW	3000	#REF!	#REF!		
	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			#REF!	#REF!	#REF!

MONTHLY CONSUMPTION 4000kW, 1,200,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	#REF!		
	DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#REF!	#REF!		
	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			#REF!	#REF!	#REF!

MONTHLY CONSUMPTION 4000kW, 1,800,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	#REF!		
	DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#REF!	#REF!		
	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			#REF!	#REF!	#REF!

LARGE USE CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.7369/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates
Consumption has not been adjusted for line losses.

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

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
6000kW, 2,800,000 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$10,246.18	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10,246.18		
	DISTRIBUTION kW	6000	0.9705	$ 5,823.00	DISTRIBUTION kW	6000	1.2757	$ 7,653.98		
	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			$ 221,450.58	Adjusted 2004 BILL			$ 223,281.56	$ 1,830.98	0.8%

MONTHLY CONSUMPTION 15000kW, 10,000,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10,246.18	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10,246.18		
	DISTRIBUTION kW	15000	0.9705	$ 14,557.50	DISTRIBUTION kW	15000	1.2757	$ 19,134.94		
	OTHER CHARGES kW	15000	4.7369	$ 71,053.50	OTHER CHARGES kW	15000	4.7369	$ 71,053.50		
	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	0.0500	$ 500,000.00	COST OF POWER kWh	10,000,000	0.0500	$ 500,000.00		
	CURRENT 2003 BILL			$ 727,857.18	Adjusted 2004 BILL			$ 732,434.62	$ 4,577.44	0.6%

Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments
(commodity price increase on April 1, 2004)

NAME OF UTILITY	Hydro Vaughan Distribution Inc	**LICENCE NUMBER**	ED-2002-0507
NAME OF CONTACT	Ed Chatten	**PHONE NUMBER**	905-417-6954
E- Mail Address	ed.chatten@hydrovaughan.com		
VERSION NUMBER	1		
Date	23-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill also includes the new tiered commodity rate that will come into effect on April 1, 2004.

Note: All Rates are transferred from Sheets 10 and 11.

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

NON-TIME OF USE

	CURRENT 2003 BILL					2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
100 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION kWh	100	0.0090	$	0.90		DISTRIBUTION kWh	100	0.0073	$ 0.73		
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			$	21.54		Adjusted 2004 BILL			$ 21.77	$ 0.23	1.1%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
250 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION kWh	250	0.0090	$	2.25		DISTRIBUTION kWh	250	0.0073	$ 1.83		
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			$	32.93		Adjusted 2004 BILL			$ 33.50	$ 0.58	1.8%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION kWh	500	0.0090	$	4.50		DISTRIBUTION kWh	500	0.0073	$ 3.66		
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			$	51.90		Adjusted 2004 BILL			$ 53.06	$ 1.16	2.2%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
750 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION kWh	750	0.0090	$	6.75		DISTRIBUTION kWh	750	0.0073	$ 5.49		
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			$	70.88		Adjusted 2004 BILL			$ 72.61	$ 1.74	2.5%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1000 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION kWh	1000	0.0090	$	9.00		DISTRIBUTION kWh	1000	0.0073	$ 7.32		
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			$	89.85		Adjusted 2004 BILL			$ 94.17	$ 4.32	4.8%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1500 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION kWh	1500	0.0090	$	13.50		DISTRIBUTION kWh	1500	0.0073	$ 10.97		
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			$	127.80		Adjusted 2004 BILL			$ 137.27	$ 9.47	7.4%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
2000 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	13.95		MONTHLY SERVICE CHARGE	n/a	n/a	$ 13.95		
DISTRIBUTION kWh	2000	0.0090	$	18.00		DISTRIBUTION kWh	2000	0.0073	$ 14.63		
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			$	165.75		Adjusted 2004 BILL			$ 180.38	$ 14.63	8.8%

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.

MONTHLY CONSUMPTION OF 1000 kWh

CURRENT 2003 BILL	kWh (enter)	RATE $/kWh	CHARGE $	2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)	kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	1000	0.0131	$ 13.10	DISTRIBUTION kWh	1000	0.01231	$ 12.31		
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			$ 113.04	Adjusted 2004 BILL			$ 118.25	$ 5.21	4.6%

MONTHLY CONSUMPTION OF 2000 kWh

CURRENT 2003 BILL	kWh (enter)	RATE $/kWh	CHARGE $	2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)	kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	2000	0.0131	$ 26.20	DISTRIBUTION kWh	2000	0.0123	$ 24.62		
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			$ 192.04	Adjusted 2004 BILL			$ 208.46	$ 16.42	8.5%

MONTHLY CONSUMPTION OF 5000 kWh

CURRENT 2003 BILL	kWh (enter)	RATE $/kWh	CHARGE $	2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)	kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	5000	0.0131	$ 65.50	DISTRIBUTION kWh	5000	0.0123	$ 61.55		
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			$ 429.04	Adjusted 2004 BILL			$ 479.09	$ 50.05	11.7%

MONTHLY CONSUMPTION OF 10000 kWh

CURRENT 2003 BILL	kWh (enter)	RATE $/kWh	CHARGE $	2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)	kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	10000	0.0131	$ 131.00	DISTRIBUTION kWh	10000	0.0123	$ 123.09		
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			$ 824.04	Adjusted 2004 BILL			$ 930.13	$ 106.09	12.9%

MONTHLY CONSUMPTION OF 15000 kWh

CURRENT 2003 BILL	kWh (enter)	RATE $/kWh	CHARGE $	2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)	kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.04		
DISTRIBUTION kWh	15000	0.0131	$ 196.50	DISTRIBUTION kWh	15000	0.0123	$ 184.64		
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			$ 1,219.04	Adjusted 2004 BILL			$ 1,381.18	$ 162.14	13.3%

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Ontario

March 11, 2004

Brian Bentz
President & CEO
Hydro Vaughan Distribution Inc.
2800 Rutherford Road
Vaughan ON
L4K 2N9

Dear Mr. Bentz:

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-2004-0101
EB-2004-0087

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 Hydro Vaughan Distribution Inc. for an order or orders approving or fixing just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

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

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

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

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

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

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

THE BOARD ORDERS THAT:

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

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

DATED at Toronto, March 11, 2004

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Secretary

Interim Rates
Hydro Vaughan Distribution
Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RESIDENTIAL

Monthly Service Charge	(per month)	$13.95
Distribution Volumetric Rate	(per kWh)	$0.0073

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.04
Distribution Volumetric Rate	(per kWh)	$0.0123

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$358.17
Distribution Volumetric Rate	(per kW)	$2.7425

LARGE USE

Monthly Service Charge	(per month)	$10,246.18
Distribution Volumetric Rate	(per kW)	$1.2757

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$0.65
Distribution Volumetric Rate	(per kW)	$1.9985

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$1.14
Distribution Volumetric Rate	(per kW)	$3.6502

UNMETERED SCATTERED LOAD

Un-metered, scattered loads billed as General Service <50 kW

Monthly Service Charge	(per connection)	$34.04
Distribution Volumetric Rate	(per kW)	$0.0123

PowerStream Inc.
Account 1562 Disposition
Interest Expense - Fiscal Year January 1, 2004 to May 31, 2004

		366		152
Hydro Vaughan Interest Expense	**Full year**		**Jan - May**	
Interest per Financial Statements			$	3,432,000
less 50% share of RHHI			$	(664,189)
Hydro Vaughan Interest Expense			$	2,767,812
Less interest on purchase of RHHI	$	(1,054,253)	$	(437,832)
less interest on increase in Rate Base	$	(173,370)	$	(72,000)
Interest deducted for purposes of Interest Adjustment			**$**	**2,257,979**
Deemed Interest Expense	$	6,962,384		2,891,482

Notes

1. Hydro Vaughan owned a 50% interest in Richmond Hill Hydro Inc. (RHHI) The financial statements include a proportionate consolidation of its 50% interest in RHHI on a line by line basis. Accordingly interest expense includes 50% of RHHI's interest expense for 2004

2.

Average investment in RHHI	$	36,742,000
Financed by debenture in August 2002	$	35,000,000
Rate		6.45%
Interest expense		2,257,500

Alternative calculation:

Goodwill on purchase of RHHI		16,345,000
Financed by debenture in August 2002	$	16,345,000
Rate		6.45%
Interest expense		1,054,253

3. Calculation of deemed interest on actual rate base:

2003 Actual Rate Base		
Average Net Fixed Assets	156,399,973	
Working capital allowance (WCA)		
COP and OM&A	192,961,830	
	15.00%	
WCA	28,944,275	
Total Rate base	**185,344,248**	
Deemed debt	101,939,336	55.0%
Deemed interest	7,135,754	7.00%
Increase in deemed interest	173,370	

Actual interest expense deducted has been reduced by the amount of the deemed interest on the on the increase in actual rate base for purposes of the interest adjustment.
Rate base for 2003 was used as a proxy for 2004 stub period of January 1 to May 31, 2004.

Consolidated Financial Statements of

HYDRO VAUGHAN DISTRIBUTION INC.

May 31, 2004

Deloitte.

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Auditors' Report

To the Shareholders of
Hydro Vaughan Distribution Inc.

We have audited the consolidated balance sheet of Hydro Vaughan Distribution Inc. as at May 31, 2004 and the consolidated statements of earnings and retained earnings and of cash flows for the period then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at May 31, 2004 and the results of its operations and its cash flows for the five months then ended, in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at December 31, 2003 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated April 23, 2004.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
November 26, 2004, except for Note 17(c), which is dated December 17, 2004 and
Note 15, which is dated January 27, 2005

HYDRO VAUGHAN DISTRIBUTION INC.
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HYDRO VAUGHAN DISTRIBUTION INC.
Consolidated Balance Sheet
May 31, 2004
(in thousands of dollars)

	May 31, 2004 (Note 2)	December 31, 2003 (Note 23)
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 46,024**	$ 36,163
Restricted cash	**97**	110
Accounts receivable	**16,386**	19,727
Unbilled revenue	**34,182**	31,892
Inventory	**3,328**	3,088
Prepaids and other	**426**	290
	100,443	91,270
PROPERTY, PLANT AND EQUIPMENT (Note 5)	**200,529**	201,011
OTHER ASSETS		
Restricted cash - non-current portion of customer deposits (Note 12)	**8,567**	13,373
Deferred debt issue costs, net of amortization of $477 (2003 - $336)	**2,492**	2,633
Intangibles, net of amortization of $8 (2003 - $Nil)	**498**	29
Goodwill	**16,366**	16,366
	$ 328,895	$ 324,682
LIABILITIES		
CURRENT		
Bank indebtedness	**$ 12,500**	$ 12,500
Accounts payable and accrued liabilities (Note 9)	**38,497**	32,268
Income taxes payable	**3,645**	1,640
Dividend payable	**27,800**	-
Due to related parties (Note 10)	**9,727**	17,170
Liability for subdivision development	**1,124**	2,029
	93,293	65,607
LONG-TERM LIABILITIES		
Note payable, Corporation of the City of Vaughan (Note 15)	**45,000**	45,000
Debenture payable (Note 11)	**52,500**	52,500
Regulatory liabilities (Note 6)	**5,752**	104
Customers' deposits (Note 12)	**8,567**	13,373
Employee future benefits (Note 13)	**2,641**	2,376
Other liabilities	**24**	16
	114,484	113,369
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (Note 15)	**120,342**	120,342
RETAINED EARNINGS	**776**	25,364
	121,118	145,706
	$ 328,895	$ 324,682

ON BEHALF OF THE BOARD

..... Director

..... Director

HYDRO VAUGHAN DISTRIBUTION INC.
Consolidated Statement of Earnings and Retained Earnings
Five months ended May 31, 2004
(in thousands of dollars)

	2004 (5 months) (Note 2)	2003 (12 months)
REVENUE	$ 114,286	$ 269,880
COST OF POWER PURCHASED	91,610	210,240
GROSS MARGIN	22,676	59,640
OPERATING EXPENSES		
High voltage transformation	175	374
Distribution	2,017	5,212
Utilization	144	287
Billing and collection	1,611	3,756
Administration and general	3,197	6,890
Taxes, other than amounts in lieu of corporate income taxes	586	1,279
	7,730	17,798
EARNINGS BEFORE AMORTIZATION, INTEREST, INCOME TAXES AND EQUITY INCOME	14,946	41,842
AMORTIZATION OF CAPITAL ASSETS AND INTANGIBLES (net of $277; 2003 - $711 charged to other accounts)	5,475	13,238
INTEREST EXPENSE	3,432	8,506
INCOME BEFORE INCOME TAXES	6,039	20,098
INCOME TAX EXPENSE (Note 19)	2,827	7,099
NET EARNINGS FOR THE PERIOD	3,212	12,999
RETAINED EARNINGS, BEGINNING OF PERIOD	25,364	12,365
DIVIDENDS	(27,800)	-
RETAINED EARNINGS, END OF PERIOD	$ 776	$ 25,364

HYDRO VAUGHAN DISTRIBUTION INC.
Consolidated Statement of Cash Flows
Five months ended May 31, 2004
(in thousands of dollars)

	2004 (5 months) (Note 2)	2003 (12 months) (Note 23)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net earnings for the period	$ 3,212	$ 12,999
Adjustments to determine cash provided by operating activities		
Amortization of property, plant and equipment	5,744	13,948
Amortization of debt issue costs	141	336
Amortization of intangibles	8	-
Employee future benefits	265	638
Increase in regulatory liabilities	5,648	5,644
Gain on disposal of capital assets	(27)	-
Write-off of intangible assets	21	-
Net change in non-cash operating working capital (Note 20)	8,909	4,838
	23,921	38,403
FINANCING		
(Decrease) increase in liability for subdivisions development	(905)	450
(Decrease) increase in due to related parties	(7,443)	4,849
Decrease in customer's deposits	(4,806)	(755)
Increase (decrease) in other liabilities	8	(23)
	(13,146)	4,521
INVESTING		
Proceeds on disposal of capital assets	32	-
Intangibles	(498)	(21)
Expenditure on capital assets, net of contribution of capital construction	(5,267)	(9,970)
	(5,733)	(9,991)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	5,042	32,933
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	49,646	16,713
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 54,688	$ 49,646
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and cash equivalents	$ 46,024	$ 36,163
Restricted cash (including non-current portion of customer deposits)	8,664	13,483
	$ 54,688	$ 49,646

SUPPLEMENTARY CASH FLOW INFORMATION (Note 21)

HYDRO VAUGHAN DISTRIBUTION INC.
Notes to Consolidated Financial Statements
May 31, 2004
(in thousands of dollars)

1. INCORPORATION AND REGULATION

Hydro Vaughan Distribution Inc. (the "Corporation"), owned solely by the Corporation of the City of Vaughan, was incorporated on October 24, 2000 under the laws of the Province of Ontario. The Corporation commenced operations on November 1, 2000.

The principal activity of the Corporation is to distribute electricity in the service area of Vaughan, in the Province of Ontario, under the licence issued by the Ontario Energy Board ("OEB"). The Corporation is regulated under the OEB and adjustments to the distribution rates require OEB approval.

The Energy Competition Act, 1998 (the "Act") was given Royal Assent on October 30, 1998. The Act provides for a competitive market in the sale of electricity and the regulation of the monopoly electricity delivery system in the Province of Ontario (the "Province") by the OEB. Electricity retailers began competing for customers as of March 1, 2000. On May 1, 2002, with the electricity market opening, or (Open Access), electricity retailers began to sell electricity.

The OEB has regulatory oversight of electricity matters in the Province. The Act sets out the OEB's powers to issue a distribution license, which must be obtained by any person owning or operating a distribution system under the Ontario Energy Board Act, 1998. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, separation of accounts for separate businesses and filing/process requirements for rate-setting purposes.

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In December 2002, the Province passed Electricity Pricing, Conservation and Supply Act, 2002 ("Bill 210") which among other things:

(a) Fixed the price of electricity paid by low volume and designated consumers at 4.3 cents per kWh (retroactive to May 1, 2002); and

(b) Capped distribution rates at current levels and deferred further rate increases and certain cost recoveries by distributors.

HYDRO VAUGHAN DISTRIBUTION INC.
Notes to Consolidated Financial Statements
May 31, 2004
(in thousands of dollars)

1. INCORPORATION AND REGULATION (continued)

The price freeze and rate caps were originally expected to continue until at least May 1, 2006.

In November 2003, the Province announced its intention to increase (effective April 1, 2004) the price of electricity payable by low volume and designated customers from 4.3 to 4.7 cents per kWh on the first 750 kWhs consumed during a month and 5.5 cents per kWh thereafter and directed the OEB to develop new pricing mechanisms (to take effect no later than May 1, 2005) for setting the price of electricity payable by low volume and designated customers.

The Province also announced its intention in November 2003 to permit electricity distributors to make rate applications to the OEB earlier than had been contemplated under Bill 210 with respect to the:

(a) Recovery of regulatory assets (based on year-end balances at December 31, 2002) to be phased in over a four-year period effective March 1, 2004; and

(b) Third adjustment necessary to achieve a market-based rate of return (subject to a one-time investment in conservation and demand management initiatives equal to one year of additional revenue resulting from such rate increase) effective March 1, 2005.

In December 2003, the OEB issued filing guidelines with respect to the recovery of regulatory assets. The OEB's filing guidelines provided that:

(a) Distributors will be permitted to recover 25% of regulatory assets in rate adjustments to become effective March 1, 2004;

(b) The 2004 rate adjustment will be implemented on April 1, 2004 (with a gross-up added to the recovered amount to allow recovery over 11 months);

(c) The OEB will provide additional instructions with respect to the filing of evidence to facilitate the OEB's review of the balance of the regulatory assets; and

(d) Permitted recoveries will be phased in over a four-year period (2004 through 2007).

During the period that the price freeze is in effect, it is expected that distributors and retailers will be compensated by the Ontario Electricity Financial Corporation (OEFC):

(a) In the case of distributors, for amounts by which the price paid by distributors for electricity purchased by them in the wholesale market on behalf of low volume and designated consumers is greater than the fixed price per kWh; and

(b) In the case of retailers, for amounts by which the retail contract price between retailers and low volume and designated consumers is greater than the fixed price per kWh.

1. INCORPORATION AND REGULATION (continued)

Consumers other than designated consumers who annually utilize more than 250,000 kWh continue to be eligible to receive Business Protection Plan ("BPP") rebates (formerly received under the Market Power Mitigation Agreement) from Ontario Power Generation Inc. ("OPG") to the extent that electricity prices exceed certain prescribed thresholds.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and future possible consultations between the OEB and interested stakeholders, may affect the distribution rates, including payments in lieu of taxes ("PILS") collected from customers, that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

The Corporation will not be able to implement the final rate increase to be able to achieve a 9.88% return on equity until 2005, at which time the monies will be directed specifically to demand side management and energy conservation initiatives for a one year period. Beginning in 2006, the Corporation expects rates to be established allowing the ability to achieve a 9.88% return on equity.

2. BASIS FOR PRESENTATION

The Corporation's consolidated financial statements are prepared by management in accordance with Canadian generally accepted accounting principles and accounting guidance provided by its regulator, the OEB as contained in its Accounting Procedures Handbook, under the authority of the Ontario Energy Board Act, 1998.

The Corporation's 50% interest in Richmond Hill Hydro Inc. ("RHHI") is accounted for using the proportionate consolidation method whereby the Corporation's proportionate share of the assets, liabilities and related revenues and expenses of RHHI are included in the consolidated financial statements.

Period reporting

As a result of the amalgamation which occurred subsequent to year end (Note 24), the Consolidated Statements of Earnings and Retained Earnings, and of Cash Flows have been provided for the period of January 1, 2004 to May 31, 2004 and the balance sheet has been provided as at May 31, 2004.

Seasonality of operations

The Corporation's operations are seasonal. Electricity consumption is typically highest in the summer and winter months, July through September and January through March.

3. SIGNIFICANT ACCOUNTING POLICIES

Rate setting

The Corporation is regulated by the OEB under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenue and expenses for the distribution of electricity, accounting policies may differ from that otherwise expected under Canadian generally accepted accounting principles for non-rate regulated enterprises. Specifically:

(i) Capital and operating costs incurred in respect of the transition to competitive markets have been deferred with amortization to commence on the date that a rate increase is implemented to offset the amortization of the transition costs.

(ii) The Corporation provides for amounts in lieu of corporate income taxes payable method for its regulated activities as permitted by The Canadian Institute of Chartered Accountants (CICA) and as directed by the OEB.

(iii) The Corporation has deferred certain pre-market opening cost of power variances and post-market opening retail settlement variances in accordance with Article 490 of the OEB's Accounting Procedures Handbook.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days.

Revenue recognition

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. The related cost of power is recorded on the basis of power used.

Long-term value-added service contract revenue is accounted for under the percentage of completion method, with revenue recognized proportionately with the degree of completion of the services under contract. Losses on contracts are fully recognized when they become evident. Actual results could differ from estimates.

Inventory

Inventory, which consists of parts and supplies acquired for internal construction or consumption, is valued at the lower of cost and replacement cost. Cost is determined at the lower of a weighted-moving average basis or replacement cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and amortization

Property, plant and equipment are recorded at cost and include contracted services, materials, labour, engineering costs and overheads. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. Such contributions, whether in cash or in-kind, are offset against the related asset cost. Contributions in-kind are valued at their fair market value at the date of their contribution.

When identifiable assets, such as buildings, distribution station equipment and equipment and furniture are retired or otherwise disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets such as transmission and distribution facilities is removed from the accounts at the end of their estimated service life.

Amortization is provided for on the straight-line basis over the useful life of the asset as summarized below:

Buildings	10 years
Transformer stations	40 years
Transformers and meters	25 to 40 years
Plant and equipment	10 to 30 years
Other	4 to 5 years

Construction in progress comprises property, plant and equipment under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

Intangibles

Intangibles include corporate restructuring costs related to amalgamation. Intangibles are stated at cost and will be amortized on a straight-line basis over five years.

Regulatory asset liabilities

Under Bill 210, certain costs and variance account balances are deemed to be regulatory assets/liabilities and are reflected in the Corporation's consolidated balance sheet until the matter and timing of disposition is determined by the OEB. Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered in rates. In November 2003, the Province announced its intention to permit electricity distributors to make applications to the OEB for recovery of the regulatory assets (based on year-end balances as at December 31, 2002) to be phased in over a four-year period effective March 1, 2004. The Corporation received approval on March 11, 2004, for the recovery of 25% of its retail settlement variance accounts as at December 31, 2002. The recovery of these accounts commenced effective April 1, 2004. In May 2004, the OEB advised that it would hold public hearings to review several LDC's regulatory assets for prudence and make a final determination of the amounts to be recovered. Regulatory assets/liabilities are comprised principally as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Regulatory asset liabilities (continued)

(i) Transition costs represent costs related to the transition to a competitive electricity market as mandated by the Electricity Act, 1998. The OEB has established rules in respect of transition costs, to qualify amounts for deferral and amortization against future revenue. To the extent that transition costs have been incurred that do not qualify for deferral, these costs have been expensed during the period in which they were incurred.

(ii) Pre-market opening cost of power variances represent amounts accumulated as a result of the excess of the cost of power purchased by the Corporation over the amount billed for this power prior to the market opening. The OEB directed utilities to accumulate such variances in the period leading up to market opening.

(iii) Post-market opening retail settlement variances are variances that have occurred since May 1, 2002 when the competitive electricity market was declared open and that have accumulated pursuant to direction from the OEB. Specifically, these amounts include:

(a) variances between the amount charged by the Independent Market Operator ("IMO") for the operation of the markets and grid, as well as various wholesale market settlement charges, transmission charges as compared to the amount billed to consumers based on the OEB-approved wholesale market service rate; and

(b) variances between the amounts charged by the IMO to allow for purchases of imported power as compared to the amounts billed to consumers based on the OEB-approved rates.

(iv) Carrying charges are applied to regulatory assets/liability balances and are calculated and recorded using simple interest applied to the monthly opening balances in the (Retail Services and Settlement Variances) RSVA. The interest rate is equal to the applicable deemed debt rate set out in the OEB Rate Handbook. This rate is applied to any balance in the account either positive or negative less any accumulated interest in the account.

Deferred debt issue costs

Deferred debt issue costs represent the discount and the cost of the issue of debentures. Amortization is provided on a straight-line basis over the term of the debenture.

Goodwill

Goodwill represents the excess of the purchase price over the four values assigned to the Corporation's 50% interest of the net identifiable assets acquired on the acquisition of RHHI. Goodwill is not amortized and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. When the carrying amount of goodwill exceeds the implied fair value of goodwill on impairment a loss is recognized in an amount equal to the excess.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension and other post-employment benefits

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

The Corporation actuarially determines the cost of other employment and post-employment benefits offered to employees using the projected benefit method prorated on service and based on management's best estimate assumption. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at date of hire, and ended at the earliest age the employee could retire and qualify for benefits. Compensated absences and termination benefits that do not vest or accumulate are recognized as an expense when the event occurs. This accounting policy for future employee benefits was applied on the prospective basis. The transitional obligation resulting from this treatment is being amortized over the average remaining service period of employees.

Customer's deposits

Customers may be required to post security to obtain electricity or other services. Interest is paid on customer balances at rates established from time to time by the Corporation.

Payment in lieu of income taxes

In accordance with Ontario Regulation 162/01 made under the Electricity Act, 1998, the Corporation is required to make payments in lieu of corporate income taxes to OEFC, commencing October 1, 2001. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

The Corporation provides for payments in lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent assets and liabilities at the financial statement date. Accounts receivable, unbilled revenue and regulatory assets/liabilities are reported based on amounts expected to be recovered and an appropriate allowance for unrecoverable amounts. Inventory is recorded net of provisions for obsolescence.

Due to the inherent uncertainty involved in making such estimates, actual results could differ from estimates recorded in preparing these consolidated financial statements, including changes as a result of future decisions made by the OEB or the Minister of Energy.

4. INVESTMENT IN RICHMOND HILL HYDRO INC.

Effective December 27, 2001, the Corporation purchased RHHI in equal share with Markham Hydro Distribution Inc. for consideration of $120,000 plus purchase price adjustments of $19,599 for working capital, and received 1,001 common shares upon closing of the transaction. A further post-closing working capital adjustment of $3,200 (the Corporation's share being $1,600) based on the audited financial statements of RHHI as at December 27, 2001 was agreed to and the payment was made during the year-ended December 31, 2003.

During fiscal year 2002, the Board of Directors of RHHI approved the return of capital in the amount of $70,000 to the purchasers, the Corporation's share being $35,000. The Corporation received $30,000 by December 31, 2002 and the balance of $5,000 was received during the year ended December 31, 2003. An additional post-closing working capital adjustment of $21 was made in fiscal 2003.

Corporation's share of the fair value of net assets acquired	$ 20,376
Goodwill	16,366
	$ 36,742

Purchase consideration, as originally stated	$ 69,800
Working capital adjustment	1,621
Costs of acquisition	321
	71,742
Less return of capital by RHHI	(35,000)
	$ 36,742

HYDRO VAUGHAN DISTRIBUTION INC.
Notes to Consolidated Financial Statements
May 31, 2004
(in thousands of dollars)

4. INVESTMENT IN RICHMOND HILL HYDRO INC. (continued)

The consolidated financial statements include the Corporation's proportionate share of the assets, liabilities, revenue and expenses of RHHI as at May 31, 2004 and for the year then ended as follows:

	May 31, 2004	
	Total	Corporation's 50% interest
Assets		
Current	$ 33,930	$ 16,965
Capital assets	86,579	43,290
Other assets	1,278	639
	$ 121,787	$ 60,894
Liabilities and equity		
Bank indebtedness	$ 25,000	$ 12,500
Accounts payable and accrued liabilities	8,817	4,409
Income taxes payable	1,037	519
Due to related parties	6	3
Liability for subdivision development	2,248	1,124
Debenture payable	35,000	17,500
Customer deposits	7,229	3,614
Employee future benefits	618	309
Regulatory liabilities	670	335
Other liabilities	48	24
Equity	41,114	20,557
	$ 121,787	$ 60,894

4. INVESTMENT IN RICHMOND HILL HYDRO INC. (continued)

	May 31, 2004	
	Total	Corporation's 50% interest
Revenue	$ 38,329	$ 19,165
Cost of energy	28,006	14,003
	10,323	5,162
Expenses		
High voltage transformation	71	35
Distribution	1,036	518
Utilization	193	97
Billing and collection	633	317
Administration and general	1,543	772
Interest	1,328	664
Amortization of capital assets	2,748	1,374
Amortization of contribution in aid of construction	(323)	(161)
Taxes, other than amounts in lieu of corporation income taxes	235	117
	7,464	3,733
Earnings before amounts in lieu of corporation income taxes	2,859	1,429
Amounts in lieu of corporation income taxes	1,295	648
	$ 1,564	$ 781
Cash provided by (used in)		
Operations	$ 3,675	$ 1,837
Financing	(2,727)	(1,363)
Investments	(1,211)	(605)
	$ (263)	$ (131)

HYDRO VAUGHAN DISTRIBUTION INC.
Notes to Consolidated Financial Statements
May 31, 2004
(in thousands of dollars)

5. PROPERTY, PLANT AND EQUIPMENT

	May 31, 2004		
	Cost	Accumulated Depreciation	Net Book Value
Land	$ 897	$ -	$ 897
Buildings	410	94	316
Transformer stations	43,936	9,680	34,256
Transformers and meters	142,796	66,462	76,334
Plant and equipment	150,195	66,582	83,613
Other	11,824	8,732	3,092
Construction in progress	2,021	-	2,021
	$ 352,079	$ 151,550	$ 200,529

	December 31, 2003		
	Cost	Accumulated Depreciation	Net Book Value
Land	$ 904	$ -	$ 904
Buildings	413	91	322
Transformer stations	43,754	9,217	34,537
Transformers and meters	142,400	64,919	77,481
Plant and equipment	147,341	64,313	83,028
Other	12,034	8,683	3,351
Construction in progress	1,388	-	1,388
	$ 348,234	$ 147,223	$ 201,011

6. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities arise as a result of the rate-making process and consist of the following:

	May 31, 2004	December 31, 2003
Deferred transition costs	$ 1,408	$ 1,243
Pre-market opening cost of power variances	6,153	4,528
Post-market opening retail settlement variances	(11,283)	(3,845)
Power savings	(1,095)	(1,095)
Penalty and interest	(935)	(935)
	$ (5,752)	$ (104)

6. REGULATORY ASSETS AND LIABILITIES (continued)

Power savings resulted from Vaughan Hydro Electric Commission ("VHEC") purchasing power from Ontario Hydro through a consortium (Upper Canada Energy Alliance) whereby payments were consolidated into one bill which resulted in VHEC receiving power at a discounted rate. Penalty and interest is calculated based on the amount of excess service charges per the OEB which resulted in excess revenue and will be added to the offset to reduce the increase in the rates. In accordance with OEB direction, these items have been recorded as regulatory liabilities until final disposition.

Due to the accounting method used by the Corporation for recording the PILS variance, the net effect of the over recovery on the regulatory liabilities is Nil since there is a corresponding balance sheet contra account. This accounting method is in accordance with the OEB guidelines and resulted in an amount of $416 (2003 - $939) being recorded as revenue for the period.

7. BUSINESS PROTECTION PLAN REBATE

As at May 31, 2004, the Corporation had received $35,595 from the IMO in connection with the Business Protection Plan Rebates for the period starting May 1, 2002 and ending May 31, 2004. The entire balance was allocated to customers and retailers.

8. BANK INDEBTEDNESS AND CREDIT FACILITY

In 2004, the Corporation has obtained a credit facility with a Canadian chartered bank to replace an existing facility. The Corporation has also a non-revolving credit facility as well as a letter of credit arrangement with a major chartered bank.

This revolving credit facility provides the Corporation a committed extendible 364-day revolving credit facility of $60,000 to provide financing to support a letter of credit arrangement for prudential support to the IMO of the Ontario electricity wholesale market and to fund working capital. The IMO requires all purchasers of electricity in Ontario to provide security to mitigate the risk of default based on expected purchases from the IMO administered spot market.

As at May 31, 2004, the Corporation's letter of credit payable to the IMO is $13,185. If the Corporation defaults on its normal monthly payments to the IMO, the IMO has the right to draw on the letter of credit.

The credit facility can be drawn upon by either direct advances, bearing interest at prime less 0.50% or Bankers' Acceptances, with a stamping fee of 3.0 basis points.

RHHI's committed extendible 364-day revolving credit facility provides RHHI with a line of credit of $10,000 for the purpose of providing financing of the day-to-day operating requirements. RHHI has no balance outstanding on this facility.

RHHI's non-revolving credit facility provides RHHI with a $25,000 loan, which was fully drawn upon and renewed during 2004. The loan is repayable in full on June 30, 2005; however the credit may be extended for successive periods of up to 364 days at the discretion of the bank, upon RHHI's written request at least 60 days prior to the maturity date. The consolidated financial statements include the Corporation's 50% proportionate share of $12,500 of the bank loan. RHHI used the proceeds of the loan to partially fund the return of capital to the shareholders (Note 3).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2004	December 31, 2003
Accounts payable - energy purchased	$ 19,424	$ 17,769
Current portion of customer's deposits	8,645	2,041
Other accounts payable and accrued liabilities (including construction deposits to be refunded within one year in the amount of $2,025)	10,428	12,458
	$ 38,497	$ 32,268

10. DUE TO RELATED PARTIES

The amount due to the Corporation of the City of Vaughan is comprised of amounts payable to the City and its wholly-owned companies established under the provisions of the Ontario Business Corporation Act in order to comply with provisions of provincial legislation enacted to restructure the publicly-owned electricity business in Ontario.

Components of the amounts due to related parties are as follows:

	May 31, 2004	December 31, 2003
Hydro Vaughan Holdings Inc.		
Note payable	$ -	$ (7,572)
Accrued interest on note	-	(3,835)
	-	(11,407)
The Corporation of the City of Vaughan		
Accrued interest on note payable of $45,000 at an annual rate of 8% (Note 15)	(602)	(4,500)
Net balance receivable of inter entity transactions, without interest	(9,122)	(1,039)
	(9,724)	(5,539)
Markham Hydro Distribution Inc.		
Accounts receivable from Markham Hydro Distribution Inc.	-	(219)
Due to Markham for MV90 and MSP service from RHHI	(3)	(5)
	(3)	(224)
	$ (9,727)	$ (17,170)

10. DUE TO RELATED PARTIES (continued)

Interest on the notes payable, aggregating $2,548 (2003 - $6,118) was charged to interest expense. As at May 31, 2004, the amounts shown as due to related parties included an aggregate accrual of $602 (2003 - $3,600) related to such interest.

Other significant balances and transactions are separately disclosed in the financial statements.

11. DEBENTURE PAYABLE

	May 31, 2004	December 31, 2003
6.45%, unsecured debenture, due August 15, 2012	$ **52,500**	$ 52,500

In August 2002, the Corporation and RHHI each raised gross proceeds of $35,000 through a private placement bond offering. The Corporation and RHHI were two of five local distribution companies ("LDC") that participated in the Electricity Distributors Finance Corporation ("EDFIN") 10 Year Bond Issued (Series 2002-1) that was offered on a private placement. EDFIN is a specific purpose corporation managed by MEARIE Management Inc., for the purpose of providing LDC with efficient access to the debt capital markets. Each LDC has executed a debenture which is a direct and unsecured obligation of the LDC. The LDC's obligations are several and not joint, and each LDC is liable for its own obligation and not that of any other LDC.

The unsecured debenture in the amount of $52,500 represents the Corporation's debenture payable of $35,000 plus the Corporation's 50% proportionate share of RHHI's debenture payable of $17,500.

Interest expense, including amortization of deferred debt issue costs, was $1,548 during the year (2003 - $3,730).

12. CUSTOMERS' DEPOSITS

	May 31, 2004	December 31, 2003
Service deposits	$ **15,170**	$ 14,401
Deposits on capital projects	**2,042**	1,013
	17,212	15,414
Less amounts expected to be refunded within one year, included in payables (Note 9)	**8,645**	2,041
	$ **8,567**	$ 13,373

HYDRO VAUGHAN DISTRIBUTION INC.
Notes to Consolidated Financial Statements
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13. EMPLOYEE FUTURE BENEFITS

The Corporation pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees rendered their services.

The benefits liability assumed from the former Vaughan Hydro-Electric Commission is being recorded in the accounts prospectively. Accordingly, the obligation is being amortized over the average remaining service period of active employees of 11 years determined by actuarial methodology.

The projected benefit obligations for active employees and retirees as at May 31, 2004 of $2,641 (2003 - $2,376) and the expense for the period ended May 31, 2004 of $291 (2003 - $680) was based on actuarial valuation using a discount rate of 6%.

Payments for the period ended May 31, 2004 are estimated to be equal to the estimated claims for extended health, dental benefits and life insurance in respect of retirees, and the assumed expenses and taxes associated with their benefits.

Information about the Corporation's defined benefit plans is as follows:

	May 31, 2004	December 31, 2003
Unamortized transitional obligation benefit liability, beginning of period	**$ 1,668**	$ 1,904
Unamortized transitional obligation benefit liability, end of period	**(1,570)**	(1,668)
Portion of transitional obligation benefit liability recognized in current period	**$ 98**	$ 236
Accrued benefit liability, beginning of period	**$ 2,098**	$ 1,539
Proportionate share of RHHI blance of accrued benefit liability	**277**	199
Expense, including transitional obligation amortization charge	**291**	680
Benefits paid during the period	**(25)**	(42)
Accrued employee future benefits, end of period	**$ 2,641**	$ 2,376

13. EMPLOYEE FUTURE BENEFITS (continued)

The main actuarial assumptions employed for the valuations are as follows:

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2% to 2.75%.

(b) Interest (discount) rate

The present value as at May 31, 2004 of the future benefits was determined using a discount rate of 6% to 6.5%. This corresponds to the assumed CPI rate plus an assumed rate of return of approximately 4%.

(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 4.5% to 7.5% graded down by 1% to an ultimate rate of 4.5% in 2004 and thereafter.

(e) Dental costs

Dental costs were assumed to increase at the CPI rate plus a further increase of 2.5% in 2004 (2003 - 2.5%).

14. PENSION

The Corporation provides a pension plan for its employees through OMERS. OMERS is a multi-employer pension plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. Due to a surplus of investment earnings in the fund, the Corporation and its employees were subject to a "contribution holiday" until January 2003. Employees resumed contributions at one third of the rate in January 2003 and were contributing the full rate beginning January 2004. The Corporation incurred $217 (2003 - $237) of contribution expense during the period-ended May 31, 2004.

15. SHARE CAPITAL

The Corporation's authorized share capital is an unlimited number of common shares. The issued share capital as at May 31, 2004 is as follows:

	May 31, 2004	December 31, 2003
1,000 common shares, beginning and end of period	**$ 120,342**	$ 120,342

In 2001, Vaughan City Council approved that effective October 1, 2001, the capital structure of the Corporation be adjusted to provide a debt to equity ratio of 55% debt and 45% equity, defined as bank indebtedness and note payable. Accordingly, 27.2% of the issued share capital was allocated to a sub-ordinate promissory note payable to the Corporation of the City of Vaughan in the amount of $45,000 with interest thereon commencing on October 1, 2001 at an annual rate of 8%.

The note is repayable 60 days following demand by the City, no earlier than January 1, 2005. This note has been classified as long term as the City's intent is not to demand repayment within the next year.

16. COMMITMENTS

Share service agreement

Pursuant to a shared services agreement between the former Vaughan Hydro-Electric Commission and the Corporation of the City of Vaughan ("City"), the Corporation charges the City, at agreed rates, for various administrative functions. In addition, the City performs certain shared services, which are charged to the Corporation. The net charges made for services under this agreement were $66 (2003 - $411).

Long-term operating leases

The Corporation rents buildings and facilities from the Corporation of the City of Vaughan under long-term operating leases, which expired February 28, 2004, with an option for renewal. The Corporation has exercised its option to renew the lease on a monthly basis. The terms for establishing the agreement will be drafted by the fourth quarter of 2004. For the period from January 1 to May 31, 2004, the rental for the buildings and facilities was approximately $226 (2003 - $659). The cost of the rent including both the rent charged under the operating leases and rent not covered by operating leases aggregated $473 (2003 - $961).

17. CONTINGENCIES

(a) Legal claims

The Corporation has been jointly named as a defendant in several actions. No provision has been made for these potential liabilities as the Corporation expects that these claims are adequately covered by its insurance.

(b) Other claims

A class action claiming $500,000 in restitution payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against the former Toronto Hydro-Electric Commission 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 was that late payment penalties resulted 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 Electricity Distributors Association is undertaking the defense of this class action. At this time, it is not possible to quantify the effect, if any, on the consolidated financial statements.

(c) Other contingencies

The provision for income taxes reflects management's position that the treatment of regulatory assets and liabilities is the same for tax purposes as for accounting purposes. Primarily as a result of the recovery of revenues through standard provincial transmission rates, there may be additional taxes payable at May 31, 2004 in the amount of approximately $1.6 million. The Minister of Energy has approved the corporation's application to submit a rate change to address the over-recovery, reduce the rates and ultimately eliminate these amounts. As this is unique and a result of a timing issue and because the "payment-in-lieu of income taxes" regime is relatively new, with no specific precedent in tax assessing practices, it is not determinable whether or not a liability will materialize and no provision has been made for this amount in the financial statements. The above mentioned timing differences will eventually reverse.

18. RISK MANAGEMENT

The Corporation understands the risks inherent in its business and defines then broadly as anything that could impact its ability to achieve its strategic objectives.

Fair value of financial assets and liabilities

The fair value of the Corporation's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying amount because of the short maturity of these instruments.

The fair value amount of the debenture payable in the amount of $52,500 was $55,062 as at May 31, 2004 based on quoted market prices.

The fair value of the Corporation's note payable, Corporation of the City of Vaughan and due to related parties is not determined due to their related party nature and terms.

The Corporation is not exposed to significant interest rate risk as a result of the short-term maturity of its monetary current assets and current liabilities.

Financial assets held by the Corporation expose it to credit risk. As at May 31, 2004, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Corporation earns its revenue from a broad base of customers located in the City of Vaughan and Town of Richmond Hill. In the five month period ended May 31, 2004, the Corporation derived approximately 13% (13% - 2003) of its revenue from one customer. As at May 31, 2004, the one customer represented $1,705 (2003 - $2,554) of the accounts receivable balance.

Insurance

The Corporation maintains appropriate types and levels of insurance with major insurers. With respect to liability insurance, it is a member of the Municipality Electric Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members.

Insurance premiums charged to each member consist of a levy per thousands of dollars of service revenue subject to a credit or surcharge based on each member's claims experience. Effective January 1, 2001, coverage is provided to a level of $20,000 per incident.

HYDRO VAUGHAN DISTRIBUTION INC.
Notes to Consolidated Financial Statements
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(in thousands of dollars)

19. CORPORATE INCOME TAXES

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

	2004	2003
Rate reconciliation		
Income from operations before PILs	$ 6,039	$ 20,098
Statutory Canadian federal and provincial income tax rate	36.12%	36.62%
Expected tax provision on income at statutory rates	2,181	7,360
Increase (decrease) in income taxes resulting from		
Large corporations tax net of surtax	86	375
Effect of rate changes on temporary differences	-	1
Other timing differences non-benefited		
Amortization/CCA differences	(1)	(213)
Post employment benefits	284	230
Eligible capital expenditures	(45)	(49)
Other	238	(81)
Allowance for regulatory assets	-	136
Permanent differences	115	32
Other	(31)	(692)
Provision for PILs	$ 2,827	$ 7,099
Component of provision for PILs		
LCT	$ 86	$ 375
Income tax expense	2,741	6,724
Provision for PILs	$ 2,827	$ 7,099

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future electricity rate revenues. As at May 31, 2004, future income tax assets of $25,668 (2003 - $25,431) (consisted mostly of non-deductible reserves and the difference between the tax and book bases of fixed assets), based on substantively enacted income tax rates, have not been recorded on the balance sheet. Future income tax benefits of $237 (2003 - $164) have not been reflected in the income tax provision for the period ended May 31, 2004.

HYDRO VAUGHAN DISTRIBUTION INC.
Notes to Consolidated Financial Statements
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(in thousands of dollars)

20. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	May 31, 2004	December 31, 2003
Accounts receivable	$ 3,341	$ (4,395)
Unbilled revenue	(2,290)	13,305
Inventory	(240)	261
Prepaid and other	(136)	31
Accounts payable and accrued liabilities	6,229	(3,945)
Income taxes payable	2,005	(419)
	$ 8,909	$ 4,838

The change in non-cash working capital includes the charge in the Corporation's proportionate interest in the change in the non-cash operating working capital of RHHI.

21. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Cash paid during the period for:

	May 31, 2004	December 31, 2003
Interest	$ 6,988	$ 8,432
Payments in lieu of taxes	$ 2,377	$ 11,847

(b) Non-cash financing activities:

	May 31, 2004	December 31, 2003
Dividend payable	$ 27,800	$ -

22. GUARANTEES

Effective January 1, 2004, the Corporation adopted the new Canadian accounting guideline AcG-14, which requires certain disclosures of guarantees.

In the normal course of business, the Corporation enters into agreements that meet the definition of a guarantee. The Corporation's primary guarantees subject to the disclosure requirements of AcG-14 are as follows:

(a) The Corporation has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Corporation agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suites, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

(b) Indemnity has been provided to all directors and/or officers of the Corporation for various items including, but not limited to, all costs to settle suits or actions due to association with the Corporation, subject to certain restrictions. The Corporation has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Corporation. The maximum amount of any potential future payment cannot be reasonably estimated.

(c) In the normal course of business, the Corporation has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Corporation to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Corporation from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Corporation has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

23. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative figures reported in these consolidated financial statements have been reclassified to conform to the presentation of the current period consolidated financial statements.

24. SUBSEQUENT EVENT

Hydro Vaughan Distribution Inc. and Markham Hydro Distribution Inc., who were the owners of Richmond Hill Hydro Inc., amalgamated to form one new entity on June 1, 2004. The new incorporated entity, called PowerStream Inc., is jointly owned by the City of Vaughan and the Town of Markham.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

055 Do not use this area

AMENDED

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 891096810RC0001

Corporation's name

002 HYDRO VAUGHAN DISTRIBUTION 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 2800 RUTHERFORD ROAD

012

City	Province, territory, or state
015 VAUGHAN	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L4K-2N9

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes [ ] 2 No [X]

031 2800 RUTHERFORD ROAD

032

City	Province, territory, or state
035 VAUGHAN	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 L4K-2N9

040 **Type of corporation at the end of the taxation year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2004-01-01 YYYY/MM/DD	061 2004-05-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes [ ] 2 No [X]

If *Yes*, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes [X] 2 No [ ]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

* We do not print these schedules.

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide	Item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	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	X	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	X	3
69-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207	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		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	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		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
153	Is the corporation claiming a film or video production services tax credit refund?	254		T1177
130	Is the corporation subject to Part XIII.1 tax?	255		92 *

Attachments – continued from page 2

Guide item			Yes	Schedule
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
44	Did the corporation have any controlled foreign affiliates?	258		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
44	Did the corporation transfer or loan property to a non-resident trust?	260		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *Yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	HYDRO DISTRIBUTION	285	16%
286	ENERGY SALE	287	84%
288		289	0%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	7,849,777 A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	1,960,077		
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		1,960,077		1,960,077 B
Subtotal (amount A minus amount B) (if negative, enter "0")				5,889,700 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355	0 D
Taxable income (amount C plus amount D)			360	5,889,700
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)				5,889,700 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 5,889,700 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 5,889,700 B

Calculation of the business limit:
For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003 / Number of days in the taxation year	0 / 152	=	0	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 152	=	0	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	152 / 152	=	250,000	3
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	0 / 152	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 ..... 250,000 4

Business limit (see notes 1 and 2 below) ..... 410 104,110 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 104,110 x 415*** 461,357 / 11,250 D = ... 4,269,500 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F (enter amount G on line 9 of page 7) ..... 430 0 G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 0 x 300,000 / line 4 above = 0 A

Net active business income (amount from line 400) * ..... 5,889,700 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax ..... 5,889,700 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 5,889,700 5,889,700 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

Total of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 152	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	152 / 152	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 152	x 3% =	0 C.1
Amount A	0	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	0 / 152	x 5% =	0 C.2

Resource deduction – total of amounts B, C, C.1, and C.2 (enter amount D on line 10 of page 7) ..... 438 0 D

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 5,889,700 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	F
Amount QQ from Part 13 of Schedule 27		0	G
Taxable resource income from line 435 above		0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	J
Aggregate investment income from line 440 of page 6		0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0	L
Total of amounts F, G, H, I, J, K, and L		0	0 M
Amount E minus amount M (if negative, enter "0")			5,889,700 N

Amount N	5,889,700	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 152	x 3% =	0 O
Amount N	5,889,700	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 152	x 5% =	0 P
Amount N	5,889,700	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	152 / 152	x 7% =	412,279 Q

General tax reduction for Canadian-controlled private corporations - total of amounts O, P, and Q (enter amount R on line 638 of page 7) ..... 412,279 R

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	T
Amount QQ from Part 13 of Schedule 27		0	U
Taxable resource income from line 435 above		0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	W
Total of amounts T, U, V, and W		0	0 X
Amount S minus amount X (if negative, enter "0")			0 Y

Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 152	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 152	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	152 / 152	x 7% =	0 BB

General tax reduction - total of amounts Z, AA, and BB (enter amount CC on line 639 of page 7) ..... 0 CC

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7)	440	0 x 26 2/3% =		0 A
Foreign non-business income tax credit from line 632 on page 7			0	
Deduct:				
Foreign investment income (amount O from Part 1 of Schedule 7)	445	0 x 9 1/3% =	0	
		(if negative, enter "0")	0	0 B
Amount A minus amount B (if negative, enter "0")				0 C
Taxable income from line 360 on page 3			5,889,700	
Deduct:				
Amount on line 400, 405, 410, or 425 on page 4, whichever is less			0	
Foreign non-business income tax credit from line 632 of page 7		0 x 25/9 =	0	
Foreign business income tax credit from line 636 of page 7		0 x 3 =	0	
			0	0
			5,889,700	x 26 2/3% = 1,570,587 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)			1,302,802	
Deduct: Corporate surtax from line 600 of page 7			65,965	
Net amount			1,236,837	1,236,837 E
Refundable portion of Part I tax – Amount C, D, or E, whichever is less			450	0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year	460	38	
Deduct: Dividend refund for the previous taxation year	465	0	
		38	38 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		6	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480	0	
		6	6 B
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B		485	44

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			44 B
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)			0

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 2,238,086 A

Corporate surtax calculation

Base amount from line A above	2,238,086	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	588,970	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0 a	0	6
28.00% of taxed capital gains	0 b		
Part I tax otherwise payable (line A plus lines C and D minus line F)	0 c		
Total of lines 2 to 6		588,970	7
Net amount (line 1 minus line 7)		1,649,116	8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 65,965 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	5,889,700		
Deduct:			
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	5,889,700	5,889,700	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) 2,304,051 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	588,970	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	412,279	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		1,001,249	1,001,249 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 1,302,802 G

HYDRO VAUGHAN DISTRIBUTION INC. 891096810RC0001 2004-05-31

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	1,302,802
Part I.3 tax payable from Schedule 33, 34, or 35	704	78,910
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	6
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		1,381,718

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		1,381,718 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	1,381,718	
Total credits	890	1,381,718	1,381,718 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 GLICKSMAN (Last name in block letters) 951 JOHN (First name in block letters) 954 CHIEF FINANCIAL 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 2005/03/08 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation 956 905-417-6900 (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 JOHN GLICKSMAN (Name in block letters) 959 905 417-6904 (Telephone number)

TSO to process

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

HYDRO VAUGHAN DISTRIBUTION INC. Sch. 001
Account/Business No.: 891096810RC0001 Year Ended: 2004-05-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			3,211,810 A

Additions:

Provision for income taxes - current	101	2,178,997	
Amortization of tangible assets	104	4,488,663	
Non-deductible meals and entertainment expenses	121	6,926	
Reserves from financial statements - balance at the end of the year	126	2,862,110	
Subtotal of additions		9,536,696	9,536,696

Other Additions:

Capital items expensed	206	6,360	
Dividends credited to the investment account	214	1,960,077	
Financing fees deducted in books	216	107,407	

Miscellaneous Other Additions:

600	CAPITAL TAX BOOKED FOR ACCOUNTING		290	276,502	
601	NON-DEDUCTIBLE EXPENSES BOOKED FOR ACCOUNTING		291	100,000	
602	ADDBACK RE: 12(1)(x)		292	2,326,685	
603a	CARRYING CHARGES BOOKED FOR ACCOUNTING	245,132			
603b	Ontario Specified Tax Credits	4,153			
603c		0			
		249,285	293	249,285	
Subtotal of Other Additions			199	5,026,316	5,026,316
			Total Additions	500	14,563,012

HYDRO VAUGHAN DISTRIBUTION INC.
Account/Business No.: 891096810RC0001 Year Ended: 2004-05-31 Sch 001

Deductions:

Gain on disposal of assets per financial statements	401	9,130	
Capital cost allowance from Schedule 8	403	4,178,333	
Cumulative eligible capital deduction from Schedule 10	405	88,523	
Reserves from financial statements-balance at the beginning of the year	414	2,098,889	
Subtotal of Deductions		6,374,875	6,374,875

Other Deductions:

Equity in income from subsidiaries or affiliates	306	781,611	

Miscellaneous Other Deductions:

700	20(1)(e)	.....	390	192,835	
701	CAPITAL TAX PER CT23	.....	391	249,039	
702	S.13(7.4) ELECTION	.....	392	2,326,685	
	Subtotal of Other Deductions		499	3,550,170	3,550,170
			Total Deductions	510	9,925,045

Net income (loss) for income tax purposes (enter on line 300 on the T2 return)	7,849,777

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No

Ministry Use

Corporation's Legal Name *(including punctuation)*

HYDRO VAUGHAN DISTRIBUTION INC.

Ontario Corporations Tax Account No. (MOF): 1800114

This CT23 Return covers the Taxation Year
Start: year month day 2004-01-01
End: year month day 2004-05-31

Mailing Address

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K-2N9

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 2000-10-24

Registered/Head Office Address

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K-2N9

Ontario Corporation No. (MCBS): 2020202

Location of Books and Records

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K-2N9

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 891096810RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
JOHN GLICKSMAN	905-417-6900 (MCBS)	905-303-2000

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)*

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*

Former Corporation Name *(Extra-Provincial Corporations only)* ☒ *Not Applicable* (MCBS)

Preferred Language/*Langue de préférence*
☒ English *anglais* ☐ French *français*

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please ☒ 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)*

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
HYDRO VAUGHAN DISTRIBUTION INC	1800114	2004-05-31

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-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

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

ENERGY SALE, HYDRO DISTRIBUTIO

Please "X" box(es) If applicable:

[ ] First Year of Filing
[X] Amended Return
[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)
[X] 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).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	7,849,534.		
Subtract: Charitable donations	–	1	0.		
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–	2	0.		
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–	3	1,960,077.		
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–	4	0.		
Subtract: Federal Part VI.1 tax 0. X 9/3	–	5	0.		
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	0.		
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000%	–	714	0.		
Farm losses	–	From 724	0.		
Restricted farm losses	–	From 734	0.		
Limited partnership losses	–	From 754	0.		
Taxable Income (Non-capital loss)	=	10	5,889,457.		
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	5,889,457.		

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	5,889,457.	x	30 Ontario Allocation 100.0000%	x	12.5000%	x	33 Days after Sept. 30, 2001 and before Jan. 1, 2004: 0	÷	73 Total Days: 152	=	29	0.
From 10 (or 20 if applicable)	5,889,457.	x	30 Ontario Allocation 100.0000%	x	14.0000%	x	34 Days after Dec. 31, 2003: 152	÷	73 Total Days: 152	=	32	824,524.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 824,524.

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	5,889,700.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	5,889,700.	
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.	
	=	5,889,700.	54 5,889,700.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	55	104,110.	

Ontario Business Limit Calculation

280,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003: 28 0 ÷ ** 366	= +	43	0.			
320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004: 31 0 ÷ ** 366	= +	46	0.			
400,000 x	Days after Dec. 31, 2003: 34 152 ÷ ** 366	= +	47	166,120.			
Business Limit for Ontario purposes	43 + 46 + 47	=	44	166,120.	x 48 *** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated. 100.0000 %	=	45 166,120.
Income eligible for the IDSBC			From 30	100.0000 %	x 56 166,120.	=	60 166,120.

**** 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 a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

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Schedule 5-25
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Filed: May 4, 2012

DOLLARS ONLY

Income Tax *continued from Page 4*

Number of Days in Taxation Year

Calculation of IDSBC Rate

.....	6.50 %	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0 ÷ Total Days [73] 152	= +	[79]	.0000
.....	7.00 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0 ÷ Total Days [73] 152	= +	[89]	.0000
.....	8.50 %	x	Days after Dec. 31, 2003 [34] 152 ÷ Total Days [73] 152	= +	[90]	8.5000

IDSBC Rate for Taxation Year [79] + [89] + [90] ..... = [78] 8.5000

Claim ..... From [60] 166,120. x From [78] 8.5000 % ..... = [70] 14120.

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] 14,181,193.

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] 0.
			+ [83] .
			+ [84] .
			= [85] 14,181,193.

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. .....

Number of Days in Taxation Year

Subtract: 280,000 x Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0 ÷ Total Days [73] 152 = + [113] 0.

320,000 x Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0 ÷ Total Days [73] 152 = + [115] 0.

400,000 x Days after Dec. 31, 2003 [34] 152 ÷ Total Days [73] 152 = + [116] 400,000.

[113] + [115] + [116] = 400,000. ..... - [114] 400,000.

(If negative, enter nil) ..... = [86] 13,781,193.

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax

.....	4.3330 %	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0 ÷ Total Days [73] 152	= +	[95]	.0000
.....	4.6670 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0 ÷ Total Days [73] 152	= +	[96]	.0000
.....	4.6670 %	x	Days after Dec. 31, 2003 [34] 152 ÷ Total Days [73] 152	= +	[97]	4.6670
				=	[94]	4.6670

Specified rate of surtax for Taxation Year [95] + [96] + [97] .....

From [86] 13,781,193. x From [94] 4.6670 % ..... = [87] 643,168.

From [87] 643,168. x From [60] 166,120. + From [114] 400,000. = [88] 267,108.

Surtax Lesser of [70] or [88] ..... = [100] 14,120

continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits		+	120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)		–	From 56	166,120.
Add: Adjustment for Surtax on Canadian-controlled private corporations				
From 100 14120. × From 30 100.0000% * Ontario Allocation × From 78 8.5000%	= 121 166,120.			
Lesser of 56 or 121		+	122	166,120.
120 – 56 + 122		=	130	0.
Taxable Income		+	From 10	5,889,457.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)		–	From 56	166,120.
Add: Adjustments for Surtax on Canadian-controlled private corporations		+	From 122	166,120.
Subtract: Taxable Income 10 5,889,457. × 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	5,889,457.

Claim

Number of Days in Taxation Year

143 0. Lesser of 130 or 142 × From 30 100.0000% * Ontario Allocation × 1.5000% ×	Days after Sept. 30, 2001 and before Jan. 1, 2004 33 0 ÷ Total Days 73 152	= +	154	0
143 0. Lesser of 130 or 142 × From 30 100.0000% * Ontario Allocation × 2.0000% ×	Days after Dec. 31, 2003 34 0 ÷ Total Days 73 152	= +	156	0.
M&P claim for taxation year 154 + 156		=	160	0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*. ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 824,52

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 4,153.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates From 6596
194 0
Eligible Credit From 6598 Summary Schedule G + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* + 201 0.

Other (specify) _____ + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 4,153.

Specified Tax Credits ***Applied to reduce Income Tax*** = 225 4,153.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 820,371.

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
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

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]	288,557,874.
* Total Revenue of the corporation	+ [241]	228,474,768.

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] .	+ [244] .
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets [240] + [243] + [245] + [247], etc.	= [249]	288,557,874.
Aggregate Total Revenue [241] + [244] + [246] + [248], etc.	= [250]	228,474,768.

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]	3,430,730. (If negative, enter zero)	X From [30]	100.0000 % (Ontario Allocation)	X 4.0000% =	[276]	137,229.
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				–	[277]	0.
Subtract: Income Tax				– From	[190]	824,524.
Net CMT Payable (If negative, enter Nil on Page 17.)				=	[280]	0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 17.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 17*** and transfer [280] to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)				+ From	[190]	824,524.
Gross CMT Payable		+ From	[276] 137,229.			
Subtract: Foreign Tax Credit for CMT purposes		– From	[277] 0.			
If [276] – [277] is negative, enter NIL in [290]		=	137,229.	–	[290]	137,229.
Income Tax eligible for CMT Credit				=	[300]	687,295.
B. Income Tax (after deduction of specified credits)				+ From	[230]	820,371.
Subtract: CMT credit used to reduce income taxes				–	[310]	0.
Income Tax				=	[320]	820,371.

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
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

DOLLARS ONLY

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** [illegible] ***on page 10 then proceed to page 13.***
If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	120,342,256.
Retained earnings (if deficit, deduct) (Int.B. 3012)	± 351	124,269.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+ 352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+ 353	109,739,183.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	0.
Bonds and debentures payable (Int.B. 3013)	+ 356	0.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
D[illegible]d credits (including income tax reserves, and deferred revenue where it would also be [illegible]dded in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359	0.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+ 361	2,862,110.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+ 362	0.
Subtotal	= 370	233,067,818.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	− 371	-1,682,527.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	− 372	0.
Total Paid-up Capital	= 380	234,750,345.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	− 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	− 382	0.
Net Paid-up Capital	= 390	234,750,345.

Eligible Investments *(Refer to Guide and int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	36,922,996.
Loans and advances to unrelated corporations	+ 405	0.
E[illegible] loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
S[illegible] of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	36,922,996.

continued on Page 10

LINE 371 - AMOUNTS DEDUCTED IN EXCESS OF AMOUNTS BOOKED

AMORTIZATION - 2001	0.00
AMORTIZATION - 2002	10,340,655.00
AMORTIZATION - 2003	10,819,225.00
AMORTIZATION - MAY 31, 2004	4,488,663.00
CCA - 2001	-2,539,925.00
CCA - 2002	-10,363,204.00
CCA - 2003	-10,360,318.00
CCA - MAY 31, 2004	-4,178,333.00
ECE - 2001	-52,402.00
ECE - 2002	-204,232.00
ECE - 2003	-200,987.00
ECE - MAY 31, 2004	-88,766.00
	0.00
DEBT ISSUANCE COSTS:	0.00
ACCOUNTING BASIS	1,853,432.00
TAX BASIS	-1,196,335.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	-1,682,527.00

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total assets per balance sheet	+ 420	288,557,874.
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	288,557,874.
Amounts in 360 and 361 (if deducted from assets)	+ 440	0.
Subtract: Amounts in 371, 372 and 381	- 441	-1,682,527.
Subtract: Appraisal surplus if booked	- 442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	± 443	0.
Total Assets	= 450	290,240,401.

Investment Allowance (410 + 450) x 390 ..... Not to exceed 410	= 460	29,863,816.
Taxable Capital 390 - 460	= 470	204,886,529.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	95,145,657.
Total Assets (as adjusted) From 430		288,557,874.

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	0.						
-	0.						
= 471	0.	X From 30	100.0000% Ontario Allocation	X .3000%	X 555 152 / ** 366 (366 if leap year) Days in taxation year	= + 523	0.

Transfer to 543 on page 12 and complete the return from that point

*** If floating taxation year, refer to Guide.***

continued on Page 11

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 11 of 24
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31	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 (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. ☒ 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

***Calculation** Do NOT complete this calculation if ss.69(2.1) election is filed*

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc.			= 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. ÷ From 540 0. x 0 ..... = 541 0.
Transfer to 542 in Section D on page 12

S.s.69(2.1) Election Filed

☒ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.

+ From 470	0.										
– 542	0.										
= 471	0.	x From 30	100.0000% Ontario Allocation	x .3000%	x 555	152 ** / 366 (366 if leap year)	Days in taxation year	.....	= + 523	0.	Total Capital Tax for the taxation year

Transfer to 543 and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From 470	204,886,529.	x From 30	100.0000% Ontario Allocation	x .3000%	.....	= + 561	614,660.		
–	Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form					.....	– From 995	15,000.		
							= 562	599,660.		
Capital Tax	 562	599,660.	x	555 152 ** / 366 (366 if leap year)	Days in taxation year	.....	= 563	249,039.		

Transfer to 543 and complete the return from that point

** ating taxation year, refer to Guide.*

Capital Tax *before application of specified credits*	= 543	249,039.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	– 546	0.
Capital Tax 543 – 546 *(amount cannot be negative)*	= 550	249,039.

Transfer to Page 17

continued on Page 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.6% x From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% x From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [574] 0.

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

*** If floating taxation year, refer to Guide.*

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.

Transfer to page 17

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

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 **7,849,777.**
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	4,178,333.
Federal cumulative eligible capital deduction	+ 602	88,523.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	2,098,889.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	2,862,110.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

		Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days		
612	0. x 5 ÷ 12.5000 x	33 0	÷ 73 152	= + 633	0.
612	0. x 5 ÷ 14.0000 x	Days after Dec. 31, 2003: 34 152	÷ 73 152	= + 634	0.

al add-back amount for Management fees, etc. 633 + 634 = 0. + 613 **0.**

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161 + 615 **0.**

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 **0.**

Federal allowable business investment loss + 620 **0.**

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 **0.**

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = **9,227,855.** 640 **9,227,855.**
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	4,178,333.
Ontario cumulative eligible capital deduction	+ 651	88,766.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	2,098,889.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	2,862,110.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(Applies only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets d to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	9,228,098.

Transfer to Page 15

continued on Page 15

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

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 **7,849,77**

Total of Additions ..... From = 640 **9,227,855.**

Sub Total of deductions on page 14 ..... From = 681 **9,228,098.**

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
***(Applies** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)*

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 **0.**

ONTTI Gross-up deduction calculation:

From 662 **0.** x (Gross-up of CCA 100 / From 30 Ontario Allocation **100.0000**) – From 662 **0.** = 663 **0.**

Workplace Child Care Tax Incentive

Qualifying expenditures: 665 **0.** x 30.00% x (100 / From 30 Ontario Allocation **100.0000**) = 666 **0.**

Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 **0.** x 100.00% x (100 / From 30 Ontario Allocation **100.0000**) = 668 **0.**

Number of Employees accommodated 669 **0**

Ontario School Bus Safety Tax Incentive (OSBSTI) (*Applies* to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures 670 **0.** x 30.00% x (100 / From 30 Ontario Allocation **100.0000**) = 671 **0.**

Educational Technology Tax Incentive (*Applies* to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 **0.** x 15.00% x (100 / From 30 Ontario Allocation **100.0000**) = 673 **0.**

Ontario allowable business investment loss ..... + 678 **0.**

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 **0.**

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 **0.**

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 **0.**

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = **9,228,098.** 680 **9,228,098.**

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 **7,849,534.**

Transfer to Page 4

Corporation's Legal Name: HYDRO VAUGHAN DISTRIBUTION INC.

Ontario corporations Tax Account No. (MOF): 1800114

Taxation Year End: 2004-05-31

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) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	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 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1995-12-31				850 0	870 0
801 8th preceding taxation year 1996-12-31				851 0	871 0
802 7th preceding taxation year 1997-12-31				852 0	872 0
803 6th preceding taxation year 1998-12-31	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1999-12-31	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2000-12-31	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2001-12-31	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2002-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2003-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2004-05-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

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 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending (year month day)				
i) 3rd preceding _____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding _____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding _____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		820,371.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		249,039.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		1,069,410.
Subtract: Payments	– 960		3,954,322.
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		-2,884,912.
If payment due	Enclosed * 990		0.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day) 2004-12-31	980		2,884,912. (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)

JOHN GLICKSMAN
Title

CHIEF FINANCIAL OFFICER
Full Residence Address

238 Bronte Road
Thornhill, Ontario
L3T 7M1

Signature _____ Date 2005/03/08

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

LINE 371 - AMOUNTS DEDUCTED IN EXCESS OF AMOUNTS BOOKED

	0.00
AMORTIZATION - 2001	10,340,655.00
AMORTIZATION - 2002	10,819,225.00
AMORTIZATION - 2003	4,488,663.00
AMORTIZATION - MAY 31, 2004	-2,539,925.00
CCA - 2001	-10,363,204.00
CCA - 2002	-10,360,318.00
CCA - 2003	-4,178,333.00
CCA - MAY 31, 2004	-52,402.00
ECE - 2001	-204,232.00
ECE - 2002	-200,987.00
ECE - 2003	-88,766.00
ECE - MAY 31, 2004	0.00
	0.00
DEBT ISSUANCE COSTS:	1,853,432.00
ACCOUNTING BASIS	-1,196,335.00
TAX BASIS	0.00
	0.00
	0.00
	0.00
	0.00
Total	-1,682,527.00

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

DOLLARS ONLY

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 **3,211,810.**

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	+ 2101	0.	
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 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	1,960,077.	
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, under fed.s.191.1(1) 0. x 9/3	+ 2108	0.	
Subtotal	=	1,960,077.	- 2109 **1,960,077.**

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+ 2110	2,178,997.	
Provision for deferred income taxes (debits) / cost of future income taxes	+ 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 s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.	
Subtotal	=	2,178,997.	+ 2115 **2,178,997.**

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	3,430,730.	
** 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 19.***)			= 2133	3,430,730.	

Deduct: * CMT losses: pre-1994 Loss	+ From 2210	0.		
* CMT losses: other eligible losses	+ 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 **3,430,730.**

Transfer to CMT Base on Page 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

DOLLARS ONLY

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	0.			
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	=	0.	+ 2207		0.
Adjustments (attach schedule)			± 2208		0.
CMT losses available 2201 + 2207 ± 2208			= 2209		0.
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		0.

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	9th preceding taxation year 1995-12-31	2260 0	2280 0
2241	8th preceding taxation year 1996-12-31	2261 0	2281 0
2242	7th preceding taxation year 1997-12-31	2262 0	2282 0
2243	6th preceding taxation year 1998-12-31	2263 0	2283 0
2244	5th preceding taxation year 1999-12-31	2264 0	2284 0
2245	4th preceding taxation year 2000-12-31	2265 0	2285 0
2246	3rd preceding taxation year 2001-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2002-12-31	2267 0	2287 0
2248	1st preceding taxation year 2003-12-31	2268 0	2288 0
2249	Current taxation year 2004-05-31	2269 0	2289 0
	Totals	2270 0	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	2004-05-31

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	9th preceding taxation year 1995-12-31	2360 0	2380 0
2341	8th preceding taxation year 1996-12-31	2361 0	2381 0
2342	7th preceding taxation year 1997-12-31	2362 0	2382 0
2343	6th preceding taxation year 1998-12-31	2363 0	2383 0
2344	5th preceding taxation year 1999-12-31	2364 0	2384 0
2345	4th preceding taxation year 2000-12-31	2365 0	2385 0
2346	3rd preceding taxation year 2001-12-31	2366 0	2386 0
2347	2nd preceding taxation year 2002-12-31	2367 0	2387 0
2348	1st preceding taxation year 2003-12-31	2368 0	2388 0
2349	Current taxation year 2004-05-31	2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 *must equal amount in* 2310

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HYDRO VAUGHAN DISTRIBUTION INC	1800114	2004-05-31

DOLLARS ONLY

Schedule F:
Summary of Co-operative Education Tax Credit Claimed

Complete a separate entry for each student work placement which ended during the corporation's taxation year. The tax credit is for co-op work placements and leading-edge technology work placements. A work placement is generally considered to be a full-time work assignment for up to 4 months in duration.

Example: If a corporation, with a December 31, 2001 taxation year end, hires an eligible student from September 1, 2001 until April 30, 2002, this would be considered 2 work placements. The first work placement is September 1, 2001 to December 31, 2001 and would be claimed in the 2001 taxation year. The second placement is January 1, 2002 to April 30, 2002 and must be claimed in the 2002 taxation year.

Qualifying Work Placements

Name of University/College and Education Program	Name of Student	Social Insurance No. of Student	Work Placement Start and End Dates (year month day)	Eligible Costs of Placement (ECP)	* Credit Claimed (See notes below) (max. $1,000 per work placement)
SEE ATTACHED			From	5749	5775
			To	41,533	4,153
			From	5750	5776
			To	0	0
			From	5751	5777
			To	0	0
			From	5752	5778
			To	0	0
			From	5753	5779
			To	0	0
			From	5754	5780
			To	0	0
			From	5755	5781
			To	0	0
			From	5756	5782
			To	0	0
			From	5757	5783
			To	0	0
			From	5758	5784
			To	0	0
If insufficient space, attach schedule				5774	5798
			Totals	41,533	4,153

Transfer to 192 *Page 7 of the Tax Return*

Note: Enter corporation's salaries & wages paid in the preceding taxation year [A] $ 8,888,325.

[ ] is $600,000 or greater use 10%. If [A] is $400,000 or les use 15%.

If [A] is over $400,000 but less than $600,000 use the following formula to calculate the rate: Rate = .15 – [.05 (From [A] 8,888,325. – $400,000) ÷ $200,000]

Indicate rate used: 10.00%. *** Credit claimed equals ECP multiplied by rate.**

Calculation of Tax Rates for the

- Incentive Deduction for Small Business Corporations (IDSBC) (Small Business Tax Credit) (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

7.00%	x	Days after December 31, 1998 and before January 1, 2000 0	/	Total Days 152	=	.0000%
7.50%	x	Days after Dec 31, 1999 and before Jan 1, 2001 0	/	Total Days 152	=	.0000%
7.50%	x	Days after Dec 31, 2000 and before Oct 1, 2001 0	/	Total Days 152	=	.0000%
6.50%	x	Days after Sept 30, 2001 and before Jan 1, 2003 0	/	Total Days 152	=	.0000%
7.00%	x	Days after Dec 31, 2002 and before Jan 1, 2004 0	/	Total Days 152	=	.0000%
8.50%	x	Days after Dec 31, 2003 152	/	Total Days 152	=	8.5000%
IDSBC Rate for the Taxation Year					=	8.5000%

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Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
001	$ 002	$ 003	$	$	$ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0 009	0	0	0 010	0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
POST-EMPLOYMENT BENEFITS	2,098,889	0	233,221	0	FS 2,332,110
ALLOWANCE FOR DOUBTFUL A/C	0	0	380,000	0	V-8-2 380,000
INVENTORY PROVISION	0	0	150,000	0	L 150,000
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	2,098,889	0	763,221	0	2,862,110

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Part 2 - Other reserves

Description			Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
	[X]		$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

HYDRO VAUGHAN DISTRIBUTION INC. Sch. 033
Account/Business No.: 891096810RC0001 Year Ended: 2004-05-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS

- 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 or 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	2,862,110
Capital stock (or members' contributions if incorporated without share capital)	103	120,342,256
Retained earnings	104	-56,467
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	109,739,183
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	27,800,000
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

HYDRO VAUGHAN DISTRIBUTION INC. Sch 033
Account/Business No.: 891096810RC0001 Year Ended: 2004-05-31

Part 1 - Capital (cont'd)

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	0		
	Subtotal	260,687,082	260,687,082	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
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	0		
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 at the end of the year	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		260,687,082	

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	36,742,260
A loan or advance to another corporation (other than a financial institution)	402	0
A bond, debenture, note, mortgage, hypothecary claim, 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, 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	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	36,742,260

Part 2 - Investment allowance (cont'd)

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)		260,687,082	C
Deduct: Investment allowance for the year (line 490)		36,742,260	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	223,944,822	

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)	223,944,822	X	Taxable income earned in Canada / Taxable income	610	5,889,700 / 5,889,700	=	Taxable capital employed in Canada	690	223,944,822

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.

HYDRO VAUGHAN DISTRIBUTION INC.
Account/Business No.: 891096810RC0001 Year Ended: 2004-05-31 Schedule 33

Part 4 - Taxable capital employed in Canada (cont'd)

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		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 through a permanent establishment in Canada	712	0	
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	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

Note: 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 I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)								223,944,822	
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801							50,000,000	
Excess of taxable capital employed in Canada over capital deduction	811							173,944,822	

Year	Line 811		Number of days		Number of days in the taxation year				
Before 2004	173,944,822	x	(0	/	152)	x	.2250%	0	F
2004	173,944,822	x	(152	/	152)	x	.2000%	347,890	G
2005	173,944,822	x	(0	/	152)	x	.1750%	0	H
2006	173,944,822	x	(0	/	152)	x	.1250%	0	I
2007	173,944,822	x	(0	/	152)	x	.0625%	0	J
							Subtotal (add amounts F to J)	347,890	K

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

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 347,890 x (Number of days in the year 152 / 365) = 144,875 L

Gross Part I.3 tax (amount K or L, whichever applies)	820	144,875

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)	223,944,822	M
Deduct: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003)	10,000,000	N
Excess (amount M minus amount N) (if negative, enter "0")	213,944,822	O

Amount O 213,944,822 x .2250% = 481,376 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 481,376 x (Number of days in the year 152 / 365) = 200,463 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) [821] 200,463

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	0	a	
b) line 700 from the T2 return	0	b	0 R

In any other case, enter amount c or d at line S, whichever is less:

c) line 600 from the T2 return 65,965 x (line 690 of this schedule 223,944,822 / line 500 of this schedule 223,944,822) = 65,965 c

d) line 700 from the T2 return 1,302,802 d 65,965 S

Current-year surtax credit available (amount R or S, whichever applies) [830] 65,965

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)	65,965	
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)	200,463	
Current-year unused surtax credit (if negative, enter "0") [850]	0	

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)			144,875 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	65,965	
Unused surtax credit form previous years applied (amount from line 320 on Schedule 37)	862	0	
Subtotal (cannot be more than amount on line 820)		65,965	65,965 U
Net Part I.3 tax payable (amount T minus amount U)	870		78,910

Enter this amount at line 704 of the T2 return.

RETAINED EARNINGS - SCHEDULE 33

RETAINED EARNINGS - EQUITY BASIS PER FS	124,269.00
LESS: CUMULATIVE EQUITY INCOME	-6,428,074.00
ADD: CUMULATIVE DIVIDEND INCOME	6,247,338.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	-56,467.00

SHARE OF CORPORATION - SCHEDULE 33

GREATER OF:		0.00
COST ($36,720,957)		0.00
BOOK VALUE ($36,922,996 - $6,428,074 + $6,247,338 = $36,742,260)		36,742,260.00
		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	36,742,260.00

LOANS AND ADVANCES

NOTE PAYABLE	45,000,000.00
DEBENTURE PAYABLE	35,000,000.00
REGULATORY LIABILITY	6,444,290.00
CUSTOMERS' DEPOSITS	7,231,628.00
DUE TO RELATED PARTIES	9,715,074.00
	0.00
CURRENT CUSTOMERS' DEPOSITS	6,348,191.00
	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	109,739,183.00

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

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 or $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.

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 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.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (do not use this area)	010	
Is this an amended agreement?	020	[Y/N] [N]
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 that is exempt from Part I.3 tax under subsection 181.1(3) does not have 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
HYDRO VAUGHAN DISTRIBUTION INC	891096810RC0001	50,000,000	
See attached		0	

Total (Before 2004 must not exceed $10,000,000 After 2003 must not exceed $50,000,000)		50,000,000	

Note 1: If a corporation is not registered, enter "NR."

Note 2: 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.

...IDRO VAUGHAN DISTRIBUTION INC.

...ccount/Business No.: 891096810RC0001 Year Ended: 2004-05-31

...GREEMENT 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 or $50,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act," a Canadian-controlled p...e corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

...ames of all corporations ...hich are members of the ...elated 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]
...YDRO VAUGHAN ENERGY CORP	864241997RC0001	0	
...446631 ONTARIO INC.	891093213RC0001	0	
...YDRO VAUGHAN HOLDINGS INC.	864238597RC0001	0	
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR."

Note 2: 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.

Schedule 36 - Supplementary

Corporate Taxprep / Taxprep des sociétés - TP-10

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder [100]	Business Number (note 1) [200]	Social Insurance Number (note 2) [300]	Percentage common shares [400]	Percentage preferred shares [500]
THE CORPORATION OF THE CITY OF VAUGHAN			100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

PowerStream
YOUR CURRENT CONNECTION

John Zych
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, Ontario
M4P 1E4

August 16, 2005

Dear Mr. Zych

Re: PowerStream SIMPL Filing

Further to our August 15 SIMPL filing, please find attached the following notice of tax assessments to complete our package:

- Hydro Vaughan Distribution Inc. for the years 2001 to 2004
- Markham Hydro Distribution Inc. for the years 2001 to 2004

As indicated in our letter, we will provide the Board with PowerStream's 2004 assessment notices when it becomes available.

If you have any questions please do not hesitate to contact Robert Lyew, Controller at (905) 417-6281.

Yours truly,

Paula Conboy
Director of Regulatory and Government Affairs

cc: Dennis Nolan, Executive Vice President, Corporate Services

PowerStream Inc.
2800 Rutherford Road, Vaughan, ON L4K 2N9 Tel: 905-417-6900 Fax: 905-303-2006 www.powerstream.ca

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

	Account No.	Assessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2002/09/17	1 of 9

ASSESSMENT NO. 11

Tax: Federal and Provincial PIL		271,185.00
Assessment Interest		2,265.57CR
Total Assessment Liability		268,919.43

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Sub-Total		278,602.35CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		9,682.92CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5565
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3038
- Toronto (416) 920-8048 ext. 3038
- FAX (905) 433-5197

102 PX5103

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800114

35
Px8005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2003/03/14	2 of 9

REASSESSMENT NO. 18 REPLACING ASSESSMENT DATED: 2002/09/17

Tax: Federal and Provincial PIL		159,211.00
Assessment Interest		4,950.62CR
Total Reassessment Liability		154,260.38

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		114,652.68CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

Px5005

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001123 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2003/04/17	3 of 9

REASSESSMENT NO. 23 REPLACING REASSESSMENT DATED: 2003/03/14

Tax: Federal and Provincial PIL		271,185.00
Assessment Interest		2,271.94CR
Total Reassessment Liability		268,913.06

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
TAXATION YEAR BALANCE		0.00

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001123 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2004/10/25	4 of 9

REASSESSMENT NO. 61 REPLACING REASSESSMENT DATED: 2003/04/17

Tax: Federal and Provincial PIL	273,518.00
Assessment Interest	2,242.49CR
Total Reassessment Liability	271,275.51

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
TAXATION YEAR BALANCE DUE **		2,362.45

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

Capital Tax adjusted - "Total assets as adjusted" revised.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5565
• FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036
• Toronto (416) 920-9046 ext. 3036 • FAX (905) 433-5187

PX5005

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800114

35
PX5002

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 **to** 2002/12/31

	Account No.	Assessment Date (year month day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2003/07/23	5 of 9

ASSESSMENT NO. 28

Tax: Federal and Provincial PIL		5,884,302.00
Assessment Interest		9,106.68
Total Assessment Liability		5,893,408.68

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,884,302.00CR	
Sub-Total		5,884,302.00CR
TAXATION YEAR BALANCE DUE **		9,106.68

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

102 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2004/10/25	8 of 9

REASSESSMENT NO. 65 REPLACING ASSESSMENT DATED: 2003/07/23

Tax: Federal and Provincial PIL		4,772,019.00
Assessment Interest		55,075.72CR
Total Reassessment Liability		4,716,943.28

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,894,115.30CR	
Small Balance Adjustment	4.30CR	
Sub-Total		5,894,119.60CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,177,176.32CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Total Eligible Investments for Investment Allowance.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)		
Payment Amount:	$	
Taxation Year End: (YYYYMMDD)		20031231
Payment Amount:	$	
Total Payment Enclosed:	$	

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 to 2003/12/31

	Account No.	Assessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2004/07/29	7 of 9

ASSESSMENT NO. 54

Tax: Federal and Provincial PIL		6,747,050.00
Assessment Interest		70,087.35
Total Assessment Liability		6,817,137.35
SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS		
Payments/Transfers	6,747,698.00CR	
Sub-Total		6,747,698.00CR
TAXATION YEAR BALANCE DUE **		69,439.35

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3038
- Toronto (416) 920-8048 ext. 3038
- FAX (905) 433-5187

PX5003 200

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800114

35
PX5008

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEH, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 0 5 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 to 2004/05/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2005/03/24	9 of 9

REASSESSMENT NO. 101 REPLACING ASSESSMENT DATED: 2004/12/08

Tax: Federal and Provincial PIL		2,451,810.00
Assessment Interest		20,624.04CR
Total Reassessment Liability		2,431,185.96

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,478,283.61CR	
Sub-Total		2,478,283.61CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		47,097.65CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

As per amended return.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6706
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5187

052 PX5005

*** TOTAL PAGE 10 ***

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001123 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Assessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2002/09/17	1 of 9

ASSESSMENT NO. 11

Tax: Federal and Provincial PIL		271,185.00
Assessment Interest		2,265.57CR
Total Assessment Liability		268,919.43

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Sub-Total		278,602.35CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		9,682.92CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

002 PX5003

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TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
- Print your account # on the back of cheque or money order. **Payment cannot be made at financial institutions.**
- Check all transactions for accuracy. If you have any questions, please contact the Ministry within 30 days of the Statement of Account/Notice of (Re)Assessment date.
- Recently mailed payments may not appear on the Statement of Account.

Notice of Objection:

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Notice of Objection forms can be obtained by contacting the Ministry of Finance at:

Telephone
- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail
Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet
- www.trd.fin.gov.on.ca

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2003/03/14	2 of 9

REASSESSMENT NO. 18 REPLACING ASSESSMENT DATED: 2002/09/17

Tax: Federal and Provincial PIL		159,211.00
Assessment Interest		4,950.62CR
Total Reassessment Liability		154,260.38

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		114,652.68CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

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TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
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Notice of Objection:

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- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

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Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001123 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2003/04/17	3 of 9

REASSESSMENT NO. 23 REPLACING REASSESSMENT DATED: 2003/03/14

Tax: Federal and Provincial PIL		271,185.00
Assessment Interest		2,271.94CR
Total Reassessment Liability		268,913.06

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
TAXATION YEAR BALANCE		0.00

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

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TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

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- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

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Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

- www.trd.fin.gov.on.ca

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 **to** 2001/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2004/10/25	4 of 9

REASSESSMENT NO. 61 REPLACING REASSESSMENT DATED: 2003/04/17

Tax: Federal and Provincial PIL		273,518.00
Assessment Interest		2,242.49CR
Total Reassessment Liability		271,275.51

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
TAXATION YEAR BALANCE DUE **		2,362.45

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

Capital Tax adjusted - "Total assets as adjusted" revised.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC)
The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5005

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

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- French 1-800-668-5821
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Ministry Information Centre
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Oshawa ON L1H 8H6

Internet

- www.trd.fin.gov.on.ca

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 **to** 2002/12/31

	Account No.	Assessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2003/07/23	5 of 9

ASSESSMENT NO. 28

Tax: Federal and Provincial PIL		5,884,302.00
Assessment Interest		9,106.68
Total Assessment Liability		5,893,408.68

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,884,302.00CR	
Sub-Total		5,884,302.00CR
TAXATION YEAR BALANCE DUE **		9,106.68

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

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TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
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- TTY (Teletypewriter) 1-800-263-7776

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Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 **to** 2002/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2004/10/25	6 of 9

REASSESSMENT NO. 65 REPLACING ASSESSMENT DATED: 2003/07/23

Tax: Federal and Provincial PIL		4,772,019.00
Assessment Interest		55,075.72CR
Total Reassessment Liability		4,716,943.28

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,894,115.30CR	
Small Balance Adjustment	4.30CR	
Sub-Total		5,894,119.60CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,177,176.32CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Total Eligible Investments for Investment Allowance.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5005

TAX BANKING IS NOT AVAILABLE.

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 3 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 **to** 2003/12/31

	Account No.	Assessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2004/07/29	7 of 9

ASSESSMENT NO. 54

Tax: Federal and Provincial PIL		6,747,050.00
Assessment Interest		70,087.35
Total Assessment Liability		6,817,137.35

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	6,747,698.00CR	
Sub-Total		6,747,698.00CR
TAXATION YEAR BALANCE DUE **		69,439.35

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

002 PX5003

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TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
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- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail
Ministry of Finance
Ministry Information Centre
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Oshawa ON L1H 8H6

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 0 5 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 **to** 2004/05/31

	Account No.	Assessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2004/12/08	8 of 9

ASSESSMENT NO. 95

Tax: Federal and Provincial PIL		1,902,771.00
Assessment Interest		16,466.02CR
Total Assessment Liability		1,886,304.98

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,336,040.00CR	
Sub-Total		5,336,040.00CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		3,449,735.02CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Short taxation year - Capital Tax pro-rated.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

002 PX5003

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

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- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail
Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet
- www.trd.fin.gov.on.ca

006

PX5001

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 0 5 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 **to** 2004/05/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2005/03/24	9 of 9

REASSESSMENT NO. 101 REPLACING ASSESSMENT DATED: 2004/12/08

Tax: Federal and Provincial PIL		2,451,810.00
Assessment Interest		20,624.04CR
Total Reassessment Liability		2,431,185.96

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,478,283.61CR	
Sub-Total		2,478,283.61CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		47,097.65CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

As per amended return.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

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TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation,** and mail to the Ministry of Finance. PO Box 620, Corporation Tax Branch - Hydro Pil.
- Print your account # on the back of cheque or money order. **Payment cannot be made at financial institutions.**
- Check all transactions for accuracy. If you have any questions, please contact the Ministry within 30 days of the Statement of Account/Notice of (Re)Assessment date.
- Recently mailed payments may not appear on the Statement of Account.

Notice of Objection:

If you do not agree with a Notice of (Re)Assessment or any items marked by an asterisk (*) on the Statement of Account, you have the right to file a Notice of Objection with the Tax Appeals Branch **within 180 days from the issue date on the front of the form.**

Notice of Objection forms can be obtained by contacting the Ministry of Finance at:

Telephone

- English 1-800-263-7965
- French 1-800-668-5821
- TTY (Teletypewriter) 1-800-263-7776

Mail

Ministry of Finance
Ministry Information Centre
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

Internet

- www.trd.fin.gov.on.ca

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

	Account No.	Reassessment Date (year, month, day)	Page
HYDRO VAUGHAN DISTRIBUTION INC.	**1800114**	2007/04/25	1 of 1

REASSESSMENT NO. 108 REPLACING REASSESSMENT DATED: 2004/10/25

Tax: Federal and Provincial PIL	5,026,983.00
Assessment Interest	16,708.21
Total Reassessment Liability	5,043,691.21

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,851,299.58CR	
Refunds	1,135,235.79	
Small Balance Adjustment	4.30CR	
Sub-Total		4,716,068.09CR
TAXATION YEAR BALANCE DUE **		327,623.12

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of taxable income (non-capital loss).

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0246575%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
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- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

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Ontario
Ministry of Finance / Ministère des Finances

5 Park Home Avenue
2nd Floor
North York, Ontario
M2N 6L4

5 avenue Park Home
2e étage
North York (Ontario)
M2N 6L4

Corporations Tax Branch / Direction de l'imposition des compagnies

Refer to / Référer à: Fabian Balanathan (416) 730-5507

Date: April 17, 2007

Mr. Tony Cina
Director of Finance
PowerStream Inc.
2800 Rutherford Road
Vaughan, Ontario
L4K 2N9

Dear Mr. Cina,

Re: Hydro Vaughan Distribution Inc. (A/C# 1800114)
Ontario Tax Audit: Fiscal 2001 *to* 2002

Our review of the tax returns for the years noted above is now complete.

Attached is Statement of Adjustments reflecting the changes in your company's tax liability. A Notice of Reassessment will be mailed under separate cover for each year being assessed. Please note that we have not audited or verified the accuracy of your company's asset value reported for tax purposes as at October 1, 2001. As such, this is an issue that may be revisited at a subsequent date.

If further clarification is required, please feel free to contact Mr. Balanathan at the telephone number noted above.

Yours truly,

William Hogarth
Senior Group Manager
Field Audit Section

Encl.

Post-it™ Fax Note 7671E	Date 30/4/07	# of pages ▸ 2
To Joy Pon	From Grace Yin	
Co./Dept.	Co. Financial Services PowerStream	
Phone #	Phone # 905-417-6281	
Fax # 416-601-6706	Fax #	

Ontario
Ministry of Finance / Ministère des Finances
HYDRO VAUGHAN
PO Box 622, 33 King St. West, Oshawa ON L1H 8H6
CP 622, 33 rue King ouest, Oshawa ON L1H 8H6
Corporations Tax Branch / Direction de l'imposition des compagnies

Statement of Adjustments re Taxes Assessed
Relevé des redressements de cotisations

Name of Corporation / Raison sociale de la compagnie	Account No. / N° de compte	Taxation Year End / Fin de l'année d'imposition
HYDRO VAUGHAN DISTRIBUTION INC.	1800114	31 December 2002

INCOME TAX

Taxable Income as previously assessed	$ 10,050,132	
Add: Adjustment to financing fee deduction	314,064	
Pre-October 1st bad debt write-off disallowed	165,842	
Reserve for doubtful debt disallowed	200,000	
Revised Taxable Income for Federal and Ontario Tax purposes	$ 10,730,038	
Income Tax thereon for Ontario @ 12.50%		$ 1,341,255

FEDERAL PART 1 TAX

Tax thereon @ 38.00%	4,077,414	
Add: Corporate surtax	120,176	
Deduct: Federal tax abatement	(1,073,004)	
General tax deduction for CCPC's	(321,901)	2,802,685

ONTARIO CAPITAL TAX

As previously assessed	583,476

FEDERAL PART 1.3 TAX

As previously assessed	307,182	
Deduct: Corporate surtax adjusted	(7,615)	299,567

TOTAL PAYMENT IN LIEU OF TAXES PAYABLE $ 5,026,983

Fabian Balanathan
MRK279

Note: We have not verified the opening balance of asset value adopted for use by this MEU on its 2001 tax return. As such, the valuation of assets may be reviewed and adjustments made at a subsequent date.

"DESIGNATED ASSESSMENT"
The items marked with an asterisk above are designated parts of this assess-ment. This description is authorized by section 92 of the Corporations Tax Act, for assessments which correspond to those issued by Revenue Canada under the Income Tax Act (Canada). It is not necessary to serve a Notice of Objection to those portions of the assessment. The Corporation and the Minister will be bound by the final disposition of a federal Notice of Objection or Appeal.

If you wish not to be bound by the disposition of the corresponding federal objection or appeal, you must serve a Notice of Objection on the prescribed form in accordance with section 84. See under "Notice of Objection" on the accompanying "Notice of Re-Assessment"

"COTISATION DESIGNEE"
Les postes ci-dessus marqués d'un astérisque sont les parties désignées de cette cotisation. Cette description est autorisée en vertu de l'article 92 de la Loi sur l'imposition des corporations, pour les cotisations qui correspondent à celles établies par Revenu Canada en vertu de la Loi de l'impôt sur le revenu (Canada). Il n'est pas nécessaire de signifier un Avis d'opposition pour ces parties des cotisations. La compagnie et le ministre seront liés par la décision finale relative à l'avis fédéral d'opposition ou d'appel.

Si vous désirez ne pas être lié par la décision relative à l'opposition ou à l'appel fédéral correspondant, vous pouvez signifier un avis d'opposition sur la formule prévue à cette fin conformément à l'article 84. Voir "Avis d'opposition" sur l'Avis de nouvelle cotisation ci-joint.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

	Account No.	Reassessment Date (year, month, day)	Page
YDRO VAUGHAN DISTRIBUTION INC.	1800114	2007/04/25	1 of 1

REASSESSMENT NO. 108 REPLACING REASSESSMENT DATED: 2004/10/25

Tax: Federal and Provincial PIL		5,026,983.00
Assessment Interest		16,708.21
Total Reassessment Liability		5,043,691.21

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,851,299.58CR	
Refunds	1,135,235.79	
Small Balance Adjustment	4.30CR	
Sub-Total		4,716,068.09CR
TAXATION YEAR BALANCE DUE **		327,623.12

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of taxable income (non-capital loss).

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0246575%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

for PX5005

AUG 16 2005 10:40 FR MOF CORP TAX BRANCHES

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Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Keep this portion for your records.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

Account No.	Reassessment Date (year, month, day)	Page
1800114	2004/10/25	4 of 9

HYDRO VAUGHAN DISTRIBUTION INC.

REASSESSMENT NO. 61 REPLACING REASSESSMENT DATED: 2003/04/17

Tax: Federal and Provincial PIL		273,518.00
Assessment Interest		2,242.49CR
Total Reassessment Liability		271,275.51

MMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
TAXATION YEAR BALANCE DUE --		2,362.45

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

Capital Tax adjusted - "Total assets as adjusted" revised.

Remember to include additional interest due with your payment. Interest on balance is compounded daily from the date of this Notice/Statement until ment is received by the Ontario Electricity Financial Corporation (OEFC) current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036
• Toronto (416) 920-9048 ext. 3036 • FAX (905) 433-5197

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Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No
1800114

35
PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

Account No.	Reassessment Date (year, month, day)	Page
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HYDRO VAUGHAN DISTRIBUTION INC.

REASSESSMENT NO. 23 REPLACING REASSESSMENT DATED: 2003/03/14

Tax: Federal and Provincial PIL	271,185.00
Assessment Interest	2,271.94CR
Total Reassessment Liability	268,913.06

MMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
TAXATION YEAR BALANCE		0.00

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5588

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708
• Toronto (416) 920-9048 ext. 3036
• Toll-Free 1-800-262-0784 ext. 3036
• FAX (905) 433-5197

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Detach and return this REMITTANCE FORM with your payment.

Remittance Advice - Payment-in-Lieu

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800114

35
PX8005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.	Reassessment Date (year, month, day)	Page
1800114	2003/03/14	2 of 9

HYDRO VAUGHAN DISTRIBUTION INC.

REASSESSMENT NO. 18 REPLACING ASSESSMENT DATED: 2002/09/17

Tax: Federal and Provincial PIL		159,211.00
Assessment Interest		4,950.62CR
Total Reassessment Liability		154,260.38

MMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	
Refunds	9,689.29	
Sub-Total		268,913.06CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		114,652.68CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5585

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036

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Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment Due [illegible]

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001123 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

Account No.	Assessment Date (year, month, day)	Page
1800114	2002/09/17	1 of 9

HYDRO VAUGHAN DISTRIBUTION INC.

ASSESSMENT NO. 11

Tax: Federal and Provincial PIL		271,185.00
Assessment Interest		2,265.57CR
Total Assessment Liability		268,919.43

MMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	278,602.35CR	278,602.35CR
Sub-Total		9,682.92CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5585

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708
• Toll-Free 1-800-262-0784 ext. 3036

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Detach and return this REMITTANCE FORM with your payment.

Remittance Advice - Payment in Lieu (PIL

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800114

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PX5005

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.	Reassessment Date (year, month, day)	Page
1800114	2004/10/25	6 of 9

HYDRO VAUGHAN DISTRIBUTION INC.

REASSESSMENT NO. 65 REPLACING ASSESSMENT DATED: 2003/07/23

Tax: Federal and Provincial PIL		4,772,019.00
Assessment Interest		55,075.72CR
Total Reassessment Liability		4,716,943.28

'1MARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,894,115.30CR	
Small Balance Adjustment	4.30CR	
Sub-Total		5,894,119.60CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,177,176.32CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Total Eligible Investments for Investment Allowance.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

AUG 15 2005 10:40 FR MOF CORP TAX BRANCH905 433 8558 TO 9168888888888

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment Due (PIL

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800114

35
PX5003

HYDRO VAUGHAN DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 **to** 2002/12/31

Account No.	Assessment Date (year month day)	Page
1800114	2003/07/23	5 of 9

HYDRO VAUGHAN DISTRIBUTION INC.

ASSESSMENT NO. 28

Tax: Federal and Provincial PIL		5,884,302.00
Assessment Interest		9,106.68
Total Assessment Liability		5,893,408.68

MARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	5,884,302.00CR	5,884,302.00CR
Sub-Total		9,106.68
TAXATION YEAR BALANCE DUE **		

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

2004

Ontario

Ministry of Revenue
Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8EP

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990

from 2004/01/01 to 2004/05/31

HYDRO VAUGHAN DISTRIBUTION INC.

Account No.	Reassessment Date (year, month, day)	Page
1800114	2008/12/04	1 of 1

REASSESSMENT NO. 132 REPLACING REASSESSMENT DATED: 2005/03/24

Tax: Federal and Provincial PIL	2,477,693.00
Assessment Interest	10,495.67CR
Total Reassessment Liability	2,467,197.33

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers		
Sub-Total	2,431,185.96CR	
TAXATION YEAR BALANCE DUE **		2,431,185.96CR
		36,011.37

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Statement of Adjustments sent under separate cover.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

Tax (Re)Assessment Enquiries:
• Toronto 416 218-3283 • FAX 416 730-5593

Account Billing Enquiries & Change of Address Information:
• Toll-Free 1 800 262-0784 ext. 3036 • FAX 905 433-5197

0-5
0-5

Ontario

PO Box 622
33 King St. West
Oshawa ON L1H 8H6

CP 622
33 rue King ouest
Oshawa ON L1H 8H6

Ministry of Revenue
Ministère du Revenu

Tax Compliance Branch
Direction de l'mposition des compagnies

Statement of Adjustments re Taxes Assessed
Relevé des redressements de cotisations

Name of Corporation / Raison sociale de la compagnie	Account No. / N° de compte	Taxation Year End / Fin de l'année d'imposition
Hydro Vaughan Distribution Inc.	**1800114**	**31 May, 2004**

INCOME TAX

	Federal	Ontario
Taxable income as previously amended	$5,889,700	$5,889,457
Add: Decrease in S. 20 (1) (e) deduction	80,529	80,529
Revised taxable income	$5,970,229	$5,969,986
Revised Federal Income Tax		
Part 1 tax @ 38%	$2,268,687	
Corporate surtax @ 4%	66,867	
Federal tax abatement @ 10%	(597,023)	
General tax reduction for CCPC @ 7%	(417,916)	
Federal Income Tax payable		$1,320,615
Revised Ontario Income Tax		
Tax thereon @ 14%	$ 835,798	
Less: Specified tax credit as reported	(4,153)	
Ontario income tax payable		831,645
Revised Federal Part 1.3 Tax		
As per Schedule 1		78,008
Revised Ontario Capital Tax		
As per Schedule 2		247,425
TOTAL PAYMENTS IN LIEU OF TAXES		$2,477,693

Dennis K. Mah
MRK668

***"DESIGNATED ASSESSMENT"**
The items marked with an asterisk above are designated parts of this assess-ment. This description is authorized by section 92 of the Corporations Tax Act, for assessments which correspond to those issued by Revenue Canada under the Income Tax Act (Canada). It is not necessary to serve a Notice of Objection to those portions of the assessment. The Corporation and the Minister will be bound by the final disposition of a federal Notice of Objection or Appeal.

If you wish not to be bound by the disposition of the corresponding federal objection or appeal, you must serve a Notice of Objection on the prescribed form in accordance with section 84. See under "Notice of Objection" on the accompanying "Notice of Re-Assessment"

***"COTISATION DESIGNEE"**
Les postes ci-dessus marqués d'un astérisque sont les parties désignées de cette cotisation. Cette description est autorisée en vertu de l'article 92 de la Loi sur l'imposition des corporations, pour les cotisations qui correspondent à celles établies par Revenu Canada en vertu de la Loi de l'impôt sur le revenu (Canada). Il n'est pas nécessaire de signifier un Avis d'opposition pour ces parties des cotisations. La compagnie et le ministre seront liés par la décision finale relative à l'avis fédéral d'opposition ou d'appel.

Si vous désirez ne pas être lié par la décision relative à l'opposition ou à l'appel fédéral correspondant, vous pouvez signifier un avis d'opposition sur la formule prévue à cette fin conformément à l'article 84. Voir "Avis d'opposition" sur l'Avis de nouvelle cotisation ci-joint.

Schedule 1

Hydro Vaughan Distribution Inc.
Account No. 1800114

Fiscal year ended 31 May. 2004

Revised Federal Part 1.3 Tax

Gross Part 1.3 tax as previously amended	$144,875
Less: Current year surtax credit as revised	66,867
Federal Part 1.3 tax payable	$ 78,008

Schedule 2

Hydro Vaughan Distribution Inc. **Fiscal year ended 31 May. 2004**
Account No. 1800114

Revised Ontario Capital Tax

Net paid-up capital as previously amended	$234,750,345
Less: Cumulative amortization / CCA differences	1,884,449
Revised net paid-up capital	$232,865,896
Less: Investment allowance	
$36,922,996 / $288,355,952[1] x $232,865,896	29,817,684
Revised taxable capital	$203,048,212
Less: Capital tax exemption	5,000,000
Revised net taxable capital	$198,048,212
Capital tax thereon @ 0.3% @ 152/365	$ 247,425

[1] Total assets as previously amended $290,240,401
Less: Cumulative amortization / CCA differences 1,884,449
Revised total assets $288,355,952

Disposition of Balance Recorded in Account 1562 D

Distributor	**PowerStream Inc. - South**
OEB File Number	**EB-2011-0005**
Filing Year	**2004**

Consolidation 2004

	Markham	Richmond Hill	Vaughan	PowerStream
Rate Base (wires-only)	132,012,571	104,354,290	180,841,143	417,208,004
1999 return from RUD Sheet #7	2,671,078	2,530,302	10,038,003	15,239,383
Amount allowed in 2001	2,760,228	2,042,310	1,654,859	6,457,397
Amount allowed in 2002	2,760,228	2,042,310	1,654,859	6,457,397
Amount allowed in 2005				0
Other				0
Regulatory Net Income REGINFO E53	8,191,535	6,614,922	13,347,721	28,154,178
Depreciation & Amortization	7,747,136	5,536,188	7,733,745	21,017,069
Capital Cost Allowance and CEC	4,847,663	4,271,174	7,241,188	16,360,025
Interest Expense Deemed/ Incurred	3,801,520	3,069,847	6,194,398	13,065,765
Total Regulatory Income Tax	2,815,200	1,857,656	2,952,839	7,625,696
Income Tax Rate used for gross- up (exclude surtax)	37.50%	37.50%	37.50%	37.50%
	4,504,320	2,972,250	4,724,542	12,201,113
Income Tax (proxy tax is grossed-up)	4,504,320	2,972,250	4,724,542	12,201,113
LCT (proxy tax is grossed-up)	308,618	253,479	478,014	1,040,110
Ontario Capital Tax (no gross-up since it is deductible)	381,038	298,063	527,523	1,206,624
Total PILs for Rate Adjustment	5,193,976	3,523,792	5,730,080	14,447,847

Allocation of 2004 Annual PIL's Proxy

Original Annual 2004	Markham	Richmond Hill	Vaughan	Total
Days	366	366	366	
Income Tax	4,504,320	2,972,250	4,724,542	12,201,113
LCT	308,618	253,479	478,014	1,040,110
OCT	381,038	298,063	527,523	1,206,624
Total PIL's Proxy	5,193,976	3,523,792	5,730,080	14,447,847

To May 31, 2004	**Markham**	**Richmond Hill**	**Vaughan**	Total
Days	152	152	152	
Income Tax	1,870,647	1,234,377	1,962,105	5,067,129
LCT	128,169	105,270	198,519	431,958
OCT	158,245	123,786	219,081	501,112
Total PIL's Proxy	**2,157,061**	**1,463,433**	**2,379,705**	6,000,199

To Dec 31, 2004	Markham	Richmond Hill	Vaughan	**PowerStream**	
Days	214	214	214		
Income Tax	2,633,674	1,737,873	2,762,437	7,133,984	-
LCT	180,449	148,209	279,494	608,152	-
OCT	222,793	174,277	308,443	705,512	-
Total PIL's Proxy	3,036,915	2,060,359	3,350,374	**8,447,648**	

	A	B	C	D
1	**PILs TAXES - EB-2008-381**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - South**			Colour Code
4	**Reporting period: 2004**			**Input Cell**
5				**Formula in Cell**
6	**Days in reporting period:**	214	days	
7	**Total days in the calendar year:**	366	days	
8				
9	**BACKGROUND**			
10	Has the utility reviewed section 149(1) ITA to			
11	confirm that it is not subject to regular corporate			
12	tax (and therefore subject to PILs)?		Y/N	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		
22		LCT		
23				
24	Accounting Year End		Date	31-Dec-04
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			417,208,004
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			34,611,576
42				
43	1999 return from RUD Sheet #7			15,239,383
44				
45	Total Incremental revenue			19,372,193
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			6,457,397
48	Amount allowed in 2002			6,457,397
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			187,743,602
57				
58	Return at target ROE			18,549,068
59				
60	Debt			229,464,402
61				
62	Deemed interest amount in 100% of MARR			16,062,508
63				
64	Phase-in of interest - Year 1 (2001)			10,069,022
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			13,065,765
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			13,065,765
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			16,062,508
71				
72				
73				

	A	B	C	D	E	F	G	
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: PowerStream Inc. - South**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	214	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	28,154,178		-3,681,178		24,473,000	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	21,017,069		-5,238,069		15,779,000	
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			5,319,370		5,319,370	
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			390,506		390,506	
30	**Items on which true-up does not apply "TAXREC 3"**				14,252,641		14,252,641	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	16,360,025		-1,215,928		15,144,097	
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	13,065,765		-1,385,765		11,680,000	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			4,528,814		4,528,814	
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			337,251		337,251	
48	**Items on which true-up does not apply "TAXREC 3"**				14,436,098		14,436,098	
49								
50	TAXABLE INCOME/ (LOSS)		19,745,457		(5,657,200)	Before loss C/F	14,088,257	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-3.3804%		35.24%	
54								
55	REGULATORY INCOME TAX		7,625,695		-2,661,054	Actual	4,964,641	
56								
57								
58	Miscellaneous Tax Credits	14			78,201	Actual	78,201	
59								
60	**Total Regulatory Income Tax**		7,625,695		-2,739,255	Actual	4,886,440	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	417,208,004		92,687,606		509,895,610	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	15,000,000		-10,000,000		5,000,000	
68	Taxable Capital		402,208,004		82,687,606		504,895,610	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax (pro-rated)		705,512		182,551	**Overpaid**	888,063	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	417,208,004		84,406,155		501,614,159	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	30,000,000		20,000,000		50,000,000	
77	Taxable Capital		387,208,004		104,406,155		451,614,159	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		871,218		-341,654		529,564	
82	Less: Federal Surtax 1.12% x Taxable Income	21	221,149		-63,361		157,788	
83								
84	Net LCT (pro-rated)		380,095		-278,293		371,776	
85								

	A	B	C	D	E	F	G
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: PowerStream Inc. - South**						
7	**Reporting period: 2004**						
8							**Column**
9	**Days in reporting period:**	214	days				**Brought**
10	**Total days in the calendar year:**	366	days				**From**
11							**TAXREC**
12			$		$		$
13							
86	**III) INCLUSION IN RATES**						
87							
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%				
89							
90	Income Tax (proxy tax is grossed-up) (pro-rated)	22	7,133,984			**Actual 2004**	4,964,641
91	LCT (proxy tax is grossed-up)	23	608,152			**Actual 2004**	371,776
92	Ontario Capital Tax (no gross-up since it is deductible)	24	705,512			**Actual 2004**	888,063
93							
94							
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	8,447,648			**Actual 2004**	6,224,480
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			5,319,370		
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			4,528,814		
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		=	790,556		
121							
122	Income Tax Rate (including surtax) from **2004** Utility's tax return			x	36.12%		
123							
124	Income Tax Effect on True-up adjustments			=	285,549		
125							
126	Less: Miscellaneous Tax Credits	14			0		
127							
128	Total Income Tax on True-ups				285,549		
129							
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%		
131							
132	**TRUE-UP VARIANCE ADJUSTMENT**				439,306		
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)			=	19,745,457		
137							
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%		
139							
140	REVISED REGULATORY INCOME TAX (pro-rated)			=	4,170,111		
141							
142	Less: Revised Miscellaneous Tax Credits			-	78,201		
143							
144	Total Revised Regulatory Income Tax			=	4,091,910		
145							
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) (pro-rated)			-	4,458,740		
147							
148	Regulatory Income Tax Variance			=	(366,830)		
149							

	A	B	C	D	E	F	G
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: PowerStream Inc. - South**						
7	**Reporting period: 2004**						
8							**Column**
9	**Days in reporting period:**	214	days				**Brought**
10	**Total days in the calendar year:**	366	days				**From**
11							**TAXREC**
12			$		$		$
13							
150	**Ontario Capital Tax**						
151	Base			=	417,208,004		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000		
153	Revised deemed taxable capital			=	412,208,004		
154							
155	Rate - Tab Tax Rates cell C54			x	0.3000%		
156							
157	Revised Ontario Capital Tax (pro-rated)			=	723,053		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	705,512		
159	Regulatory Ontario Capital Tax Variance			=	17,541		
160							
161	**Federal LCT**						
162	Base				417,208,004		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000		
164	Revised Federal LCT			=	367,208,004		
165							
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%		
167							
168	Gross Amount (pro-rated)				429,413		
169	Less: Federal surtax (pro-rated)			-	129,306		
170	Revised Net LCT			=	300,107		
171							
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	380,095		
173	Regulatory Federal LCT Variance			=	(79,988)		
174							
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%		
176							
177	**Income Tax (grossed-up)**			+	(564,354)		
178	**LCT (grossed-up)**			+	(123,059)		
179	**Ontario Capital Tax**			+	17,541		
180							
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(669,871)		
182							
183	**TRUE-UP VARIANCE (from cell I130)**			+	439,306		
184							
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(230,565)		
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)				16,062,508		
194	Interest phased-in (Cell C36)				13,065,765		
195							
196	Variance due to phase-in of debt component of MARR in rates				2,996,743		
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)				8,912,866		
202	Total deemed interest (REGINFO CELL D61) (pro-rated)				9,391,740		
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**				2,996,743		
209							
210							

	A	B	C	D	E
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: PowerStream Inc. - South**				
8	**Reporting period: 2004**				
9	**Taxation Year's start date:**				
10	**Taxation Year's end date:**				
11	**Number of days in taxation year:**		214	days	
12					
13	**Please enter the Materiality Level :**		469,359	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-40,252,000		-40,252,000
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	$15,779,000		15,779,000
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	24,473,000	0	24,473,000
51	Less: Interest expense for accounting purposes	-	11,680,000		11,680,000
52	Provision for payments in lieu of income taxes	-	5,074,000		5,074,000
53	**Net Income (loss)**	=	7,719,000	0	7,719,000
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	+	5,074,000	0	5,074,000
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	15,779,000	0	15,779,000
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	+	5,319,370	0	5,319,370
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	***Items on which true-up does not apply "TAXREC 3"***		14,252,641	0	14,252,641
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	390,506	0	390,506
69					
70	*Subtotal*		40,815,517	0	40,815,517
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	A	B	C	D	E
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	=	40,815,517	0	40,815,517
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	-	14,783,301		14,783,301
98	Cumulative eligible capital deduction	-	360,796		360,796
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*	-	4,528,814	0	4,528,814
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		14,436,098	0	14,436,098
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	-	337,251	0	337,251
112					
113	Subtotal	=	34,446,260	0	34,446,260
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	=	34,446,260	0	34,446,260
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	=	14,088,257	0	14,088,257
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	14,088,257	0	14,088,257
140					

	A	B	C	D	E	
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)	+	3,020,517		3,020,517	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,944,124		1,944,124	
144	Subtotal	=	4,964,641	0	4,964,641	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	4,964,641	0	4,964,641	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		21.44%		21.44%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.80%		13.80%	Divide Ontario
151	Blended Income Tax Rate		35.24%	**********	35.24%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	4,964,641	0	4,964,641	
157	Ontario Capital Tax	+	888,063		888,063	
158	Federal Large Corporations Tax	+	371,776		371,776	
159						
160	**Total income and capital taxes**	=	6,224,480	0	6,224,480	
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: PowerStream Inc. - South**					
8	**Reporting period: 2004**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		380,000		380,000	
45	Inventory obsolescence		150,000		150,000	
46	Property taxes				0	
47	OPEB		3,450,705		3,450,705	
48	Holdbacks		548,109		548,109	
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		4,528,814	0	4,528,814	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts		595,000		595,000	
58	Inventory obsolescence		150,000		150,000	
59	Property taxes				0	
60	OPEB		4,223,000		4,223,000	
61	Holdbacks		351,370		351,370	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		5,319,370	0	5,319,370	
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: PowerStream Inc. - South**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		214			
11	**Materiality Level:**		469,359			
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	+	219,498		219,498	
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	Refund Interest	+	55,764		55,764	
38	Ontario Specified Tax Credit	+	4,266		4,266	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41	Taxable Capital Gains	+	110,978		110,978	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	390,506	0	390,506	
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: PowerStream Inc. - South**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		214			
11	**Materiality Level:**		469,359			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		390,506	0	390,506	
81	Total Additions		390,506	0	390,506	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-	273,914		273,914	
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	-	63,337		63,337	
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		-				
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	=	337,251	0	337,251	
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		337,251	0	337,251	
124	Total Deductions		337,251	0	337,251	
125						
126						

	A	B	C	D	E
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: PowerStream Inc. - South**				**Version 2009.1**
9					
10					
11	**Reporting period: 2004**				
12	**Number of days in taxation year:**		214		
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	+	26,572		26,572
33	Non-deductible club dues	+			0
34	Non-deductible automobile costs	+	728		728
35	**Donations - amount per books**	+	$12,000		12,000
36	Interest and penalties on unpaid taxes	+	37,411		37,411
37	Management bonuses unpaid after 180 days of year end	+			0
38	Imputed interest expense on Regulatory Assets	+			0
39	Political Donations	+	6,871		6,871
40	**Ontario capital tax adjustments**	+	$850,000		850,000
41	**Changes in Regulatory Asset balances**	+			0
42	12 1 x	+	13,319,059		13,319,059
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**	=	14,252,641	0	14,252,641
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**	-	12,000		12,000
58	Income from joint ventures or partnerships	-			0
59	13 7 4 election	-	13,319,059		13,319,059
60	20 1 x	-	245,476		245,476
61		-			0
62		-			0
63		-			0
64	**Ontario capital tax adjustments to current or prior year**	-	$859,563		859,563
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

	A	B	C	D	E	
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: PowerStream Inc. - South**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	14,436,098	0	14,436,098	
74						
75						
76						

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

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**	15,000,000			
Federal Large Corporations Tax Exemption **	**MAX $10MM**	30,000,000			

****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 / Expected Rates	Year	0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate					
Current year	***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	Year	0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
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: PowerStream Inc. - South**														**Version 2009.1**
4	**Reporting period: 2004**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		-230,565		-230,565		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**	+/-							439,306						439,306
18	**Deferral Account Variance Adjustment Q4, 2001 (4**														0
20	**Deferral Account Variance Adjustment (5**	+/-							-669,871						-669,871
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		-230,565		-230,565		-230,565		-230,565

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:

(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.

PowerStream Inc.
Account 1562 Disposition
Interest Expense - Fiscal Year June 1, 2004 to December 31, 2004

PowerStream Inc.	**Full year**	**Jun - Dec 31/04**	**Notes**
Interest per Financial Statements		$ 11,680,000	
Interest on purchase of RHHI	$ (2,127,726)	$ (1,244,080)	2
interest adjustment re actual Rate Base	$ 124,012	$ 72,510	3
less bank charges included in interest	$ (75,000)	$ (43,852)	
less interest income on short tem investments and cash balances	$ (375,000)	$ (219,262)	5
Interest capitalized, deducted for tax		$ -	
less net interest expense on Regulatory Assets and Liabilities		$ (1,332,449)	4
Interest deducted for purposes of Interest Adjustment		**$ 8,912,866**	
Deemed Interest Expense	$ 16,062,508	9,391,740	

Notes	**Jun - Dec 31/04**	**Full year**	**Portion**
1. Pro-ration on number of days	214	366	58.47%

2. Interest expense related to Purchase of Richmond Hill Hydro Inc. ("RHHI")

Goodwill (investment in RHHI)	$ 32,988,000	in excess of book value
Financed by debenture	6.45%	
Interest expense	2,127,726	

3. Calculation of deemed interest on actual rate base:

2004 Actual Rate Base			
Average Net Fixed Assets	348,556,438		
Working capital allowance (WCA)			
COP and OM&A	436,203,115		
	15.00%		
WCA	65,430,467		
Total Rate base	**413,986,905**		
Deemed debt	227,692,798	55.0%	
Deemed interest	15,938,496	7.00%	
Increase (decrease) in deemed interest	(124,012)		

Taken from 2006 COS as approved - rate base is 2004 historical year with no tier 1 or tier 2 adjustments.
Actual interest expense deducted has been reduced by the amount of the deemed interest on the
on the increase in actual rate base for purposes of the interest adjustment.
Rate base for 2003 was used as a proxy for 2004 stub period of January 1 to May 31, 2004.

4. As per continuity schedule - see 2004 combined schedule for more details..

5. Interest income on short term investments should be netted against interest expense on deposits etc.

Estimated amount	$ 15,000,000	$ 375,000	2.50%

Financial Statements of

POWERSTREAM INC.

December 31, 2004

Deloitte & Touche LLP
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

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Auditors' Report

To the Shareholders of
PowerStream Inc.

We have audited the balance sheet of PowerStream Inc. as at December 31, 2004 and the statements of earnings and retained earnings and of cash flows for the seven month period then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2004 and the results of its operations and its cash flows for the period then ended, in accordance with Canadian generally accepted accounting principles.

"Deloitte & Touche LLP"

Chartered Accountants

Toronto, Ontario
April 15, 2005

POWERSTREAM INC.
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December 31, 2004

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POWERSTREAM INC.
Balance Sheet
December 31, 2004
(in thousands of dollars)

	(Note 4)
ASSETS	
CURRENT	
Cash and cash equivalents	**$ 27,461**
Restricted cash - current portion of customer deposits (Note 12)	**11,662**
Short-term investments	**7,880**
Accounts receivable	**43,000**
Unbilled revenue	**61,298**
Income taxes recoverable	**4,616**
Inventory	**4,915**
Prepaids and other	**486**
	161,318
PROPERTY, PLANT AND EQUIPMENT (Note 6)	**350,609**
OTHER ASSETS	
Restricted cash - non-current portion of customer deposits (Note 12)	**11,497**
Deferred debt issue costs, net of amortization of $1,403	**4,224**
Intangibles, net of amortization of $391	**1,036**
Goodwill	**32,988**
	$ 561,672
LIABILITIES	
CURRENT	
Accounts payable and accrued liabilities (Note 9)	**$ 74,130**
Due to related parties (Note 10)	**37,635**
Liability for subdivision development	**5,000**
	116,765
LONG-TERM LIABILITIES	
Notes payable (Note 16)	**146,102**
Debentures payable (Note 11)	**100,000**
Regulatory liabilities (Note 7)	**16,597**
Customers' deposits (Note 12)	**11,497**
Employee future benefits (Note 13)	**4,223**
Other liabilities	**106**
	278,525
	395,290
SHAREHOLDER'S EQUITY	
SHARE CAPITAL (Note 15(a))	**142,633**
CONTRIBUTED SURPLUS (Note 15(b))	**16,030**
RETAINED EARNINGS	**7,719**
	166,382
	$ 561,672

APPROVED ON BEHALF OF THE BOARD

"Peter Meffe"
..... Director

"Don Cousens"
..... Director

POWERSTREAM INC.
Statement of Earnings and Retained Earnings
Seven months ended December 31, 2004
(in thousands of dollars)

	(Note 4)
REVENUE (Note 10)	
Energy and distribution	**$ 289,588**
Other	**7,043**
	296,631
EXPENSES	
Cost of power purchased	**235,661**
High voltage transformation	**589**
Distribution	**5,282**
Utilization	**870**
Billing and collection	**2,677**
Administration and general	**10,911**
Taxes, other than amounts in lieu of corporate income taxes	**1,306**
	257,296
EARNINGS BEFORE AMORTIZATION, INTEREST AND INCOME TAXES	**39,335**
AMORTIZATION OF CAPITAL ASSETS AND INTANGIBLES (net of $571 charged to other accounts)	**14,862**
INTEREST EXPENSE	**11,680**
INCOME BEFORE INCOME TAXES	**12,793**
INCOME TAX EXPENSE (Note 20)	**5,074**
NET EARNINGS FOR THE PERIOD AND RETAINED EARNINGS, END OF PERIOD	**$ 7,719**

POWERSTREAM INC.
Statement of Cash Flows
Seven months ended December 31, 2004
(in thousands of dollars)

	(Note 4)
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES	
OPERATING	
Net earnings for the period	**$ 7,719**
Adjustments to determine cash provided by operating activities	
Amortization of property, plant and equipment	**15,106**
Amortization of debt issue costs	**346**
Amortization of intangibles	**327**
Employee future benefits	**773**
Increase in regulatory liabilities	**7,407**
Gain on disposal of capital assets	**(274)**
Net change in non-cash operating working capital (Note 21)	**(18,722)**
	12,682
FINANCING	
Increase in liability for subdivisions development	**1,548**
Decrease due to related parties	**(374)**
Increase in customer's deposits	**310**
Decrease in bank loan	**(25,000)**
Increase in other liabilities	**148**
	(23,368)
INVESTING	
Proceeds on disposal of capital assets	**312**
Intangibles	**(285)**
Increase in restricted cash - customer deposits	**(310)**
Decrease in short term investments	**1,194**
Expenditure on capital assets, net of contribution of capital construction	**(14,668)**
	(13,757)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**(24,443)**
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**51,904**
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 27,461**
SUPPLEMENTARY CASH FLOW INFORMATION (Note 22)	

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2004
(in thousands of dollars)

1. AMALGAMATION

On June 1, 2004, PowerStream Inc. ("PowerStream") was formed upon the amalgamation of Hydro Vaughan Distribution Inc. ("Hydro Vaughan"), Markham Hydro Distribution Inc. ("Markham Hydro") and Richmond Hill Hydro Inc. ("Richmond Hill Hydro"). At the effective time of the amalgamation, the issued and outstanding shares in the capital of the Amalgamating Corporations were converted into issued and fully paid shares of PowerStream, or cancelled, as follows:

(a) the 1,000 issued and outstanding common shares of Hydro Vaughan owned by the City of Vaughan were converted into 590 issued and fully paid common shares of PowerStream;

(b) the 1,000 issued and outstanding common shares of Markham Hydro owned by Markham Energy Corporation were converted into 410 issued and fully paid common shares of PowerStream;

(c) the 1,001 common shares of Richmond Hill Hydro owned by Hydro Vaughan and the 1,001 common shares of Richmond Hill Hydro owned by Markham Hydro were cancelled without any repayment of capital in respect thereof.

The shareholders of PowerStream Inc., being the Corporation of the City of Vaughan and the Corporation of the Town of Markham (through its wholly-owned subsidiary, Markham Energy Corporation) entered into a Shareholders' Agreement effective June 1, 2004.

The Shareholders' Agreement, consistent with the original intent of the shareholders, provides the Town of Markham, through its wholly-owned subsidiary Markham Energy Corporation, with "substantive participating rights" that establish joint control with the City of Vaughan over the strategic operating, investing and financing policies of PowerStream.

The PowerStream joint venture contributions were recorded at the carrying value of the net assets of each of the shareholders (venturers).

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2004
(in thousands of dollars)

1. AMALGAMATION (continued)

The contribution of the net assets of the amalgamating entities has been recorded as at June 1, 2004 in the balance sheet as follows:

Net assets contributed	
Current assets (including cash and cash equivalents of $51,904)	**$ 170,876**
Current liabilities	**(145,276)**
Working capital	**25,600**
Property plant and equipment	**351,085**
Goodwill	**32,988**
Other assets	**16,496**
Long-term liabilities	**(121,404)**
	$ 304,765
Consideration	
5.58% notes payable	**$ 146,102**
Share capital - common shares	**142,633**
Contributed surplus	**16,030**
	$ 304,765

As part of the Amalgamation Agreement, the City of Vaughan and Town of Markham agreed to adjust the capital structure of their respective utilities to be substantially similar to each other and the deemed capital structure, in so far that PowerStream's debt to equity ratio would not exceed 65:35 as a percentage of total capital. Prior to closing this adjustment was achieved, with the approval by both shareholders, through the exchange of common shares for a promissory note payable totalling $33,236.

An adjustment of either a $1,700 dividend or equity-to-debt conversion for the Town of Markham is required to fulfill the intent of the Amalgamation Agreement. This adjustment will be reflected in the financial statements of PowerStream in the period it is finalized and approved.

2. DESCRIPTION OF THE BUSINESS

The principal activity of the Corporation is to distribute electricity in the service area of Vaughan, Markham and Richmond Hill, in the Province of Ontario, under the licence issued by the Ontario Energy Board ("OEB"). The Corporation is regulated under the OEB and adjustments to the distribution rates require OEB approval.

3. ELECTRICITY INDUSTRY REGULATION

The Energy Competition Act, 1998 (the "Act") was given Royal Assent on October 30, 1998. The Act provides for a competitive market in the sale of electricity and the regulation of the monopoly electricity delivery system in the Province of Ontario (the "Province") by the OEB. Electricity retailers began competing for customers as of March 1, 2000. On May 1, 2002, with the electricity market opening, or (Open Access), electricity retailers began to sell electricity.

The OEB has regulatory oversight of electricity matters in the Province. The Act sets out the OEB's powers to issue a distribution license, which must be obtained by any person owning or operating a distribution system under the Ontario Energy Board Act, 1998. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, separation of accounts for separate businesses and filing/process requirements for rate-setting purposes.

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In December 2002, the Province passed Electricity Pricing, Conservation and Supply Act, 2002 ("Bill 210") which among other things:

(a) Fixed the price of electricity paid by low volume and designated consumers at 4.3 cents per kWh (retroactive to May 1, 2002); and

(b) Capped distribution rates at current levels and deferred further rate increases and certain cost recoveries by distributors.

The price freeze and rate caps were originally expected to continue until at least May 1, 2006.

In November 2003, the Province announced its intention to increase (effective April 1, 2004) the price of electricity payable by low volume and designated customers from 4.3 to 4.7 cents per kWh on the first 750 kWhs consumed during a month and 5.5 cents per kWh thereafter and directed the OEB to develop new pricing mechanisms (to take effect no later than May 1, 2005) for setting the price of electricity payable by low volume and designated customers.

The Province also announced its intention in November 2003 to permit electricity distributors to make rate applications to the OEB earlier than had been contemplated under Bill 210 with respect to the:

(a) Recovery of regulatory assets (based on year-end balances at December 31, 2002) to be phased in over a four-year period effective March 1, 2004; and

(b) The final adjustment necessary to achieve a market-based rate of return (subject to a one-time investment in conservation and demand management initiatives equal to one year of additional revenue resulting from such rate increase) effective March 1, 2005.

3. ELECTRICITY INDUSTRY REGULATION (continued)

In December 2003, the OEB issued filing guidelines with respect to the recovery of regulatory assets. The OEB's filing guidelines provided that:

(a) PowerStream was permitted to recover 25% to 30% of certain regulatory assets in rate adjustments to become effective March 1, 2004;

(b) The 2004 rate adjustment was implemented on April 1, 2004 (with a gross-up added to the recovered amount to allow recovery over 11 months);

(c) The OEB provided additional instructions with respect to the filing of evidence to facilitate the OEB's review of the balance of the regulatory assets; and

(d) Permitted recoveries will be phased in over a four-year period (2004 through 2007).

During the period that the price freeze is in effect, it is expected that distributors and retailers will be compensated by the Ontario Electricity Financial Corporation (OEFC) as follows:

(a) In the case of distributors, for amounts by which the price paid by distributors for electricity purchased by them in the wholesale market on behalf of low volume and designated consumers is greater than the fixed price per kWh; and

(b) In the case of retailers, for amounts by which the retail contract price between retailers and low volume and designated consumers is greater than the fixed price per kWh.

Consumers other than designated consumers who annually utilize more than 250,000 kWh continue to be eligible to receive Business Protection Plan ("BPP") rebates (formerly received under the Market Power Mitigation Agreement) from Ontario Power Generation Inc. ("OPG") to the extent that electricity prices exceed certain prescribed thresholds.

On December 9, 2004, the Province passed the Electricity Restructuring Act. The purpose of this act is to provide stable prices for consumers that reflect the true cost of electricity, facilitate new supply additions and promote conservation and demand management. The act also creates the Ontario Power Authority, with a mandate to ensure an adequate, long-term supply of electricity in Ontario. The Independent Electricity System Operator (IESO) (formerly the Independent Electricity Market Operator) will continue to be responsible for operating the system and the spot market, and shorter-term system planning.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and future possible consultations between the OEB and interested stakeholders, may affect the distribution rates, including payments in lieu of taxes ("PILS") collected from customers, that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

3. ELECTRICITY INDUSTRY REGULATION (continued)

The Corporation will not be able to implement the final rate increase to be able to achieve a 9.88% return on equity until 2005, at which time the monies will be directed specifically to demand side management and energy conservation initiatives for a one year period. Beginning in 2006, the Corporation expects rates to be established allowing the ability to achieve a 9.88% return on equity.

4. BASIS OF PRESENTATION

The Corporation's financial statements are prepared by management in accordance with Canadian generally accepted accounting principles and accounting policies provided by its regulator, the OEB, as contained in the Accounting Procedures Handbook, issued under the authority of the Ontario Energy Board Act, 1998.

(a) Period reporting

The Statements of Earnings and Retained Earnings, and of Cash Flows have been provided for the period from June 1, 2004 (date of amalgamation) to December 31, 2004 and the Balance Sheet has been provided as at the December 31, 2004 year end.

(b) Seasonality of operations

The Corporation's operations are seasonal. Electricity consumption is typically highest in the summer and winter months, July through September and January through March.

5. SIGNIFICANT ACCOUNTING POLICIES

The financial statements reflect the following significant accounting policies:

(a) Rate setting

The Corporation is regulated by the OEB under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenue and expenses for the distribution of electricity, accounting policies may differ from that otherwise expected under Canadian generally accepted accounting principles for non-rate regulated enterprises. Specifically:

(i) Capital and operating costs incurred in respect of the transition to competitive markets have been deferred with amortization to commence on the date that a rate increase is implemented to offset the amortization of the transition costs (Note 7).

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Rate setting (continued)

(ii) The Corporation provides for amounts in lieu of corporate income taxes using the taxes payable method for its regulated activities as permitted by The Canadian Institute of Chartered Accountants (CICA).

(iii) The Corporation has deferred certain pre-market opening cost of power variances and post-market opening retail settlement variances in accordance with Article 490 of the OEB's Accounting Procedures Handbook (Note 7).

(b) Cash and cash equivalents

Cash and cash equivalents include bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days.

(c) Short-term investments

Short-term investments are recorded at the lower of cost and fair market value.

(d) Revenue recognition

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. The related cost of power is recorded on the basis of power used.

Long-term value-added service contract revenue is accounted for under the percentage of completion method, with revenue recognized proportionately with the degree of completion of the services under contract. Losses on contracts are fully recognized when they become evident. Actual results could differ from estimates.

(e) Inventory

Inventory, which consists of parts and supplies acquired for internal construction or consumption, is stated at the lower of cost and replacement cost. Cost is determined on a weighted-moving average basis.

(f) Property, plant and equipment and amortization

Property, plant and equipment are recorded at cost and include contracted services, materials, labour, engineering costs and overheads. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers and may be refunded by the Corporation based on economic evaluation (discounted cash flow), in accordance with the OEB Distribution System Code. Such contributions, whether in cash or in-kind, are offset against the related asset cost. Contributions in-kind are valued at their fair market value at the date of their contribution.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment and amortization (continued)

When identifiable assets, such as buildings, distribution station equipment and equipment and furniture are retired or otherwise disposed of, their original cost and related accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets such as transmission and distribution facilities is removed from the accounts at the end of their estimated service life.

Amortization of property, plant and equipment is provided for on the straight-line basis over the estimated service life of the assets. Amortization of contributions from developers or customers are amortized at the rates corresponding with the useful lives of the related capital assets. The estimated service lives of the various assets used in calculating amortization are summarized below:

Buildings	10 to 60 years
Transformer stations	40 years
Transformers and meters	25 to 40 years
Plant and equipment	10 to 30 years
Other	3 to 5 years

Construction in progress comprises property, plant and equipment under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

(g) Impairment of long-lived assets

The Corporation reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of the long-lived assets is not recoverable. Any resulting impairment loss is recorded in the period in which the impairment occurs.

(h) Intangibles

Intangibles include corporate restructuring costs related to amalgamation. Intangibles are stated at cost and are amortized on a straight-line basis over three years.

(i) Regulatory assets and liabilities

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered through future rates. Similarly, regulatory liabilities can arise from differences in amounts billed to customers and retailers that the OEB directs the distributor to account for. The Corporation accrues interest on certain regulatory assets and liabilities as allowed by the OEB. The Minister of Energy issued a letter dated December 19, 2003 (the "Minister's letter") stating an intention to allow electricity distributors to make application to the OEB to recover regulatory assets (based on year-end balances as at December 31, 2002) to be phased in over a four year period; and to earn the full 9.88% return on equity anticipated under market design effective March 1, 2005.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Regulatory assets and liabilities (continued)

The Corporation received approval on March 11, 2004, effective April 1, 2004 for the recovery of its balances at December 31, 2002 as follows:

a) Hydro Vaughan 25% of its retail settlement variance accounts balances.

b) Markham Hydro 30% of its retail settlement variance account balances.

c) Richmond Hill Hydro 30% of its retail settlement variance accounts balances.

Management has provided a "valuation allowance" on its deferred qualifying transition costs and pre-market opening energy variances as at December 31, 2004. Management continues to assess the likelihood of recovery of its regulatory assets and believes that it is probable that its regulatory assets net of the valuation allowance and liability balances will be factored into setting of future rates.

Regulatory assets and liabilities are comprised principally as follows:

(i) Transition costs represent costs related to the transition to a competitive electricity market as mandated by the Electricity Act, 1998. The OEB has established rules in respect of transition costs, to qualify amounts for deferral and amortization against future revenue. To the extent that transition costs have been incurred that do not qualify for deferral, these costs have been expensed during the period in which they were incurred.

(ii) Pre-market opening cost of power variances represent amounts accumulated as a result of the excess of the cost of power purchased by the Corporation over the amount billed for this power prior to the market opening. The OEB directed utilities to accumulate such variances in the period leading up to market opening.

(iii) Post-market opening retail settlement variances are variances that have occurred since May 1, 2002 when the competitive electricity market was declared open and that have accumulated pursuant to direction from the OEB. Specifically, these amounts include:

(a) variances between the amount charged by the Independent Electricity System Operator ("IESO") for the operation of the markets and grid, the purchase of imported power by the IESO to augment Ontario's power supply and charged by the IESO as an uplift charge that is part of the wholesale market service charges, as well as various wholesale market settlement charges, transmission charges as compared to the amount billed to consumers based on the OEB-approved wholesale market service rate; and

(b) the differences between the amount charged by the IESO and billed to consumers for energy costs due to line losses.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Deferred debt issue costs

Deferred debt issue costs represent the discount and the cost of the issue of debentures. Amortization is provided on a straight-line basis over the term of the debenture.

(k) Goodwill

Goodwill represents the excess of the purchase price over the fair value assigned to the Corporation's interest of the net identifiable assets acquired on the acquisition of the former Richmond Hill Hydro Inc. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. When the carrying amount of goodwill exceeds the implied fair value of goodwill an impairment loss is recognized in an amount equal to the excess.

(l) Pension and other post-employment benefits

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

The Corporation actuarially determines the cost of other employment and post-employment benefits offered to employees using the projected benefit method prorated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at date of hire, and ended at the earliest age the employee could retire and qualify for benefits. Compensated absences and termination benefits that do not vest or accumulate are recognized as an expense when the event occurs. This accounting policy for future employee benefits was applied on the prospective basis. The transitional obligation resulting from this treatment is being amortized over the average remaining service period of employees.

(m) Customer's deposits

Customer deposits are cash collections from customers to guarantee the payment of energy bills and fulfillment of construction obligations. Deposits estimated to be refundable to customers within the next fiscal year are classified as a current liability. Interest is paid on customer balances at rates established from time to time by the Corporation.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Payment in lieu of income taxes

In accordance with Ontario Regulation 162/01 made under the Electricity Act, 1998, the Corporation is required to make payments in lieu of corporate income taxes to Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

The Corporation provides for payments in lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

(o) Guarantees

The Canadian Institute of Chartered Accountants ("CICA") has issued Accounting Guideline 14, - disclosure of guarantees - ("AcG-14"), which addresses the disclosure to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees.

AcG-14 requires the guarantor to disclose the nature of the guarantees, the maximum potential amount of future payments and the current carrying amount of the liability for the non-contingent component of the guarantee, which is the obligation to stand ready to perform in the event that specified triggering events or conditions occur. The disclosure is required even if it is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements.

(p) Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent assets and liabilities at the financial statement date. Accounts receivable, unbilled revenue, regulatory assets/liabilities and employee future benefits are reported based on amounts expected to be recovered and an appropriate allowance has been provided based on managements' estimate of unrecoverable amounts. Inventory is recorded net of provisions for obsolescence.

Due to the inherent uncertainty involved in making such estimates, actual results could differ from amounts recorded in these financial statements, including changes as a result of future decisions made by the OEB or the Minister of Energy.

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2004
(in thousands of dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value
Land and Land Rights	$ 2,673	$ 117	$ 2,556
Buildings	1,891	327	1,564
Transformer stations	78,002	17,889	60,113
Transformers and meters	201,927	92,827	109,100
Plant and equipment	474,942	211,748	263,194
Other	24,062	14,605	9,457
Construction in progress	4,501	-	4,501
	787,998	337,513	450,485
Capital Contributions	112,861	12,985	99,876
	$ 675,137	$ 324,528	$ 350,609

7. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities arise as a result of the rate-making process and consist of the following:

Deferred qualifying transition costs	$ 4,107
Pre-market opening cost of power variances	13,016
	17,123
Provision for above regulatory assets	(5,228)
	11,895
Other regulatory assets (liabilities)	(943)
Retail settlement variance accounts	(21,356)
Estimated over-recovery of payment in lieu of taxes	(105)
Regulatory asset recovery	(6,088)
Net regulatory assets (liabilities)	$ (16,597)

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2004
(in thousands of dollars)

8. BANK INDEBTEDNESS AND CREDIT FACILITY

The Corporation requested and received an unsecured credit facility with a Canadian chartered bank and the related agreement was executed on March 23, 2005. This credit facility agreement provides an extendible 364-day revolving credit facility of $125 million. This facility replaces the credit facilities that were in place for Hydro Vaughan, Markham Hydro and Richmond Hill Hydro. The credit facilities for Markham Hydro and Richmond Hill Hydro were cancelled and the credit facility of $60 million for Hydro Vaughan was maintained until the new credit facility was finalized.

As at December 31, 2004, the Corporation had utilized $15.7 million of the credit facility to provide the IESO with a letter of credit for prudential support. With the opening of Ontario's electricity market to wholesale and retail competition on May 1, 2002 ("Open Access"), the IESO requires all purchasers of electricity in Ontario to provide security to mitigate the risk of their default based on their expected purchases from the IESO administered spot market. The IESO could draw on the letter of credit if the Corporation defaults on its payment.

The existing credit facility can be drawn upon by either direct advances, bearing interest at prime less 0.50% or Bankers' Acceptances, with a stamping fee of 30 basis points, or by way of letter of credit with a fee of 30 basis points per annum. A commitment fee of 10 basis points per annum is paid on the unused portion of the credit facility.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable - energy purchased	**$ 36,274**
Current portion of customer's deposits	**11,662**
Other accounts payable and accrued liabilities (including construction deposits to be refunded within one year in the amount of $1,533)	**26,194**
	$ 74,130

10. RELATED PARTY BALANCES AND TRANSACTIONS

The amount due to the Corporation of the City of Vaughan ("City") and the Corporation of the Town of Markham ("Town") is comprised of amounts payable to the City and Town and their wholly-owned companies established under the provisions of the Ontario Business Corporation Act in order to comply with provisions of provincial legislation enacted to restructure the publicly-owned electricity business in Ontario.

Components of the amounts due to related parties are as follows:

The Corporation of the City of Vaughan	
Accounts payable - Hydro Vaughan Dividend	**$ 25,000**
Accrued interest at 5.58% on Hydro Vaughan Dividend	**814**
Accounts payable - Hydro Vaughan Dividend - interest free	**1,900**
Accrued interest on note payable of $78,236 at an annual rate of 5.58% (Note 16)	**1,100**
Net balance payable of inter entity transactions, without interest	**5,951**
	34,765
The Corporation of the Town of Markham	
Accrued interest on note payable of $67,866 at an annual rate of 5.58% (Note 16)	**955**
Net balance payable of inter entity transactions, without interest	**1,915**
	2,870
	$ 37,635

Interest on the notes payable, aggregating $4,780 was charged to interest expense. In addition, interest at 5.58% in the amount of $814 on the Hydro Vaughan Dividend was charged to interest expense during the period. As at December 31, 2004, the amounts shown as due to related parties included an aggregate accrual of $2,869 related to such interest.

Other significant related party transactions not otherwise disclosed separately in the financial statements, are summarized below:

	City of Vaughan	Town of Markham
Revenue		
Energy and distribution	$ 1,697	$ 1,166
Shared services	$ 1,606	$ -
Expenses		
Facilities rental	$ 517	$ 602
Realty taxes	$ 124	$ 190
Operations	$ 1,014	$ 931

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2004
(in thousands of dollars)

11. DEBENTURES PAYABLE

6.45% unsecured Debentures due August 15, 2012, interest payable in arrears semi-annually on August 15 and February 15	**$ 100,000**

In August 2002, the three predecessor corporations (Note 1) raised gross proceeds of $100,000 through a private placement offering. These corporations were three of five local distribution companies ("LDC") that participated in the Electricity Distributors Finance Corporation ("EDFIN") 10 Year Debentures Issued (Series 2002-1) that was offered on a private placement. EDFIN is a specific purpose corporation managed by MEARIE Management Inc., for the purpose of providing LDC with efficient access to the debt capital markets. Each LDC has executed a debenture which is a direct and unsecured obligation of the LDC. The LDC's obligations are several and not joint, and each LDC is liable for its own obligation and not that of any other LDC.

The Corporation assumed the obligations of the three predecessor corporations pursuant to an assumption agreement dated June 1, 2004.

The unsecured debentures, totaling $100,000 represents the Corporation's debenture payable of $35,000 (Hydro Vaughan), $30,000 (Markham Hydro) and $35,000 (Richmond Hill Hydro).

Interest expense, including amortization of deferred debt issue costs, was $4,116 during the seven month period.

12. CUSTOMERS' DEPOSITS

Service deposits	**$ 23,159**
Less amounts expected to be refunded within one year, included in accounts payable and accrued liabilities (Note 9)	**11,662**
	$ 11,497

13. EMPLOYEE FUTURE BENEFITS

The Corporation pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees rendered their services.

The benefits liability for the Corporation is being recorded in the accounts prospectively. Accordingly, the transitional obligation is being amortized over the average remaining service period of active employees of 11 years as determined by actuarial methodology.

The projected benefit obligations for active employees and retirees as at December 31, 2004 is $8,027 and the expense for the period ended December 31, 2004 of $823 was based on actuarial valuation using a discount rate of approximately 6%.

13. EMPLOYEE FUTURE BENEFITS (continued)

Payments for the period ended December 31, 2004 are estimated to be equal to the estimated claims for extended health, dental benefits and life insurance in respect of retirees, and the assumed expenses and taxes associated with their benefits.

A reconciliation of the funded status of PowerStream's post-retirement benefit plan to the amounts recorded in the financial statements is as follows:

Accrued benefit obligation	**$ 8,027**
Unamortized transitional obligation	**(2,164)**
Unamortized net acturial losses	**(1,640)**
Accrued benefit liability	**$ 4,223**

Details of the accrued benefit obligation are as follows:

Accrued benefit obligation, beginning of the year	**$ 4,472**
Current service cost	**236**
Interest cost on obligation	**297**
Benefit payments	**(75)**
Actuarial loss on obligation	**3,097**
Accrued benefit obligation, end of the year	**$ 8,027**

The plan expense for the year is determined as follows:

Current service cost	**$ 236**
Interest cost on obligation	**297**
Amortization of transitional obligation	**187**
Amortization of net actuarial loss	**103**
Plan expense	**$ 823**

The significant actuarial assumptions adopted in measuring PowerStream's accrued benefit obligation as follows:

Discount rate	**5.75%-6%**
Rate of compensation increase	**3.0%-3.25%**
Medical benefits costs escalation - hospitalization	**10.0%-10.50%**
Medical benefits costs escalation - extended health care	**10.0%-10.50%**
Dental benefits costs escalation	**4.5%-5.0%**

13. EMPLOYEE FUTURE BENEFITS (continued)

Sensitivity analysis

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects for 2004:

	Increase	Decrease
Total service and interest cost	$ 147	$ (123)
Accrued benefit obligation	$ 948	$ (820)

14. PENSION

The Corporation provides a pension plan for its employees through OMERS. OMERS is a multi-employer pension plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. The Corporation incurred $919 of contribution expense during the seven month period-ended December 31, 2004.

15. (A) SHARE CAPITAL

The Corporation's authorized share capital is made up of an unlimited number of common shares. The issued share capital as at December 31, 2004 is as follows:

1,000 common shares (Note 1)	**$ 142,633**

Of the total 1,000 common shares issued 590 common shares are registered under The Corporation of the City of Vaughan and 410 common shares are registered under Markham Energy Corporation (wholly owned by The Corporation of the Town of Markham).

(B) CONTRIBUTED SURPLUS

Contributed surplus represents the difference between the total of the net assets contributed by The Corporation of the City of Vaughan and Markham Energy Corporation and the amount reported as stated capital in the financial statements of PowerStream Inc., upon amalgamation on June 1, 2004.

16. NOTES PAYABLE

Promissory note issued to the City of Vaughan	**$ 78,236**
Promissory note issued to the Town of Markham	**67,866**
	$ 146,102

On June 1, 2004 an unsecured 20 year term promissory note was issued to The Corporation of the City of Vaughan ("City") in the amount of $78,236. Interest thereon commences on June 1, 2004 at an annual rate of 5.58%.

On June 1, 2004 an unsecured 20 year term promissory note was issued to the Corporation to the Town of Markham ("Town") in the amount of $67,866. Interest thereon commences on June 1, 2004 at an annual rate of 5.58%.

The two promissory notes are repayable 90 days following demand by the City or the Town, no earlier than January 1, 2006. These notes have been classified as long term as it is not the intent of the City or the Town to demand repayment within the next year.

17. COMMITMENTS

Shared services agreement

Pursuant to a shared services agreement between the former Vaughan Hydro-Electric Commission and the Corporation of the City of Vaughan ("City"), the Corporation charges the City, at agreed rates, for various administrative functions. In addition, the City performs certain shared services, which are charged to the Corporation. The Corporation also provides water billing services to the Town of Markham. The net charges made for services under these agreements were $981.

Long-term operating leases

The Corporation rents buildings and facilities from the Corporation of the City of Vaughan and the Town of Markham under long-term operating leases. The Corporation has signed a long-term lease with the Town of Markham and has exercised its option to renew a lease on a monthly basis with the City of Vaughan. For the period from June 1 to December 31, 2004, the rental for the buildings and facilities was approximately $1,061. The cost of the rent including both the rent charged under the operating leases and rent not covered by operating leases aggregated $1,346.

18. CONTINGENCIES

(a) Legal claims

The Corporation has been named as a defendant in several actions. No provision has been recorded for these potential liabilities as the Corporation expects that these claims are adequately covered by its insurance.

(b) Other claims

A class action claiming $500,000 in restitution payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against the former Toronto Hydro-Electric Commission 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 was that late payment penalties resulted 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 Electricity Distributors 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.

(c) Other contingencies

The provision for income taxes reflects management's position that the treatment of regulatory assets and liabilities is the same for tax purposes as for accounting purposes. Primarily as a result of the recovery of revenues through standard provincial transmission rates, there may be additional taxes payable at December 31, 2004 in the amount of approximately $2.2 million. The Minister of Energy has approved the corporation's application for a rate change to address the over-recovery, reduce the rates and ultimately eliminate these amounts. As this is unique and a result of a timing issue and because the "payment-in-lieu of income taxes" regime is relatively new, with no specific precedent in tax assessing practices, it is not determinable whether or not a liability will materialize and no provision has been made for this amount in the financial statements. The above mentioned timing differences will eventually reverse.

(d) Environmental

Under the shareholders agreement, the Corporation is obligated to remediate all transformers and equipment with polychlorinated biphenyl (PCB) contamination in excess of 50 ppm on or before August 31, 2007. A program will be put in place to test relevant transformers and equipment. The estimated future expenditures for the disposal of the PCBs based on the net present value is estimated to be approximately $100. No provision for this contingency has been recorded in the financial statements.

19. RISK MANAGEMENT

The Corporation understands the risks inherent in its business and defines then broadly as anything that could impact its ability to achieve its strategic objectives.

Fair value of financial assets and liabilities

The fair value of the Corporation's cash and cash equivalents, short term investments, accounts receivable, unbilled revenues, accounts payable and accrued liabilities and refundable customer deposits approximate their carrying amount because of the short maturity of these instruments.

The fair value amount of the debenture payable in the amount of $100,000 was $109,550 as at December 31, 2004 based on quoted market prices.

The fair value of the Corporation's note payable for the Corporation of the City of Vaughan, the Corporation of the Town of Markham and due to related parties is not determined due to their related party nature and variable terms.

The Corporation is not exposed to significant interest rate risk as a result of the short-term maturity of its monetary current assets and current liabilities.

Fair value of financial assets and liabilities (continued)

Financial assets held by the Corporation expose it to credit risk. As at December 31, 2004, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Corporation earns its revenue from a broad base of customers located in the City of Vaughan, the Town of Markham and the Town of Richmond Hill. In the seven month period ended December 31, 2004, the Corporation derived approximately 4% of its revenue from one customer. As at December 31, 2004, the one customer represented $2,524 of the outstanding accounts receivable balance.

Insurance

The Corporation maintains appropriate types and levels of insurance with major insurers. With respect to liability insurance, the Corporation is a member of the Municipal Electricity Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members.

Insurance premiums charged to each member consist of a levy per thousands of dollars of service revenue subject to a credit or surcharge based on each member's claims experience. Effective June 1, 2004, coverage is provided to a level of $20,000 per incident.

20. CORPORATE INCOME TAXES

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

Rate reconciliation		
Income from operations before PILs	**$**	**12,793**
Statutory Canadian federal and provincial income tax rate		**36.12%**
Expected tax provision on income at statutory rates		**4,621**
Increase (decrease) in income taxes resulting from		
Large corporations tax net of surtax		**378**
Other timing differences non-benefited		
Amortization/CCA differences		**117**
Post employment benefits		**279**
Eligible capital expenditures		**(45)**
Other		**(97)**
Permanent differences		**63**
Other		**(242)**
Provision for PILs	**$**	**5,074**
Component of provision for PILs		
LCT	**$**	**378**
Income tax expense		**4,696**
Provision for PILs	**$**	**5,074**

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future electricity rate revenues. As at December 31, 2004, future income tax assets of $43,671 (consisted mostly of non-deductible reserves and the difference between the tax and book bases of fixed assets), based on substantively enacted income tax rates, have not been recorded on the balance sheet.

21. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

Accounts receivable	**$**	**(10,633)**
Unbilled revenue		**(4,916)**
Income taxes recoverable		**(7,936)**
Inventory		**3,417**
Prepaid and other		**331**
Accounts payable and accrued liabilities		**1,015**
	$	**(18,722)**

22. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Cash paid during the period for:

Interest	**$ 7,493**
Payments in lieu of taxes	**$ 7,398**

(b) Non-cash financing activities:

Share capital exchanged for unsecured debt (5.58% promissory note) (see Note 1)	**$ 33,236**

23. GUARANTEES

The Corporation adopted the new Canadian Accounting Guideline AcG-14, which requires certain disclosures of guarantees.

In the normal course of business, the Corporation enters into agreements that meet the definition of a guarantee. The Corporation's primary guarantees subject to the disclosure requirements of AcG-14 are as follows:

(a) The Corporation has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Corporation agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suites, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

(b) Indemnity has been provided to all directors and/or officers of the Corporation for various items including, but not limited to, all costs to settle suits or actions due to association with the Corporation, subject to certain restrictions. The Corporation has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Corporation. The maximum amount of any potential future payment cannot be reasonably estimated.

23. GUARANTEES (continued)

(c) In the normal course of business, the Corporation has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Corporation to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Corporation from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Corporation has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

24. SUBSEQUENT EVENT

On March 24, 2005, the Corporation purchased Aurora Hydro Connections Inc. at a purchase price of $34,500 (subject to closing adjustments) with a proposed closing date of June 1, 2005. The purchase agreement is subject to OEB approval.

Ontario

Ministry of Finance
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2006 CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2003

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **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 MGS 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

MGS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No **Page 1 of 20**

Corporation's Legal Name *(including punctuation)*

POWERSTREAM INC.

Ontario Corporations Tax Account No. (MOF)

1800377

Mailing Address

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K 2N9

This Return covers the Taxation Year

Start: year month day — 2004-06-01

End: year month day — 2004-12-31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of Change: year month day

Date of Incorporation or Amalgamation

year month day — 2004-05-31

Registered/Head Office Address

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K 2N9

Ontario Corporation No. (MGS): 1620505

Location of Books and Records

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K 2N9

Canada Revenue Agency Business No.

If applicable, enter: 85750 3346 RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
EBRAHIM HOSSEINI	(905) 417-6928	(905) 832-6308

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MGS)

Ontario Canada

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* (MGS)

☒ *Not Applicable*

Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). ▶

No. of Schedule(s)

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). ▶ ☒ No Change

Preferred Language / *Langue de préférence*

☒ English *anglais* ☐ French *français*

Ministry Use

Certification (MGS)

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)*

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
POWERSTREAM INC.	1800377	2004-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

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 %

1 [ ] Family Farm corporation s.1(2)

2 [ ] Family Fishing corporation s.1(2)

3 [ ] Mortgage Investment corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage subsidiary s.61(4)

6 [ ] Bank s.1(2)

7 [ ] Loan and Trust corporation s.61(4)

8 [ ] Non-resident corporation s.2(2)(a) or (b)

9 [ ] Non-resident corporation s.2(2)(c)

10 [ ] Mutual Fund corporation s.48

11 [ ] Non-resident owned Investment corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee corporation

15 [ ] Branch of Non-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, municipal electrical utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative corporation

23 [ ] Professional corporation (incorporated professionals only)

[X] This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)

[X] Amended Return

[ ] Taxation year end change -- Canada Revenue Agency approval required

[ ] Final taxation year up to dissolution *(Note: for discontinued businesses, see guide.)*

[ ] Final taxation year before amalgamation

[ ] The corporation has a floating fiscal year end

[ ] There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year

If checked, date control was acquired year month day

[ ] The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)

[ ] First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)

[ ] Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes	No	
[ ]	[X]	Was the corporation inactive throughout the taxation year?
[X]	[ ]	Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

[ ]	[X]	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?

Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.) 08065586

Ontario Employer Health Tax Account no. (Use head office no.) 112116683

Specify major business activity

ELECTRICITY DISTRIB

Income Tax

Appendix 5
Schedule 5-27
PROTOTYPE ONLY
Filed: May 4, 2012

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	12,812,170
Subtract: Charitable donations	–	1	12,000
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	6,871
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	12,793,299
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	12,793,299

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 12,793,299 x 30 100.0000% (Ontario Allocation) x 12.5% x [Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ____ ÷ Total Days 73 214] = + 29 ____

From 10 (or 20 if applicable) 12,793,299 x 30 100.0000% (Ontario Allocation) x 14% x [Days after Dec. 31, 2003: 34 214 ÷ Total Days 73 214] = + 32 1,791,062

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 1,791,062

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	12,865,503
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	12,964,481	
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		
	=	12,964,481	54 12,964,481
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	146,575

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: 34 214 ÷ ** 365] = + 47 234,521

Business Limit for Ontario purposes 46 + 47 = 44 234,521 x [Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 100.0000%] = 45 234,521

Income eligible for the IDSBC From 30 100.0000% (***Ontario Allocation) x 56 234,521 = 60 234,521 (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 % × (Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] ÷ Total Days [73] 214) = + [89]

8.5 % × (Days after Dec. 31, 2003 [34] 214 ÷ Total Days [73] 214) = + [90] 8.5000

IDSBC Rate for Taxation Year [89] + [90] = [78] 8.5000

Claim — From [60] 234,521 • × From [78] 8.5000 % = [70] 19,934 •

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] 21,820,346 •

If you are a member of an associated group (X) [81] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
			+ [82] •
			+ [83] •
			+ [84] •

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85] 21,820,346 •

320,000 × (Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] ÷ Total Days [73] 214) = + [115] •

400,000 × (Days after Dec. 31, 2003 [34] 214 ÷ Total Days [73] 214) = + [116] 400,000 •

[115] + [116] = 400,000 • ▶ − [114] 400,000 •

(If negative, enter nil) = [86] 21,420,346 •

Calculation of Specified Rate for Surtax — 4.6670 % × (Number of Days in Taxation Year: Days after Dec. 31, 2002 [38] 214 ÷ Total Days [73] 214) = + [97] 4.6670

From [86] 21,420,346 • × From [97] 4.6670 % = [87] 999,688 •

From [87] 999,688 • × From [60] 234,521 • ÷ From [114] 400,000 • = [88] 586,120 •

Surtax Lesser of [70] or [88] = [100] 19,934

* ***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 56 234,521

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 19,934 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121 234,521

*Ontario Allocation

Lesser of 56 or 121 + 122 234,521

120 − 56 + 122 = 130

Taxable Income + From 10 12,793,299

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) − From 56 234,521

Add: Adjustments for Surtax on Canadian-controlled private corporations + From 122 234,521

Subtract: Taxable Income 10 12,793,299 X Allocation % to jurisdictions outside Canada _____ % − 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses − 141 110,978

10 − 56 + 122 − 140 − 141 = 142 12,682,321

Claim

Number of Days in Taxation Year

143 _____ (Lesser of 130 or 142) × From 30 100.0000 % (Ontario Allocation) × 1.5 % × (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days 73 214) = + 154

143 _____ (Lesser of 130 or 142) × From 30 100.0000 % (Ontario Allocation) × 2 % × (Days after Dec. 31, 2003: 34 214 ÷ Total Days 73 214) = + 156

M 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 1,791,062

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 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 4,266

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 4,266

Specified Tax Credits ***Applied to reduce Income Tax*** = 225 4,266

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 1,786,796

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)

Total Assets of the corporation	+ 240	561,672,000 .	
Total Revenue of the corporation		+ 241	505,936,051 .

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	561,672,000 .
Aggregate Total Revenue	241 + 244 + 246 + 248, etc.	= 250	505,936,051 .

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 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	12,793,000 . (If negative, enter zero)	x From 30	100.0000 % (Ontario Allocation)	x 4 %	= 276	511,720 .
Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)*						– 277	.
Subtract: Income Tax						– From 190	1,791,062 .
Net CMT Payable (If negative, enter Nil on Page 17.)						= 280	-1,279,342 .

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 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	1,791,062 .
Gross CMT Payable	+ From 276	511,720 .			
Subtract: Foreign Tax Credit for CMT purposes	– From 277	.			
If 276 – 277 is negative, enter NIL in 290	=	511,720 .	–	290	511,720 .
Income Tax eligible for CMT Credit			=	300	1,279,342 .

B.

Income Tax (after deduction of specified credits)	+ From 230		1,786,796 .
Subtract: CMT credit used to reduce income taxes	–	310	.
Income Tax	=	320	1,786,796 .

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(2)(a) or 2(2)(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	142,633,000
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	7,719,000
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	16,030,000
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	330,132,000
Bond 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	5,319,370
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	
Subtotal	=	370	501,833,370
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	–	371	6,096,649
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	495,736,721
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	495,736,721

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	790,850
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	790,850

continued on Page 10

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	+	420	561,672,000
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	561,672,000
Amounts in 360 and 361 (if deducted from assets)	+	440	
Subtract: Amounts in 371, 372 and 381	–	441	6,096,649
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	555,575,351

Investment Allowance (410 ÷ 450) x 390 — Not to exceed 410	=	460	705,671
Taxable Capital 390 – 460	=	470	495,031,050

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	296,631,000
Total Assets (as adjusted) From 430		561,672,000

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 2003.*

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 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days In Taxation Year

5,000,000	x	Days before Jan. 1, 2005: 35	214	÷ Total Days: 73	214	= + 500	5,000,000
7,500,000	x	Days after Dec. 31, 2004 and before Jan. 1, 2006: 36		÷ Total Days: 73	214	= + 501	
10,000,000	x	Days after Dec. 31, 2005 and before Jan. 1, 2007: 37		÷ Total Days: 73	214	= + 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	495,031,050											
– From 503	5,000,000											
= 471	490,031,050	x	From 30	100.0000 %	x	0.3 %	x	Days in taxation year 555: 214 / 365 (366 if leap year)	= + 523	861,918

Ontario Allocation

If floating taxation year, refer to Guide.

Transfer to 543 on page 12 and complete the return from that point

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. ☐ 524 (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group may **file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation

Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 _____ •

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 _____ •
			+ 532 _____ •
			+ 533 _____ •
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. - - - - - - - - - - - - - - - - - -			= 540 _____ •

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 _____ • ÷ From 540 _____ • x From 503 _____ • = 541 _____ •

Transfer to 542 *in Section E on page 12*

Ss.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.* Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total **aggregate** Taxable Capital [540] on page 11 exceeds the TCD [503] on page 10.

Complete the following calculation and transfer the amount from [523] to [543], and complete the return from that point.

\+ From [470] _____ •
– [542] _____ •
= [471] _____ • x From [30] 100.0000 % (Ontario Allocation) x 0.3 % x [555] 214 / * 365 (366 if leap year) = + [523] _____ •

Total Capital Tax for the taxation year

Transfer to [543] *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

\+ From [470] _____ • x From [30] 100.0000 % (Ontario Allocation) x 0.3 % = + [561] _____ •

– Capital tax deduction from [995] relating to **your corporation's** Capital Tax deduction, on Schedule 591 – From [995] _____ •
= [562] _____ •

Total Capital Tax for the taxation year

Capital Tax [562] _____ • x [555] 214 / * 365 (366 if leap year) = [563] _____ •

Transfer to [543] *and complete the return from that point*

** If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits	= [543]	861,918 •
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	– [546]	•
Capital Tax [543] – [546] *(amount cannot be negative)*	= [550]	861,918 •

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] 214 ÷ * 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] 214 ÷ * 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 - - -

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 12,976,481 •
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	14,783,302 •
Federal cumulative eligible capital deduction	+ 602	452,256 •
Ontario taxable capital gain	+ 603	110,978 •
Federal non-allowable reserves. Balance beginning of year	+ 604	4,528,814 •
Federal allowable reserves. Balance end of year	+ 605	•
Ontario non-allowable reserves. Balance end of year	+ 606	5,319,370 •
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	•
All 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: 73 214] = + 633 _____ •

612 _____ • x 5 / 14 x [Days after Dec. 31, 2003: 34 214 ÷ Total Days: 73 214] = + 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 63,337 •

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 = 25,258,057 • ▶ 640 25,258,057 •
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	14,783,302 •
Ontario cumulative eligible capital deduction	+ 651	452,256 •
Federal taxable capital gain	+ 652	110,978 •
Ontario non-allowable reserves. Balance beginning of year	+ 653	4,528,814 •
Ontario allowable reserves. Balance end of year	+ 654	•
Federal non-allowable reserves. Balance end of year	+ 655	5,319,370 •
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 25,194,720 •
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 12,976,481 •

Total of Additions on page 14 - From = 640 25,258,057 •

Sub Total of deductions on page 14 - From = 681 25,194,720 •

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 + 679 227,648 •

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 = 25,422,368 • ▶ 680 25,422,368 •

Net income (loss) for Ontario Purposes 600 + 640 − 680 - - - - - - - - - - - - - - - - - - = 690 12,812,170 •
Transfer to Page 4

Continuity of Losses Carried Forward

DOLLARS ONLY

	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 1996-05-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1997-05-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1998-05-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 1999-05-31	820	830	840	853	873
804 5th preceding taxation year 2000-05-31	821	831	841	854	874
805 4th preceding taxation year 2001-05-31	822	832	842	855	875
806 3rd preceding taxation year 2002-05-31	823	833	843	856	876
807 2nd preceding taxation year 2003-05-31	824	834	844	857	877
808 1st preceding taxation year 2004-05-31	825	835	845	858	878
809 Current taxation year 2004-12-31	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.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	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 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	2002-05-31	911	921	931	941
ii) 2nd preceding	902	2003-05-31	912	922	932	942
iii) 1st preceding	903	2004-05-31	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		1,786,796
Corporate Minimum Tax	+ From 280		
Capital Tax	+ From 550		861,918
Premium Tax	+ From 590		
Tax Payable	=	950	2,648,714
Subtract: Payments	–	960	4,518,444
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	-1,869,730
If payment due	Enclosed *	990	
If overpayment: Refund *(Refer to Guide)*	=	975	1,869,730
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)*

TONY CINA

Title

DIRECTOR OF ACCOUNTING & TAX

Full Residence Address

Signature	Date
	2006-06-29

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Scientific Research and Experimental Development Expenditures
CT23 Schedule 161

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2004-12-31

This schedule is used to calculate Ontario Scientific Research and Experimental Development Expenditures (SR & ED). The rules used in the calculation of Ontario SR & ED follow the federal rules with the exception of the new Ontario measure introduced in the 2001 Ontario Budget and implemented in Bill 127 which received Royal Assent on December 5, 2001.

This schedule must be completed by all corporations performing qualified Ontario SR & ED in a "specified taxation year" or in the taxation year immediately preceding the first specified taxation year of the corporation and filed with the current CT23 or CT8. Other corporations may use this schedule, if they have claimed or are claiming a different SR & ED amount for Ontario than for federal income tax purposes.

- **"Specified Taxation Year" (STY)** is the taxation year of the corporation that begins after February 29, 2000 **and** ends after December 31, 2000.
- **"Investment Tax Credit Amount" (ITC)** means, in respect of a corporation for a taxation year, an amount deducted by the corporation for a preceding taxation year under subsection 127(5) or (6) of the *Income Tax Act* (Canada) (ITA).
- **"Qualified Ontario SR & ED Expenditure" (QORD)** means,
  - A. A qualified expenditure within the meaning of subsection 12(1) of the *Corporations Tax Act* (CTA) that is made or incurred by a corporation in a STY or in the taxation year immediately preceding the first STY of the corporation, or
  - B. An expenditure made or incurred by a partnership in a fiscal period that ends in a STY of a corporation if,
    - the corporation is member of the partnership at any time in the STY, and
    - the expenditure would be a qualified expenditure within the meaning of subsection 12(1) of the CTA if it were made by a corporation.
- **"Ontario Allocation Factor" (OAF)** has the meaning given to that expression by subsection 12(1) of the CTA.

- If a corporation includes a federal ITC amount in determining the amount of the Ontario pool of deductible SR & ED expenditures for a STY, the following amounts are adjusted by the OAF:
  - Amount of recaptured federal ITC relating to QORD for property disposed of in the preceding taxation year in 442 on page 2.
  - Amount of federal ITC relating to QORD claimed federally in the preceding taxation year(s) in 462 on page 2.
  - Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year in 465 on page 2.

- Federal ITCs earned on shared-use equipment (SUE) reduce the capital cost of the property acquired for federal and Ontario income tax purposes in the taxation year after the taxation year in which the ITC is claimed federally. The amount of the federal ITC that relates to QORD on SUE is added to the SR & ED pool for Ontario purposes in the taxation year after the taxation year in which the ITC is claimed federally.

Ontario Scientific Research and Experimental Development Expenditures
CT23 Schedule 161

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2004-12-31

Ontario Pool of Deductible SR & ED Expenditures for the current taxation year

Total allowable SR & ED expenditures (capital and current)
(From line 400 federal T661 (T2 SCH32)) . . . . . + 400 227,648.

Less: Government and non-government assistance
(From line 430 federal T661 (T2 SCH32)) . . . . . − 430

Preceding year's amount of federal ITC claimed for SR & ED
(From line 435 federal T661 (T2 SCH32)) . . . . . − 435 164,311.

Sale of SR & ED capital assets and other deductions
(From line 440 federal T661 (T2 SCH32)) . . . . . − 440

Amount of recaptured federal ITC (From line 453 federal T661 (T2 SCH32))
relating to QORD for property disposed of in the preceding taxation year 442

Gross-up for Ontario allocation factor From 442 ÷ 100.0000 % - - - = − 444
(From 30 of the CT23 or CT8)

Subtotal: 400 − 430 − 435 − 440 − 444 . . . . . = 445 63,337.

Add: Repayments of government and non-government assistance
(From line 445 federal T661 (T2 SCH32)) . . . . . + 446

SR & ED expenditure pool transferred on amalgamation or wind-up
(From line 452 federal T661 (T2 SCH32)) . . . . . + 452

Amount of federal ITC recaptured in the preceding taxation year
(From line 453 federal T661 (T2 SCH32)) . . . . . + 453

Preceding year's balance in pool of deductible Ontario SR & ED expenditures
(From 480 of the preceding taxation year) . . . . . + 460

Federal ITC relating to QORD **claimed** federally in the preceding
taxation year(s) . . . . . + 462 164,311.
(From 575 on Page 3)

Amount of federal ITC relating to QORD allocated from partnerships
in the current taxation year . . . . . + 465

Subtotal 462 + 465 . . . . . = 468 164,311.

Gross-up for Ontario allocation factor From 468 164,311. ÷ 100.0000 % - - - = + 470 164,311.
(From 30 of the CT23 or CT8)

Subtotal: 445 + 446 + 452 + 453 + 460 + 470

(If the amount in 473 is negative, enter zero, in 475, 477 and add 473 to 615 of the 2002 CT23 or CT8
or 616 of the 2003 or later CT23 or CT8. If the amount in 473 is positive, enter the amount in 475.) = 473 227,648.

Amount available for deduction . . . . . = 475 227,648.

Deduction claimed in the taxation year for Ontario
(Enter the SR & ED expenditure pool deduction claimed in the taxation year in 679 of the CT23 or CT8) . . . . − 477 227,648.

Ontario current taxation year closing balance
in pool of deductible SR & ED expenditures 475 − 477 . . . . . = 480

(Transfer this amount to 460 as the carry
forward amount for the next taxation year.)

Ontario Scientific Research and Experimental Development Expenditures
CT23 Schedule 161

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2004-12-31

Calculation of Preceding Taxation Year Amount and Account Balances - Federal ITC from SR & ED Expenditures relating to QORD.

- This page is used to calculate the amount of the federal ITC that relates to SR & ED performed in Ontario for certain taxation years and is used to increase the amount of the Ontario SR & ED pool on page 2.
- All amounts on this page are based on the preceding taxation year since the amount of the federal ITC that relates to QORD can only be used to increase the Ontario pool for SR & ED in the current taxation year if there was a federal ITC claimed for federal purposes in the preceding taxation year that related to QORD.
- **Do not include amounts** of federal ITCs that relate to QORD that were **allocated from a partnership.** These amounts are added to your SR & ED pool for Ontario in the taxation year that they are allocated from a partnership to a corporation, not in the year after they are claimed federally.

Opening Balance:
(Enter amount 590 from Schedule 161 of the preceding taxation year, if any) . . . . . + 500

Amount of federal ITC earned, relating to QORD
(QORD portion of line 540 federal T2 SCH31 for the preceding taxation year) . . . . . + 510 164,311.

Amount of federal ITC earned, relating to QORD, transferred on amalgamation or wind-up
(QORD portion of line 530 federal T2 SCH31 for the preceding taxation year) . . . . . + 520

Subtotal: 500 + 510 + 520 . . . . . = 535 164,311.

Deduct: Amount of federal ITC, relating to QORD, claimed federally
(QORD portion of line 560 federal T2 SCH31 for the preceding taxation year) . . . . . + 540 164,311.

Amount of federal ITC, relating to QORD, carried back federally to a preceding taxation year(s)
(QORD portion of line P federal T2 SCH31 for the preceding taxation year . . . . . + 550

A refund of federal ITC, relating to QORD, claimed federally
(QORD portion of line 610 federal T2 SCH31 for the preceding taxation year) . . . . . + 560

Amount of federal ITC, relating to QORD, deemed as a remittance of co-op corporations
(QORD portion of line 510 federal T2 SCH31 for the preceding taxation year) . . . . . + 570

Total: 540 + 550 + 560 + 570 . . . . . = 575 164,311.
(Transfer this amount to 462 on Page 2)

Deduct: Amount of federal ITC, relating to QORD, expired per the ITA after 10 taxation years . . . . . .
(QORD portion of line 515 federal T2 SCH31 for the preceding taxation year) . . . . . − 580

Closing Balance: 535 − 575 − 580 . . . . . = 590
(Transfer this amount to 500 as the opening balance for the next taxation year.)

Ontario Scientific Research and Experimental Development Expenditures
CT23 Schedule 161

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2004-12-31

Continuity Schedule for Federal ITC relating to SR & ED Expenditures for the Preceding Taxation Year

- All amounts on this page are based on the preceding taxation year.
- Amounts on this page should tie into Part 11 of federal T2 SCH31 completed for the preceding taxation year.

Yr. of Origin (Oldest yr. first) yyyy mm dd	Opening Balance	Additions	Deductions (other than amounts that were allocated from a partnership)	Deductions (only amounts that were allocated from a partnership)	Closing Balance
1994-05-31					
1995-05-31					
1996-05-31					
1997-05-31					
1998-05-31					
1999-05-31					
2000-05-31					
2001-05-31					
2002-05-31					
2003-05-31					
2004-05-31		164,311	164,311		
Totals (see note 1, 2 and 3)	725	740 164,311	755 164,311	770	785

Notes:

1. The amount in [725] should equal the amount of the investment tax credit at the end of the preceding taxation year less line [515] in Part 12 of the federal T2 SCH31 for the preceding taxation year.
2. The amount in [785] should equal the closing balance in line [620] in Part 12 of the federal T2 SCH31 for the preceding taxation year.
3. It is important that the amounts in the deductions columns on this page correctly reflect the year of origin of the federal ITC claimed because only amounts relating to QORD can be used to increase the Ontario SR & ED pool.

Ontario Scientific Research and Experimental Development Expenditures
CT23 Schedule 161

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2004-12-31

Continuity Schedule for the Amount of Federal ITC from SR & ED Expenditures relating to QORD for the Preceding Taxation Year

- This page is required to record the amount of the ITC that relates to QORD by year of origin.
- All amounts on this page are based on the preceding taxation year.
- **Do not** include amounts of federal ITCs that relate to QORD that were **allocated from a partnership** (see text at the top of page 3).

Yr. of Origin (Oldest yr. first) yyyy mm dd	Opening Balance	Additions	Deductions	Closing Balance
2000-05-31				
2001-05-31				
2002-05-31				
2003-05-31				
2004-05-31		164,311	164,311	
Totals (see note 1 - 6)	825	840 164,311	855 164,311	870

Notes:

1. The amount in [825] should equal [500] on page 3.
2. The amount in [840] should equal the total of [510] and [520] on page 3.
3. The amount in [855] should equal [575] on page 3.
4. The amount in [870] should equal [590] on page 3.
5. Any deductions that are recorded in the deduction column on this page must be taken out of the same year of origin as indicated in the deduction column on page 4. These deductions must be related to QORD and must not have been allocated from a partnership.
6. The amount of federal ITC relating to QORD will expire if the federal ITC it relates to expires before it is claimed federally.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CLAIM FOR SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT (SR&ED) CARRIED OUT IN CANADA

- Use this form to claim SR&ED carried out in Canada during the year. File it with your return of income.
- If you are filing a T2 corporation return of income, place this form on top of the return so that we can identify your SR&ED claim quickly.
- Use a separate form to support SR&ED expenditures incurred by each partnership of which you are a partner.
- Use Guide T4088, *Claiming Scientific Research and Experimental Development Expenditures*, to help you fill out this form. You can also consult our Web site at **www.cra.gc.ca/sred/** for an online help guide.
- If the SR&ED was performed in the province of Newfoundland and Labrador, Nova Scotia, New Brunswick, Québec, Ontario, Manitoba, Saskatchewan, or British Columbia, or in the Yukon Territory, you may be entitled to a provincial or territorial tax credit.
- Complete schedules A, B, C, D, E and F, if they apply to your situation.
- Prepare and retain schedules to support the breakdown for each expenditure claimed in this form and on the required attachments.
- On this form, references to the Act are to the *Income Tax Act*. References to the Regulations are to the *Income Tax Regulations*.
- All the information requested in this form including the attachments, schedules and any other document supporting your expenditures is prescribed information. You have to file the information that applies to your claim, along with Schedule T2 SCH 31 or Form T2038(IND), within 12 months of the filing-due date of your return of income for the year you incurred the expenditures. If you do not meet this reporting deadline, we may reject your claim.

Part 1 – General Information

Name of claimant POWERSTREAM INC.	Claimant's business address and postal code 2800 RUTHERFORD ROAD VAUGHAN L4K 2N9 Claimant's Web site (if available) http://www.
Business Number, social insurance number, or partnership identification number 85750 3346 RC0001	Return for tax year from: 2004-06-01 (Year Month Day) to: 2004-12-31 (Year Month Day)
100 Name of contact person EBRAHIM HOSSEINI	142 Is the claim filed for a partnership? 1 Yes ☐ 2 No ☒
105 Telephone number/extension (905) 417-6928 110 Fax number	145 If *yes*, what is the name of the partnership?
130 Is this the first time you are claiming for SR&ED? 1 Yes ☐ 2 No ☒	150 Percentage of SR&ED investment tax credits allocated from the partnership %
132 If not, when was the last claim? Year 2003	155 Name of the person or firm who prepared this claim Deloitte & Touche LLP

Certification and Election

I certify that I have examined the information provided on this form, and on the related schedules and attachments and it is true, correct, and complete.

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for the year. I understand that my election (choice) is irrevocable for this year.

160 I elect to use the proxy method under clause 37(8)(a)(ii)(B) 1 Yes ☒

162 I choose to use the traditional method 1 Yes ☐

165 TONY CINA — Name of authorized signing officer of the corporation, authorized partner, or individual

Signature

170 Date

For Canada Revenue Agency use only

490 491 492

T661 E (06)

Canada

Part 2 – Scientific or Technological Project Information

Provide the information requested in Step 1 on separate sheets of paper for each project, and attach them to this form. If you have more than 20 projects, you only need to provide project descriptions for the 20 that are largest in term of dollar value. For step 2, provide the information requested on this form and complete Schedule E. For more information, see Guide T4088, *Claiming Scientific Research and Experimental Development.*

Step 1 – Detailed project description

Identify each of the projects you are claiming and use questions A to E below to help you provide the information we need to process your claim. If the project is continuing from last year and the objective has not changed or been achieved, you can use the same information that you provided last year for questions A, B and C. Include sufficient information to show how your project work meets the requirements of the SR&ED Program.

We recommend that you read Guide T4088 before you answer questions A to E. This will help you understand the type of information the Canada Revenue Agency needs to process your claim and will reduce or eliminate the need for you to submit more information. It will also help you avoid preparing unnecessary information. Most projects can be described in four pages or less. It would be helpful to take into account whether your project involved experimental development work or scientific research work, because the eligibility requirements for these are different. In general, **experimental development** work is done either in or outside a laboratory in order to achieve a technological advancement for creating new, or improving existing materials, devices, products, or processes. Scientific research work is done mostly in a laboratory setting to obtain new scientific knowledge.

A. **Scientific or technological objectives** – What is the scientific or technological objective of your project? Does this project involve scientific research or experimental development?

B. **Technology or knowledge base or level** – If your project work is mostly experimental development, what were the technological limitations of the products or processes before you started your project? If your project work is mostly scientific research, what was the extent of existing scientific knowledge in this area?

C. **Scientific or technological advancement** – What advancement in technology is being sought? What were the problems or challenges that could not be solved using commonly available techniques requiring you to seek an advance in the underlying technology to achieve the objective in A above? or what was the new scientific knowledge sought in your work? To what field of science or technology would the advance contribute?

D. **Description of work in the tax year** – Describe the work, including experiments and analyses, that you did in this tax year to achieve the technological or scientific objectives above. If all or part of the work that you are claiming was performed by contractors, include a description of the work performed on your behalf by the contactors or a copy of the statement of work from the contract.

E. **Supporting information** – What technical records or documents generated over the course of the work, such as records of trials, test results, progress and final reports, minutes of meetings, employee activity records, prototypes, and new products, are available to support your claim?

Step 2 – Project summary information

Total number of projects you are claiming in this tax year. 200 4

If you received an amount under the Industrial Research Assistance Program (IRAP) for SR&ED type work, please indicate the amount you received. 206

Complete Schedule E to provide a list of all SR&ED projects for which you are claiming expenditures this year.

Part 3 – Summary of SR&ED Expenditures (nearest dollar)

Step 1 – Allowable SR&ED expenditures for SR&ED carried out in Canada			
SR&ED portion of salary or wages of employees directly engaged in SR&ED:			
• employees other than specified employees	300	+	219,498
• specified employees (do not include bonuses or remuneration based on profits) (see guide)	305	+	
Amounts deemed incurred in the year under subsection 78(4) (salary or wages)	310	+	
Unpaid amounts deemed not incurred in the year under subsection 78(4) 315			
Cost of materials consumed in the prosecution of SR&ED	320	+	
Cost of materials transformed in the prosecution of SR&ED	325	+	
SR&ED contracts performed on your behalf (complete Schedule F):			
• arm's length contracts	340	+	8,150
• non-arm's length contracts	345	+	
Lease costs of equipment used:			
• all or substantially all (90% of the time or more) for SR&ED	350	+	
• primarily (more than 50% but less than 90% of the time) for SR&ED. Enter only 50% of the lease costs if you use the proxy method. If you use the traditional method, enter "0".	355	+	
Overhead or other expenditures (enter "0" if you use the proxy method)	360	+	
Subtotal (add lines 300 to 360; do not add line 315)	365	=	227,648
Third-party payments (complete Schedule A)	370	+	
Total current SR&ED expenditures (add lines 365 and 370)	380	=	227,648
Capital expenditures (for ASA equipment, see guide)	390	+	
Total allowable SR&ED expenditures (add lines 380 and 390)	400	=	227,648

Step 2 – Pool of deductible SR&ED expenditures			
Amount from line 400			227,648
less			
• government and non-government assistance for expenditures included on line 400	430	–	
• SR&ED ITC claimed last year (other than ITC on shared-use equipment)	435	–	164,311
• sale of SR&ED capital assets (see guide) and other deductions	440	–	
add			
• previous year's ending balance in the pool of deductible SR&ED expenditures	450	+	
• amount of ITC recaptured in the preceding tax year	453	+	
• adjustments to the pool of deductible expenditures (complete Schedule B, Section 1)	454	+	
Amount available for deduction (If the amount is negative, enter "0" and add to income in the year)	455	=	63,337
Deduction claimed in the year	460	–	63,337
Current year's balance of deductible SR&ED expenditures applicable to future years (line 455 minus line 460)	470	=	

Step 3 – Qualified SR&ED expenditures for ITC purposes
Enter the breakdown between current and capital expenditures for ITC purposes.

		Current Expenditures		Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	227,648	496	
add				
• unpaid amounts (other than salaries or wages) from previous years that were paid in the year under subsection 127(26)	500 +			
• prescribed proxy amount (complete Schedule D); enter "0" if you use the traditional method	502 +	142,028		
• expenditures on shared-use-equipment (See Note 1)			504 +	
• qualified expenditures transferred to you (from Form T1146)	508 +		510 +	
less				
• government and non-government assistance, and contract payments	534 –		536 –	
• amounts from lines 552 and 554 of Schedule B, Section 2	552 –		554 –	
• amounts from lines 555 and 556 of Schedule C	555 –		556 –	
Subtotal	557 =	369,676	558 =	
SR&ED qualified expenditure pool (add lines 557 and 558)			559 =	369,676
add				
• Repayments of assistance and contract payments made in the year			560 +	
Total SR&ED expenditures that qualify for ITC purposes (add lines 559 and 560)*			570 =	369,676

* To claim an ITC on this amount, you must complete Schedule T2 SCH 31 – *Investment Tax Credit – Corporation*, or Form T2038(IND), *Investment Tax Credit (Individuals)*, whichever applies.

Note 1
The expenditure is deemed to be 1/4 of the capital cost of the equipment. Certain adjustments may be required if the equipment was purchased from a non-arm's length supplier (see the explanations for lines 522 and 524 in the guide).

Part 4 – Background Information

This information is used to administer the SR&ED program.

Expenditures for SR&ED performed by you (line 400 minus lines 340, 345, and 370) **605** 219,498

A. Sources of funds for SR&ED
From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization

		Canadian (%)		Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

B. Business personnel
Total number of employees **630** 350

SR&ED personnel (full-time SR&ED staff, plus full-time equivalent for staff engaged part-time in this activity):

Scientists and engineers	632	5	Technologists and tehnicians	634	
Managers and administrators	636		Other technical supporting staff	638	

C. Nature of SR&ED work
From the total you entered on line 605, estimate the approximate distribution of your SR&ED effort:

Basic research (no specific application in view)	650		Applied research (specific practical application in view)	652				
Development of new:	product	654	process	656	100.000	technical services	658	
Improvement to existing:	product	660	process	662		technical services	664	

D. Specialized field of research
Indicate, if applicable, the percentage of the amount on line 605 attributed to the following fields of research:

Software development	670	Biotechnology	672	Environmental protection	674

Complete Claim Checklist

To speed up the processing of your claim, make sure you have:

1. Used the current version of Form T661 if you are filing a current-year claim	X
2. Signed the "Certification and Election" section in Part 1 of Form T661	X
3. Indicated the method you have chosen for reporting your SR&ED expenditures in fields 160 or 162 of Part 1	X
4. Provided a summary of information for each project, with a breakdown of expenditures (labour, materials and contracts) as per Schedule E	X
5. Submitted a detailed project description of your 20 largest projects in terms of their dollar value	X
6. Retained documents prepared to support the SR&ED expenditures claimed in Part 3. If you forget to claim an expenditure, you have up to 12 months after the filing-due date of your tax return for the year to submit an amended Form T661	X
7. Completed Part 4 - Background Information	X
8. Completed schedule A, B, C, D, E and F, if they apply to your situation, and attached to form T661	X
9. Filed a completed Schedule T2 SCH 31, *Investment Tax Credit – Corporations*, or Form T2038 (IND), *Investment Tax Credit (Individuals)*, to claim ITCs on your qualified SR&ED expenditures	X

All the information requested in this form including the attachments, schedules and any other document to support your expenditures is prescribed information. You have to file the information that applies to your claim, along with Schedule T2 SCH 31 or Form T2038(IND), within 12 months of the filing-due date of your income tax return for the year you incurred the expenditures. If you do not meet this reporting deadline, your claim may be rejected.

Schedule A – Third-Party Payments for SR&ED

You must complete a Schedule A for each third-party payment for SR&ED (attach to Form T661)

Schedule B – Special Situations (attach to Form T661).

Section 1 – Adjustments to the pool of deductible SR&ED expenditures incurred in Canada

• Repayments of government and non-government assistance (include only the repayments of assistance that previously reduced the deductible SR&ED expenditure pool)	445	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
Total (add lines 445 and 452)	454	=	

Report on line 454 in Part 3, Step 2 of Form T661

Section 2 – Adjustments to the qualified SR&ED expenditures for ITC purposes

		Current Expenditures		Capital Expenditures
• Unpaid amounts (other than salary or wages on line 315) deemed not to be incurred in the year under subsection 127(26)	520	–		
• Current expenditures for SR&ED contract paid or payable to, or for the benefit of a person or partnership that is not a taxable supplier in respect of the expenditures	528	–		
• Prescribed expenditures (Section 2902 of the *Regulations*)	530	–	532	–
• Other deductions (see guide)	548	–	550	–
Total (add lines 520, 528, 530, and 548, also add lines 532 and 550)	552	=	554	=

Report on lines 552 and 554 respectively in Part 3, Step 3 of Form T661

Schedule C – Non-Arm's Length Transactions (attach to Form T661).

Adjustments to the qualified SR&ED expenditures for ITC purposes		Current Expenditures		Capital Expenditures
• Purchases of goods and services from non-arm's length suppliers (except for shared-use-equipment) (see note 1)	522	–	524	–
• Expenditures for non-arm's length SR&ED contracts (from line 345)	526	–		
• Assistance allocated to you (from Form T1145)	538	–	540	–
• Qualified expenditures you transferred (from Form T1146)	544	–	546	–
Total (add lines 522, 526, 538, and 544, also add lines 524, 540, 546)	555	=	556	=

Report on line 555 and 556 respectively in Part 3, Step 3 of Form T661

Note 1

Subsections 127(11.6) to (11.8) provide rules for determining a taxpayer's expenditures to services rendered by, or property acquired from, a non-arm's length supplier. On line 522, enter the difference, if any, between the amount included in your SR&ED expenditure pool for the purchases of goods and services from non-arm's length suppliers and the expenditure's deemed amount under subsection 127(11.6) (read the Guide).

Schedule D – Calculation of Salary Base and Prescribed Proxy Amount

You must complete a Schedule D if you are using the proxy method (attach to Form T661).

Schedule E – List of all SR&ED projects claimed in the year

You must complete a Schedule E for each project you are claiming (attach to Form T661).

Schedule F – Arm's Length and Non-Arm's Length SR&ED Contracts

You must complete a Schedule F if you have made expenditures for SR&ED contracts performed on your behalf (attach to Form T661).

T661 Schedule D – Calculation of Salary Base and Prescribed Proxy Amount

If you are using the proxy method, complete this calculation table and attach it to Form T661.

This table will help you to calculate the prescribed proxy amount (PPA) to enter on line 502 of Form T661. You can only claim a PPA if you elected in Part 1 of Form T661 (line 160) to use the proxy method for the year.

The PPA is 65% of the salary base determined in Section A. The salary base is the total of salary or wages paid to and incurred for the employees directly engaged in SR&ED in Canada during the year.

Special rules apply for specified employees. Calculate your salary base in Section A, the PPA in Section B, and the salary or wages of specified employees eligible to be included in the salary base in Section C.

Section A – Salary base

Salary or wages of employees directly engaged in SR&ED, other than specified employees (from line 300)	810	+	219,498
Less:			
Remuneration based on profits, bonuses, and taxable benefits under sections 6 and 7 of the Act, included on line 810 above	812	–	993
Subtotal (line 810 minus line 812)	814	=	218,505
Plus:			
Total salary or wages of specified employees directly engaged in SR&ED (per Section C, total of column 6 below)	816	+	
Salary base (total of lines 814 and 816)	818	=	218,505

Section B – Prescribed Proxy Amount

Calculate 65 % of the salary base per line 818	820	=	142,028

Report the PPA on line 502 of Part 3, Step 3 of Form T661.

In certain situations, an overall cap on the PPA may limit the amount otherwise determined (see Table 7 in the guide).

Section C – Determining the salary or wages of specified employees

Special rules apply to restrict the amount of salary or wages of specified employees that you can include in the salary base. Use the chart below to calculate this amount.

850	852	854	856		858	860
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 4a**	**Column 5****	**Column 6**
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED)*	Percentage of time spent on SR&ED in Canada (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	Number of days in taxation year employed (maximum 365 days)	2.5 x A x B ÷365	Amount in column 4 or 5, whichever amount is less
Total (enter total of column 6 amounts on line 816 in Section A above).						

* Do not include bonuses, remuneration based on profits, or taxable benefits under sections 6 and 7 of the *Act*.

** **A** is the year's maximum pensionable earnings (section 18 of the *Canada Pension Plan*) for the calendar year in which your tax year ends. The year's maximum pensionable earnings for 2006 are $42,100 x 2.5 = $105,250), for 2005 they are $41,100 (total $41,100 x 2.5 = $102,750), and for 2004 they are $40,500 (total $40,500 x 2.5 = $101,250).
B is the number of days in the taxation year that you employ the individual.

T661 Schedule E – List of All SR&ED Projects Claimed in the Year

For each project you are claiming, provide the following information using the table below. Expenditures should be recorded and allocated on a project basis.

210 Project identification: code or name	212 Start date (yyyy/mm/dd)	214 Finish date (yyyy/mm/dd) Actual or expected	216 Total labour expenditures in tax year	218 Total expenditures of materials in tax year	220 Total contract expenditures in tax year
1. SAEA IMP	2004-06-01	2006-12-31	83,021		8,150
2. MTS	2004-06-01	2006-12-31	17,734		
3. TECHSTRAT	2004-06-01	2006-12-31	85,865		
4. C&DM	2004-06-01	2006-12-31	32,878		
		Total	219,498		8,150

Use copies of this schedule if you have more than 50 projects and attach them to Form T661.

T661 Schedule F – Expenditures for SR&ED Contracts

Schedule F – Arm's Length and Non-Arm's Length SR&ED Contracts (attach to Form T661).
Complete this schedule only if the total dollar amount per contractor for the year is greater than $30,000. If necessary, use copies of this schedule and attach them to Form T661.

Section A – Number of contractors for whom you have to report and provide details in Sections B and C

Arm's length contractors (Complete section B below)	900
Non-arm's length contractors (Complete section C below)	920

Section B – Complete this section for each arm's length contractor

902 Name of contractor	904 Contractor's Business No. or GST Registration No.	906 Number of contracts per contractor	908 Total dollar amount per contractor greater than $30,000	910 Project code for expenditures claimed in the year (if available)	912 Total contract expenditures in tax year
Allegis Group Can.	88840 8614 RT	1		SAEA Imp	5,250
Chimax Inc.	134078468 RT	1		SAEA Imp	2,900
The total of column 912 is included in the total of line 340 in Part 3, Step 1 of Form T661.				Total	8,150

Section C – Complete this section for each non-arm's length contractor

922 Name of contractor	924 Contractor's Business No. or GST Registration No.	926 Number of contracts per contractor	928 Total dollar amount per contractor greater than $30,000	930 Project code for expenditures claimed in the year (if available)	932 Total contract expenditures in tax year
The total of column 932 is included in the total of line 345 in Part 3, Step 1 of Form T661.				Total	

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 **Do not use this area**

Identification

Business Number (BN) 001 85750 3346 RC0001

Corporation's name

002 POWERSTREAM 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 2800 RUTHERFORD ROAD

City: 015 VAUGHAN
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal code/Zip code: 018 L4K 2N9

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: 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 ☒

031 2800 RUTHERFORD ROAD
032

City: 035 VAUGHAN
Province,territory, or state: 036 ON
Country (other than Canada): 037
Postal code/Zip code: 038 L4K 2N9

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: 060 2004-06-01 YYYY MM DD
Taxation year end: 061 2004-12-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If *Yes*, provide the date control was acquired . . . . . 065 _____ YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒
Amalgamation? . . . . . 071 1 Yes ☒ 2 No ☐

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . 082 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150		9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160		23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	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
(__ he 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	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	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	X	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	X	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
[e 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	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	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		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 X	2 No

What is the corporation's major business activity? 282 DISTRIBUTION OF ELECTRICITY
(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	ELECTRICITY	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes	2 No X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		12,976,481	A
Deduct: Charitable donations from Schedule 2	311	12,000		
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		12,000 ▶	12,000	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			12,964,481	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		12,964,481	
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)			12,964,481	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 12,865,503 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 12,964,481 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
			214		
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	214 / 214 =	250,000	2
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	=		3
			214		
		Add amounts at lines 1, 2, and 3		250,000	4

Business limit (see notes 1 and 2 below) ..... 410 146,575 C

Notes:
1. For CCPCs that are not associated, enter the amount from line 4 on 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 on line 410.

Business limit reduction:

Amount C 146,575 x 415 *** 344,156 / 11,250 D = ... 4,483,970 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 on line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered on 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) * ..... 12,865,503 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 12,964,481 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 110,978 D

Amount C **minus** amount D (if negative, enter "0") ..... 12,853,503 ▶ 12,853,503 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 (amount 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 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	214 / 214	x 2 % =	_____	B
Amount A	_____	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	_____ / 214	x 3 % =	_____	C
Amount A	_____	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	_____ / 214	x 5 % =	_____	D
Amount A	_____	x	Number of days in the taxation year after 2006 / Number of days in the taxation year	_____ / 214	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 ..... 12,964,481 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		110,978	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		110,978 ▶	110,978 I

Amount A minus amount I (if negative, enter "0") ..... 12,853,503 J

Amount J	12,853,503	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	214 / 214	x 7 % =	899,745	K

General tax reduction for Canadian-controlled private corporations – amount K ..... 899,745 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	214 / 214	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	110,978 × 26 2 / 3 % =		29,594 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	× 9 1 / 3 % = (if negative, enter "0")	▶	B
Amount A **minus** amount B (if negative, enter "0")				29,594 C
Taxable income from line 360 on page 3			12,964,481	
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		× 25 / 9 =		
Foreign business income tax credit from line 636 of page 7		× 3 =		
			▶	
			12,964,481	
			× 26 2 / 3 % =	3,457,195 D
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8)			2,808,976	
Deduct: Corporate surtax from line 600 of page 7			145,202	
Net amount			2,663,774 ▶	2,663,774 E
Refundable portion of Part I tax – Amount C, D, or E, whichever is the least	450			29,594 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			29,594	
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		44	
			29,638 ▶	29,638 H
Refundable dividend tax on hand at the end of the taxation year – Amount G plus amount H	485			29,638

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	900,000 × 1 / 3		300,000 I
Refundable dividend tax on hand at the end of the taxation year from line 485 above			29,638 J
Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8)			29,638

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 4,926,503 A

Corporate surtax calculation

Base amount from line A above	4,926,503	1
Deduct:		
10 % of taxable income (line 360 or amount Z, whichever applies) from page 3	1,296,448	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	1,296,448	7
Net amount (line 1 **minus** line 7)	3,630,055	8

Corporate surtax – 4.00 % of the amount on line 8 .... 600 145,202 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		110,978	i
Taxable income from line 360 on page 3	12,964,481		
Deduct:			
Amount on line 400, 405, 410, or 425 of page 4, whichever is the least			
Net amount	12,964,481 ▶	12,964,481	ii

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii .... 604 7,399 D

Subtotal (add lines A, B, C, and D) 5,079,104 E

Deduct:

Small business deduction from line 430 of page 4			9
Federal tax abatement	608	1,296,448	
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 L on page 5	638	899,745	
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	73,935	
Apprenticeship job creation tax credit			11
Subtotal		2,270,128 ▶	2,270,128 F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) .... 2,808,976 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	2,808,976
Part I.3 tax payable from Schedule 33, 34, or 35	704	384,362
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		3,193,338

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 Québec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	3,193,338 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from page 6	784	29,638	
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	3,398,088	
Total credits	890	3,427,726	3,427,726 B
Balance (line A **minus** line B)			-234,388

Refund code 894 [ ] Overpayment 234,388

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid .....
Enclosed payment 898

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

[ ] Start [ ] Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? ..... 896 1 Yes [ ] 2 No [X]

Certification

I, 950 CINA (Last name) 951 TONY (First name) 954 DIRECTOR OF ACCOUNTING & TAX (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 2006-06-29 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation 956 (905) 417-6941 (Telephone number)

Is the contact person the same as the authorized signing officer? If *No*, complete the information below ..... 957 1 Yes [ ] 2 No [X]

958 EBRAHIM HOSSEINI (Name) 959 (905) 417-6928 (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 [ ]

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- 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*.

Net income (loss) after taxes and extraordinary items per financial statements			7,719,000 A	
Add:				
Provision for income taxes – current	101	5,074,000		
Interest and penalties on taxes	103	37,411		
Amortization of tangible assets	104	15,779,000		
Charitable donations from Schedule 2	112	12,000		
Taxable capital gains from Schedule 6	113	110,978		
Political donations	114	6,871		
Scientific research expenditures deducted per financial statements	118	219,498		
Non-deductible meals and entertainment expenses	121	26,572		
Non-deductible automobile expenses	122	728		
Reserves from financial statements – balance at the end of the year	126	5,319,370		
Subtotal of additions		26,586,428 ▶		26,586,428
Other additions:				
Miscellaneous other additions:				
600 ADDBACK RE: 12(1)(x)	290	13,319,059		
601 CAPITAL TAX BOOKED FOR ACCOUNTING PURPOSES	291	850,000		
602 REFUND INTEREST	292	55,764		
603b Ontario Specified Tax Credits 4,266				
Total 4,266	293	4,266		
Subtotal of other additions	199	14,229,089 ▶		14,229,089
Total additions	500	40,815,517 ▶		40,815,517
Deduct:				
Gain on disposal of assets per financial statements	401	273,914		
Capital cost allowance from Schedule 8	403	14,783,302		
Cumulative eligible capital deduction from Schedule 10	405	452,256		
Scientific research expenses claimed in year from Form T661	411	63,337		
Reserves from financial statements – balance at the beginning of the year	414	4,528,814		
Contributions to deferred income plans from Schedule 15	417	919,000		
Subtotal of deductions		21,020,623 ▶		21,020,623
Other deductions:				
Miscellaneous other deductions:				
700 20(1)(e)	390	358,791		
701 S.13(7.4) ELECTION	391	13,319,059		
702 CAPITAL TAX PER CT23	392	859,563		
Subtotal of other deductions	499	14,537,413 ▶		14,537,413
Total deductions	510	35,558,036 ▶		35,558,036
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				12,976,481

T2 SCH 1 E (06)

Canada

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 2

CHARITABLE DONATIONS AND GIFTS

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

- For use by corporations to claim any of the following:
  - charitable donations;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the windup of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*.
- For donations and gifts made after March 22, 2004, proposed subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
  - where a particular corporation has undergone a change of control, for taxation years that end on or after the change of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the change of control.
  - if a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the change of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- 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)
UNITED WAY	12,000
Subtotal	12,000
Add: Total donations of less than $100 each	
Total donations in current taxation year	12,000

		Federal	Quebec	Alberta
Charitable donations at the end of the preceding taxation year				
Deduct: Charitable donations expired after five taxation years	239			
Charitable donations at the beginning of the taxation year	240			
Add:				
Charitable donations transferred on an amalgamation or the windup of a subsidiary	250			
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1) 12,000	210			
Subtotal (line 250 plus line 210) 12,000 ▶		12,000	12,000	12,000
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	255			
Total charitable donations available		12,000 A	12,000	12,000
Deduct: Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)	260	12,000	12,000	12,000
Charitable donations closing balance	280			

Amounts carried forward – Charitable donations

Year of origin:		Federal	Quebec	Alberta
1st prior year	2004			
2nd prior year	2003			
3rd prior year	2002			
4th prior year	2001			
5th prior year	2000			
6th prior year *	1999			
Total (to line A)				

* These donations expired in the current year.

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes * **multiplied** by 75 %			9,732,361 B
Taxable capital gains arising in respect of gifts of capital property			
– lines 895 and 896 of Schedule 6, multiplied by the inclusion rate			
– other			
	Total 225		C
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)	227		D
The amount of the recapture of capital cost allowance in respect of charitable gifts	230		
Proceeds of disposition, less outlays and expenses		E	
Capital cost		F	
Amount E or F, whichever is less	235		
Amount on line 230 or 235, whichever is less			G
	Subtotal (add amounts C, D, and G)		H
	Amount H **multiplied** by 25 %		I
	Subtotal (amount B plus amount I)	9,732,361	J
Maximum allowable deduction for charitable donations (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less)		12,000	K

* 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, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the preceding taxation year			
Deduct: Gifts to Canada, a province, or a territory expired after five taxation years	339		
Gifts to Canada, a province, or a territory at the beginning of the taxation year	340	▶	
Add: Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350		
Total current year gifts made to Canada, a province, or a territory *	310		
Subtotal (line 350 plus line 310)		▶	
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	355		
Total gifts to Canada, a province, or a territory available			
Deduct: Amount applied against taxable income (enter this amount on line 312 of the T2 return)	360		
Gifts to Canada, a province, or a territory closing balance	380		

* 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 on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal	Quebec	Alberta
Gifts of certified cultural property at the end of the preceding taxation year				
Deduct: Gifts of certified cultural property expired after five taxation years	439			
Gifts of certified cultural property at the beginning of the taxation year	440			
Add: Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450			
Total current-year gifts of certified cultural property	410			
Subtotal (line 450 plus line 410)				
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455			
Total gifts of certified cultural property available				
Deduct: Amount applied against taxable income (enter this amount on line 313 of the T2 return)	460			
Gifts of certified cultural property closing balance	480			

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Quebec	Alberta
1st prior year	2004			
2nd prior year	2003			
3rd prior year	2002			
4th prior year	2001			
5th prior year	2000			
6th prior year *	1999			
Total				

* These donations expired in the current year.

Part 5 – Gifts of certified ecologically sensitive land

		Federal	Quebec	Alberta
Gifts of certified ecologically sensitive land at the end of the preceding taxation year				
Deduct: Gifts of certified ecologically sensitive land expired after five taxation years	539			
Gifts of certified ecologically sensitive land at the beginning of the taxation year	540			
Add: Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550			
Total current-year gifts of certified ecologically sensitive land	510			
Subtotal (line 550 plus line 510)				
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555			
Total gifts of certified ecologically sensitive land available				
Deduct: Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560			
Gifts of certified ecologically sensitive land closing balance	580			

Amounts carried forward – Gifts of certified ecologically sensitive land

Year of origin:		Federal	Quebec	Alberta
1st prior year	2004			
2nd prior year	2003			
3rd prior year	2002			
4th prior year	2001			
5th prior year	2000			
6th prior year *	1999			
al				

* These donations expired in the current year.

T2 SCH 2 E (05)

Canada

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DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid for purposes of a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the sections about Schedule 3 in the *T2 Corporation Income Tax Guide*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- "X" under column B if the payer corporation is connected.
- "X" under column F1 if the dividends received are eligible to a gross-up of 45% for the purposes of the dividend tax credit for individuals.

Part 1 – Dividends received during the taxation year

Do not include dividends received from foreign non-affiliates.

Name of payer corporation (Use only one line per corporation, abreviating its name if necessary) 200	A	Complete if payer corporation is connected: B 205	C Business Number 210	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD 220

Note: If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

E Non-taxable dividend under section 83 230	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d) 240	F1	If payer corporation is not connected, leave these columns blank. G Total taxable dividends paid by connected payer corporation 250	H Dividend refund of the connected payer corporation 260	I Part IV tax before deductions F x 1 / 3 * 270
Total (enter amount of column F on line 320 of the T2 return)					J

For dividends received from connected corporations: Part IV tax equals: $\frac{\text{Column F x Column H}}{\text{Column G}}$

* Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1) . . . . . .

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax 320

Subtotal

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax 330

Non-capital losses from previous years claimed to reduce Part IV tax 335

Current-year farm loss claimed to reduce Part IV tax 340

Farm losses from previous years claimed to reduce Part IV tax 345

Total losses applied against Part IV tax x 1 / 3 =

Part IV tax payable (enter amount on line 712 of the T2 return) 360

Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund

	A Name of connected recipient corporation 400	B Business Number 410	C Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD 420	D Taxable dividends paid to connected corporations 430
1	THE CORPORATION OF THE		2004-12-31	900,000
2	CITY OF VAUGHAN			

Note

If your corporation's taxation year end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

Total 900,000

Total taxable dividends paid in the taxation year to other than connected corporations 450

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (total of column D above plus line 450) 460 900,000

Eligible dividends paid that are included in line 460 (memo) (Press F1 for additional information) . . . . .

Part 4 – Total dividends paid in the taxation year

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) 460 900,000

Other dividends paid in the taxation year (total of 510 to 540) . . . . . .

Total dividends paid in the taxation year 500 900,000

Deduct:

Dividends paid out of capital dividend account 510

Capital gains dividends 520

Dividends paid on shares described in subsection 129(1.2) 530

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year 540

Subtotal ▶

Total taxable dividends paid in the taxation year for purposes of a dividend refund 900,000

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SCHEDULE 6

SUMMARY OF DISPOSITIONS OF CAPITAL PROPERTY

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

- For use by corporations that have disposed of capital property or claimed an allowable business investment loss, or both, in the taxation year.
- Use this schedule to make a designation under paragraph 111(4)(e) of the federal *Income Tax Act*, if the control of the corporation has been acquired by a person or group of persons.

For more information, see the section called "Schedule 6, Summary of Dispositions of Capital Property" in the *T2 Corporation Income Tax Guide*.

Designation under paragraph 111(4)(e) of the *Income Tax Act*

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)?

050 1 Yes [ ] 2 No [X] If *Yes*, attach a statement specifying which properties are subject to such a designation.

Part 1 – Shares

No. of shares 100	Name of corporation 105	Class of shares 106	Date of acquisition YYYY/MM/DD 110	Proceeds of disposition 120	Adjusted cost base 130	Outlays and expenses (dispositions) 140	Gain (or loss) (column 120 less cols. 130 and 140) 150	Foreign source
			Totals					A

Part 2 – Real estate – Do not include losses on depreciable property

	Municipal address 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code 200	Date of acquisition YYYY/MM/DD 210	Proceeds of disposition 220	Adjusted cost base 230	Outlays and expenses (dispositions) 240	Gain (or loss) (column 220 less cols. 230 and 240) 250	Foreign source
1		2004-10-01	254,165	32,210		221,955	
	Totals		254,165	32,210		221,955	B

Part 3 – Bonds

Face value 300	Maturity date 305	Name of issuer 307	Date of acquisition YYYY/MM/DD 310	Proceeds of disposition 320	Adjusted cost base 330	Outlays and expenses (dispositions) 340	Gain (or loss) (column 320 less cols. 330 and 340) 350	Foreign source
			Totals					C

Part 4 – Other properties – Do not include losses on depreciable property

Description 400	Date of acquisition YYYY/MM/DD 410	Proceeds of disposition 420	Adjusted cost base 430	Outlays and expenses (dispositions) 440	Gain (or loss) (column 420 less cols. 430 and 440) 450	Foreign source
Totals						D

Part 5 – Personal-use property

Description 500	Date of acquisition YYYY/MM/DD 510	Proceeds of disposition 520	Adjusted cost base 530	Outlays and expenses (dispositions) 540	Gain (or loss) (column 520 less cols. 530 and 540) 550	Foreign source
	Totals					E

Note: Losses are not deductible.

Part 6 – Listed personal property

Description 600	Date of acquisition YYYY/MM/DD 610	Proceeds of disposition 620	Adjusted cost base 630	Outlays and expenses (dispositions) 640	Gain (or loss) (column 620 less cols. 630 and 640) 650	Foreign source
	Totals					

Note: Net listed personal property losses may only be applied against listed personal property gains.

Subtract: Unapplied listed personal property losses from other years 655

Amount from line 655 is from line 530 in Part 5 of Schedule 4.

Net gains (or losses) F

Part 7 – Determining allowable business investment losses

Property qualifying for and resulting in an allowable business investment loss

Name of small business corporation 900	Shares, enter 1; debt, enter 2 905	Date of acquisition YYYY/MM/DD 910	Proceeds of disposition 920	Adjusted cost base 930	Outlays and expenses (dispositions) 940	(Loss)(column 920 less cols. 930 and 940) 950	Foreign source
		Totals					G

Note: Properties listed in Part 7 should not be included in any other parts of Schedule 6.

Allowable business investment losses . . . . . Amount G _____ x 50 % = _____ H

Enter amount H on line 406 of Schedule 1.

Part 8 – Determining capital gains or losses

Total of amounts A to F (do not include F, if the amount is a loss) . . . . . 221,955 I

Add:

Foreign source

Capital gains dividend received in the year . . . . . 875 _____ J ☐

Capital gains reserve opening balance (from Schedule 13) . . . . . 880 _____ K

Subtotal (add amounts I, J, and K) 221,955 L

Deduct: Capital gains reserve closing balance (from Schedule 13) . . . . . 885 _____ M

Capital gains or losses (amount L minus amount M) 890 221,955

Part 9 – Determining taxable capital gains and total capital losses

Capital gains or losses (amount from line 890 above) . . . . . 221,955 N

Deduct the following gains that are included in the amount N:

Gain on donation of a share, debt obligation, or right listed on a prescribed stock exchange and other amounts under paragraph 38(a.1) of the *Income Tax Act* . . . . . _____ x 50 % = 895 _____ Foreign source ☐

Gain on donation of ecologically sensitive land _____ x 50 % = 896 _____ Foreign source ☐

Subtotal (line 895 plus line 896) _____ ▶ _____ O

Amount N minus amount O . . . . . 221,955 P

Total capital losses: If amount P is a loss, enter it on line 210 of Schedule 4.

Taxable capital gains: If amount P is a gain, enter it on this line . . . . . 221,955 x 50 % = 110,978 Q

Enter amount Q on line 113 of Schedule 1.

Portion of gain or loss from foreign sources (100%) (excluding business investment losses) . . . . . _____

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SCHEDULE 7

CALCULATION OF AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

- This schedule is for the use of Canadian-controlled private corporations to calculate:
  - foreign investment income and aggregate investment income for the purpose of determining the refundable portion of Part I tax, as defined in subsection 129(4) of the *Income Tax Act;*
  - income from an active business carried on in Canada for the small business deduction; and
  - specified partnership income for members of one or more partnership(s).
- For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part 1 Tax" in the *T2 Corporation Income Tax Guide.*

Part 1 – Foreign and aggregate investment income calculation

	Canadian investment income	Foreign investment income	Aggregate investment income	
The eligible portion of taxable capital gains included in income for the year	110,978	001	002 110,978	A
Eligible portion of allowable capital losses for the year (including allowable business investment losses)		009	012	B
Net capital losses of other years claimed on line 332 on the T2 return			022	C
Total of amounts B and C				D
Amount A **minus** amount D (if negative, enter "0")	110,978		110,978	E
Total income from property (in box 32 include income from a specified investment business carried on in Canada other than income from a source outside Canada)				
Taxable dividends				
Other property income				
Total income from property		019	032	F
Exempt income		029	042	G
Amounts received from NISA Fund No. 2 (CAIS) that were included in computing the corporation's income for the year			052	H
Taxable dividends deductible from Schedule 3, and taxable dividends deductible under paragraph 113(1)(d) and subsection 113(2)		049	062	I
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)		059	072	J
Total of amounts G, H, I, and J				K
Amount F **minus** amount K				L
Total of amount E **plus** amount L	110,978		110,978	M
Total losses from property (in box 82 include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)		069	082	N
Amount M **minus** amount N (if negative, enter "0")	110,978	079 O	092 P 110,978	

Note: The aggregate investment income is the aggregate world source income.

Enter amount O, foreign investment income, on line 445 of the T2 return.
Enter amount P, aggregate investment income, on line 440 of the T2 return.

Net taxable dividends	Canadian	Foreign	Total
Taxable dividends deducted per schedule 3			
Less: Expenses related to such dividends			
Total expenses			
Net taxable dividends			

Part 2 – Specified partnership income

A	B	C
Partnership name 200	Total income (loss) of partnership from an active business 300	Corporation's share of amount in column B 310

D	E	F	G	H	I
Adjustments [add prior-year reserves under subsection 34.2(5), and deduct expenses incurred to earn partnership income, including any reserve under subsection 34.2(4)] 315	Corporation's income (loss) of the partnership (column C **plus** column D) 320	Number of days in the partnership's fiscal period 325	Prorated business limit (column C ÷ column B) × [business limit* × (column F ÷ 365)] (if column C is negative, enter "0")** 330	Column E **minus** column G (if negative, enter "0")	Lesser of columns E and G (if column E is negative, enter "0") 340

Total 350 _____ Total 385 _____ 360 _____

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . . 370 _____

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column E) . . . . . 380 _____

Total of lines 370 and 380 . . . . . _____ ▶ _____ J

Amount at line 385 or line J, whichever is less . . . . . 390 _____

Specified partnership income (line 360 **plus** line 390) . . . . . 400 _____

* Use one of the following business limits to calculate column G, whichever applies:

- $225,000 if the corporation's taxation year ends in 2003;
- $250,000 if the corporation's taxation year ends in 2004; or
- $300,000 if the corporation's taxation year ends in 2005 or after.

** When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is not netted against the partnership's income.

Part 3 – Determination of partnership income

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses – from line 350 above (if the net amount is negative, enter "0" on line O) . . . . . _____ K

Add: Specified partnership loss (from line 380 above) . . . . . _____ L

Subtotal _____ M

Deduct: Specified partnership income (from line 400 above) . . . . . _____ N

Partnership Income* (enter on line S below) . . . . . 450 _____ O

*If the amount on line 450 is positive, complete Schedule 70.

Part 4 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return				12,976,481 P
Deduct: Foreign business income after deducting related expenses*	500			
Taxable capital gains **minus** allowable capital loss – amount A **minus** amount B* (page 1)**		110,978		
Net property income = amount F **minus** amount G, H, and N* (page 1)			Q	
Personal services business income after deducting related expenses*	520			
		110,978	▶	110,978
			Net amount	12,865,503 R
Deduct: Partnership income (line 450 above)				S
Income from active business carried on in Canada (enter on line 400 of the T2 return – if negative, enter "0")				12,865,503 T

* If negative, **add** instead of **subtracting.**
**This amount may only be negative to the extent of any allowable business investment losses.

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SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

Is the corporation electing under regulation 1101(5q)? 101 1 Yes ☐ 2 No ☒

	1 Class number 200	2 Undepreciated capital cost at the beginning of the year 201	3 Cost of acquisitions during the year* 203	4 Net adjustments 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 Undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)** 211	8 Reduced undepreciated capital cost (column 6 **minus** column 7)	9 CCA rate % 212	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1) 213	11 Terminal loss (amount on line 404 of Schedule 1) 215	12 Capital cost allowance (column 8 **multiplied** by column 9; or a lower amount) (amount on line 403 of Schedule 1)*** 217	13 Undepreciated capital cost at the end of the year (column 6 **minus** column 12) 220
1	1		11,214,699	335,716,517	0	346,931,216	5,607,350	341,323,866	4	0	0	8,004,746	338,926,470
2	2			90,651,980	0	90,651,980		90,651,980	6	0	0	3,188,963	87,463,017
3	8		2,333,624	18,854,157	57,471	21,130,310	1,138,077	19,992,233	20	0	0	2,344,295	18,786,015
4	10		1,026,764	4,607,711	0	5,634,475	513,382	5,121,093	30	0	0	900,751	4,733,724
5	12		281,932	127,057	0	408,989	140,966	268,023	100	0	0	157,142	251,847
6	17		68,584	615,973	0	684,557	34,292	650,265	8	0	0	30,500	654,057
7	42			760,099	0	760,099		760,099	12	0	0	53,478	706,621
8	98			4,501,000	0	4,501,000		4,501,000	0	0	0		4,501,000
9	13		176,287	350,359	0	526,646	88,144	438,502	N/A	0	0	51,419	475,227
10	13			17,001	0	17,001		17,001	N/A	0	0	3,235	13,766
11	13			665,497	0	665,497		665,497	N/A	0	0	48,773	616,724
	Total		15,101,890	456,867,351	57,471	471,911,770	7,522,211	464,389,559				14,783,302	457,128,468

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.
See the *T2 Corporation Income Tax Guide* for more information.

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Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return

Tax return

Additions for tax purposes – Schedule 8 regular classes		14,925,603		
Additions for tax purposes – Schedule 8 leasehold improvements	+	176,287		
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
LAND ADDITION	+	30,667		
Total additions per books	=	15,132,557		15,132,557
Proceeds up to original cost – Schedule 8 regular classes		57,471		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
TP ($470,719) & LAND PROCEEDS ON DISPOSITION ($254,165)	+	724,884		
Total proceeds per books	=	782,355	–	782,355
Depreciation and amortization per accounts – Schedule 1			–	15,106,000
Loss on disposal of fixed assets per accounts			–	
Gain on disposal of fixed assets per accounts			+	273,914
Net change per tax return			=	-481,884

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		350,609,000
Opening net book value	–	351,084,000
Net change per financial statements	=	-475,000

If the amounts from the tax return and the financial statements differ, explain why below

DIFFERENCE IS UNRECONCILED BY CLIENT. PER ALAN HANSEN, PASS
NCE INSIGNIFICANT.

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	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 the end of the preceding taxation year (if negative, enter "0") 200 _____ A

Add:

Cost of eligible capital property acquired during the taxation year 222 315,449

Other adjustments . . . . . 226 _____

Subtotal (line 222 plus line 226) 315,449 x 3 / 4 = 236,587 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") 236,587 ▶ 236,587 D

Amount transferred on amalgamation or wind-up of subsidiary . . . . . 224 10,782,997 E

Subtotal (add amounts A, D, and E) 230 11,019,584 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) . . . . . 11,019,584 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 11,019,584

less amount from line 249 _____

Current year deduction . . . . . 11,019,584 x 7.00 % = 250 452,256 *

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 452,256 ▶ 452,256 L

Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0") . . . . . 300 10,567,328 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.

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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 × 1 / 2 =				Q
Line P minus line Q (if negative, enter "0")				R
Amount R × 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 24

FIRST-TIME FILER AFTER INCORPORATION, AMALGAMATION, OR WINDING-UP OF A SUBSIDIARY INTO A PARENT

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

This schedule must be filed by corporations for the first year of filing after incorporation, amalgamation, or by parent corporations filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the *Income Tax Act* during the current taxation year.

Part 1 – Type of operation

100 For those corporations filing for the first time after incorporation or amalgamation, please identify the type of operation that applies to your corporation:

99 Other

Part 2 – First year of filing after amalgamation

For the first year of filing after an amalgamation, please provide the following information:

	Name of predecessor corporation(s) 200	Business Number (If a corporation is not registered, enter "NR") 300
1	MARKHAM HYDRO DISTRIBUTION INC.	88225 3727 RC0001
2	HYDRO VAUGHAN DISTRIBUTION INC.	89109 6810 RC0001
3	RICHMOND HILL HYDRO INC.	86635 1190 RC0001

Part 3 – First year of filing after wind-up of subsidiary corporation(s)

For the parent corporation filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the *Income Tax Act*, please provide the following information:

Name of subsidiary corporation(s) 400	Business Number (If a corporation is not registered, enter "NR") 500	Commencement date of wind-up (YYYY/MM/DD) 600	Date of wind-up (YYYY/MM/DD) 700

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SCHEDULE 31

INVESTMENT TAX CREDIT — CORPORATIONS

General information

1. For use by a corporation that during a taxation year:
   - earned an investment tax credit (ITC);
   - is claiming a deduction against its Part I tax payable;
   - is claiming a refund of credit earned during the current taxation year;
   - is claiming a carryforward of credit from preceding taxation years;
   - is transferring a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act;*
   - is requesting a credit carryback; or
   - is subject to a recapture of ITC.
2. References to parts, sections, and subsections on this schedule are from the federal *Income Tax Act* and the federal *Income Tax Regulations.* References to interpretation bulletins and information circulars are to the latest versions.
3. The ITC is eligible for a three-year carryback (if not deductible in the year earned) and a ten-year carryforward.
4. Investments or expenditures, as defined in subsection 127(9) and Part XLVI of the federal *Income Tax Regulations*, that earn the ITC are:
   - qualified property;
   - certified property;
   - qualified expenditures that are part of the SR&ED qualified expenditure pool. Complete and file Form T661, *Claim for Scientific Research and Experimental Development Expenditures Carried out in Canada*; and
   - pre-production mining expenditures.
5. Attach a completed copy of this schedule with the *T2 Corporation Income Tax Return.*
6. For more information on ITCs, see the section called "Investment Tax Credit" in the *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates,* and its related Special Release. Also, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures.*
7. For information on SR&ED, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures,* Information Circular 86-4, *Scientific Research and Experimental Development,* Guide T4052, *An Introduction to the Scientific Research and Experimental Development Program,* and Guide T4088, *Claiming Scientific Research and Experimental Development* (guide to Form T661).

Detailed information

1. For the purpose of this schedule, **"investment"** means:
   The capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government assistance or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
2. An ITC deducted or refunded in a taxation year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next taxation year. It also reduces the undepreciated capital cost of that class in the next taxation year. An ITC for SR&ED deducted or refunded in a taxation year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next taxation year. An ITC from pre-production mining expenditures deducted in a taxation year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next taxation year.
3. Property acquired has to be "available for use" before a claim can be made for an ITC.
4. Qualified expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the taxation year in which the expenditures or capital costs were incurred.
5. Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 of the Act is not applicable for the agreement to share any income or loss. For more information, see Interpretation Bulletin IT-151.
6. For SR&ED expenditures made after February 22, 2005, the expression "in Canada" includes the "exclusive economic zone" (as defined in the Oceans Act to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil in respect of that zone. For SR&ED expenditures made prior to February 23, 2005, the expression "in Canada" generally includes the 12 nautical mile territorial sea.

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

Part 1 – Investments or expenditures, percentages, and codes

Investments	Specified percentage	Code
Qualified property acquired primarily for use in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, the Gaspé Peninsula, or a prescribed offshore region	10 %	14
Expenditures		
If you are a Canadian-controlled private corporation (CCPC) throughout the taxation year, code 11B may apply to you on the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %	11B
Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate.		
If you are a corporation that is not a CCPC throughout the current taxation year that incurred qualified expenditures for SR&ED in any area in Canada after 1995	20 %	3B
If you are a taxable Canadian corporation that incurred pre-production mining expenditures:		
• in 2003	5 %	–
• in 2004	7 %	–
• after 2004	10 %	–

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? **101** 1 Yes [X] 2 No [ ]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC throughout the current taxation year and the taxable income (before any loss carrybacks) for its preceding year cannot be more than its business limit for that preceding year. If the corporation is associated with any other corporations during the taxation year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last taxation year ending in the preceding calendar year, cannot be more than the total of their business limits for that last year.

Note: A CCPC calculating a refundable ITC for taxation years ending before March 23, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1). For taxation years ending after March 22, 2004, the association rule remains the same except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a qualifying corporation, you will earn a 100% refund on your share of any ITCs earned at the 35% rate on qualified current expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified capital expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

Some CCPCs that are not qualifying corporations may also earn a 100% refund on their share of any ITCs earned at the 35% rate on qualified current expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified capital expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
c) any combination of persons referred to in a) or b) above.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? **102** 1 Yes [ ] 2 No [X]

If *Yes*, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide to the General Index of Financial Information (GIFI) for Corporations.*

Part 4 – Eligible investments for qualified property from the current taxation year – code 14 only

CCA* class number	Description of investment	Date available for use	Location used (province)	Amount of investment
105	110	115	120	125

*CCA: capital cost allowance

Total Investment – enter in formula on line 240 in Part 5 _____

Part 5 – Calculation of current-year credit and account balances – ITC from investments in qualified property

ITC at the end of the preceding taxation year . . . . . _____

Deduct:

Credit deemed as a remittance of co-op corporations . . . . . 210 _____

Credit expired after 10 taxation years . . . . . 215 _____

Subtotal _____ ▶ _____

ITC at the beginning of the taxation year . . . . . 220 _____

Add:

Credit transferred on amalgamation or wind-up of subsidiary . . . . . 230 _____

ITC from repayment of assistance . . . . . 235 _____

Total current-year credit: total of column 125 _____ x 10 % = 240 _____

Credit allocated from a partnership . . . . . 250 _____

Subtotal _____ ▶ _____

Total credit available . . . . . _____

Deduct:

Credit deducted from Part I tax (enter on line FFF in Part 19) . . . . . 260 _____

Credit carried back to the preceding year(s) (from Part 6) . . . . . _____ A

Credit transferred to offset Part VII tax liability . . . . . 280 _____

Subtotal _____ ▶ _____

Credit balance before refund . . . . . _____ B

Deduct:

Refund of credit claimed on investments from qualified property (from Part 7) . . . . . 310 _____

ITC closing balance of investments from qualified property . . . . . 320 _____

Part 6 – Request for carryback of credit from investments in qualified property

	Year	Month	Day		
1st preceding taxation year				Credit to be applied	901
2nd preceding taxation year				Credit to be applied	902
3rd preceding taxation year				Credit to be applied	903

Total (enter on line A in Part 5) _____

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

Part 7 – Calculation of refund for qualifying corporations on investments from qualified property

Current-year ITCs (total of lines 240 and 250 in Part 5) C

Credit balance before refund (amount B from Part 5) . . . . . D

Refund (40 % of amount C or D, whichever is less) . . . . . E

Enter amount E or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

Part 8 – Qualified expenditures for SR&ED

Current expenditures	350	369,676
Capital expenditures	360	
Repayments made in the year (from line 560 on Form T661)	370	
Total (this must equal the amount from line 570 on Form T661)	380	369,676

Part 9 – Components of the SR&ED expenditure limit calculation

Note: A CCPC that calculates SR&ED expenditure limit for taxation years ending before March 23, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1). This also applies for taxation years ending after March 22, 2004, except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . . . 385 1 Yes [ ] 2 No [X]

Complete lines 390 and 395 if you answered *No* to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49). Part 9 only applies if the corporation was a CCPC throughout the current taxation year.

a) Enter your taxable income for the preceding taxation year* 390

b) Enter your reduced business limit** for the current taxation year* (this amount cannot be more than the amount at line 4 on page 4 of the T2 return) 395

* If either of the taxation years referred to at line 390 or 395 are is less than 51 weeks, prorate the taxable income or the business limit by the number of days in these taxation years divided by 365. For details on the expression "Reduced business limit," see line 652 of the *T2 Corporation – Income Tax Guide*.

** If the corporation is claiming only a portion of the business limit from line 4 on page 4 of the T2 return because of its association with other corporations, calculate your reduced business limit as if the corporation was not associated in the current taxation year. Enter the result at line 395.

Part 10 – Calculation of SR&ED expenditure limit for a CCPC throughout the current taxation year

For stand-alone corporations: **$ 5,000,000 ***

Subtract: line 390 from Part 9 or $300,000*, whichever is more . . . . . 300,000 x 10 = 3,000,000

Excess (if negative, enter "0") . . . . . 2,000,000 F

Line F 2,000,000 x (Line 395 / Line 4 on page 4 of the T2 return) 250,000 = ... **G

For associated corporations:

If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 . . . . . 400 **H

* If your taxation year immediately follows a taxation year that ended before 2003, the references to $5,000,000 and $300,000 should be $4,000,000 and $200,000 respectively.

** Amount G or H cannot be more than $2,000,000.

Where the taxation year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Line G or H x (Number of days in the taxation year / 365) 214 / 365 = ... I

Your SR&ED expenditure limit for the year (enter the amount from line G, H, or I, whichever applies) . . 410

Part 11 – Calculation of investment tax credits on SR&ED expenditures

Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)*	420		x	35 %	=	J
Line 350 minus line 410 (if negative, enter "0")	430	369,676	x	20 %	= 73,935	K
Line 410 minus line 350 (if negative, enter "0")			L			
Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above*	440		x	35 %	=	M
Line 360 minus line L (if negative, enter "0")	450		x	20 %	=	N

Repayments (amount from line 370 in Part 8) . . . . .

If a corporation makes a repayment of any government assistance, non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount.

460		x	35 %	=
470		x	30 %	=
480		x	20 %	=
			Total	▶ O

Current-year SD&ED ITC (total of lines J, K, M, N, and O; enter on line 540 in Part 12) 73,935

* For corporations that are not CCPCs throughout the year, enter "0" on lines J and M.

Part 12 – Calculation of current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the preceding taxation year				
Deduct:				
Credit deemed as a remittance of co-op corporations	510			
Credit expired after 10 taxation years	515			
		Subtotal	▶	
ITC at the beginning of the taxation year	520			
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	530			
Total current-year credit	540	73,935		
Credit allocated from a partnership	550			
		Subtotal	73,935 ▶	73,935
Total credit available				73,935
Deduct:				
Credit deducted from Part I tax (enter on line GGG in Part 19)	560	73,935		
Credit carried back to the preceding year(s) (from Part 13)			P	
Credit transferred to offset Part VII tax liability	580			
		Subtotal	73,935 ▶	73,935
Credit balance before refund				Q
Deduct:				
Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies)	610			
ITC closing balance on SR&ED	620			

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st preceding taxation year				Credit to be applied	911	
2nd preceding taxation year				Credit to be applied	912	
3rd preceding taxation year				Credit to be applied	913	
				Total (enter on line P in Part 12)		

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

Part 14 – Calculation of refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined at line 101 on page 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? ..... 650 1 Yes ☐ 2 No ☒

Credit balance before refund (amount Q from Part 12)	AA	
Current-year ITC (lines 540 plus 550 from Part 12 **minus** line O from Part 11)	73,935 BB	
Refundable credits (amount AA or BB, whichever is less)*		CC
Amount J from Part 11	DD	
Subtract: Amount CC or DD, whichever is less		EE
Net amount (if negative, enter "0")		FF
Amount FF x 40 %		GG
Add: Amount EE		HH
Refund of ITC (amounts GG **plus** HH – enter this, or a lesser amount, on line 610 in Part 12)		II

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount should be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC on line II.

Part 15 – Calculation of refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined in Section 2 on page 2.

Credit balance before refund (amount Q from Part 12)		JJ
Amount J from Part 11	KK	
Subtract: Amount JJ or KK, whichever is less		LL
Net amount (if negative, enter "0")		MM
Amount M from Part 11		NN
Amount MM or NN, whichever is less x 40 %		OO
Add: Amount LL above		PP
Refund of ITC (amounts OO **plus** PP)		QQ

Enter QQ, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Part 16 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the taxation year and after 2002.

List of minerals 800

For each of the minerals reported in column 800 above, identify each project, mineral title, and mining division where title is registered. If there were no mineral title, identify the project and mining division only.

Project name 805	Mineral title 806	Mining division 807

Pre-production mining expenditures *

Pre-production mining expenditures that the corporation incurred in the taxation year and after 2002, for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810		RR
Geological, geophysical, or geochemical surveys	811		SS
Drilling by rotary, diamond, percussion, or other methods	812		TT
Trenching, digging test pits, and preliminary sampling	813		UU

Pre-production mining expenditures incurred in the taxation year and after 2002 for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820		VV
Sinking a mine shaft, constructing an adit, or other underground entry	821		WW

Other pre-production mining expenditures incurred in the taxation year and after 2002:

Description 825	Amount 826

Add amounts at column 826 ▶ _____ XX

Total pre-production mining expenditures (add amounts RR to XX) 830 _____

Deduct: Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above 832 _____

Excess (line 830 minus line 832) (if negative, enter "0") _____ YY

Add: Repayments of government and non-government assistance 835 _____ ZZ

Pre-production mining expenditures (amount YY plus amount ZZ) _____ AAA

* A pre-production mining expenditure is defined under subsection 127(9) and does not include an amount renounced under subsection 66(12.6).

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

Part 17 – Calculation of current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the preceding taxation year

Deduct:

Credit deemed as a remittance of co-op corporations 841

Credit expired after 10 taxation years 845

Subtotal ▶

ITC at the beginning of the taxation year 850

Add:

Credit transferred on amalgamation or wind-up of subsidiary 860

Expenditures from line AAA, Part 16, incurred in 2003 865 x 5 % = BBB

Expenditures from line AAA, Part 16, incurred in 2004 867 x 7 % = CCC

Expenditures from line AAA, Part 16, incurred after 2004 870 x 10 % = DDD

Total current-year credit (add amounts BBB, CCC, and DDD) 880 ▶

l credit available

Deduct:

Credit deducted from Part I tax (enter on line HHH in Part 19) 885

Credit carried back to the preceding year(s) (from Part 18) EEE

Subtotal ▶

ITC closing balance from pre-production mining expenditures 890

Part 18 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day
1st preceding taxation year			
2nd preceding taxation year			
3rd preceding taxation year			

Credit to be applied 921

Credit to be applied 922

Credit to be applied 923

Total (enter on line EEE in Part 17)

rt 19 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) FFF

ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) 73,935 GGG

ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHH

Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) 73,935 III

(Enter amount III at line 652 on page 7 of the T2 return.)

Part 20 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 10 preceding taxation years;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in computing your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

Note
The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following taxation year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

	Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less
1.			

Subtotal (enter this amount on line MMM in Part 21) _____ JJJ

Calculation 2 – Only if you acquired all or a part of the qualified expenditure from another person under an agreement described in subsection 127(13); otherwise, enter nil at line KKK in Part 20.

A	B	C
The rate percentage that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	The proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	The amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

Part 20 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED (continued)

Calculation 2 (continued) – Only if you acquired all or a part of the qualified expenditure from another person under an agreement described in subsection 127(13); otherwise, enter nil on line KKK below.

D The amount determined by the formula (A x B) - C	E The ITC earned by the transferee in respect of the qualified expenditures which were transferred 750	F Amount from column D or E, whichever is less

Subtotal (enter this amount on line NNN in Part 21) _____ KKK

Calculation 3

As a member of the partnership, you will report your share of the ITC of the partnership after the ITC has been reduced by the amount of the recapture. If this amount is a positive amount you will report it on line 550 in Part 12. However, if the partnership does not have sufficient ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line LLL below.

Corporate partner's share of the excess of ITC (amount to be reported on line OOO in Part 21) 760 _____ LLL

Part 21 – Total recapture of investment tax credit

Recaptured ITC for calculation 1 from line JJJ in Part 20 . . . . . _____ MMM

Recaptured ITC for calculation 2 from line KKK in Part 20 above . . . . . _____ NNN

Recaptured ITC for calculation 3 from line LLL in Part 20 above . . . . . _____ OOO

Total recapture of investment tax credit – Add lines MMM, NNN, and OOO . . . . . _____ PPP
(Enter amount PPP at line 602 on page 7 of the T2 return.)

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class no.: 99

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
73,935	73,935			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC expired (H) See Note	ITC end of year (E-F-G-H) See Note
1st prior year					
2nd prior year					
3rd prior year					
4th prior year					
5th prior year					
prior year					
7th prior year					
8th prior year					
9th prior year					
10th prior year					
Total					

Total ITC utilized (B+C+D+G) 73,935

Note : The **ITC end of year** includes the amount of ITC expired from the 10th preceding year that is in column (H). Note that this credit expires only at the beginning of the subsequent fiscal period. Consequently, this amount will be posted on line 215, 515 or 845, as applicable, of Schedule 31 for the subsequent fiscal period.

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PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

- 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	5,319,370	
Capital stock (or members' contributions if incorporated without share capital)	103	142,633,000	
Retained earnings	104	7,719,000	
Contributed surplus	105	16,030,000	
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	330,132,000	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) 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	501,833,370 ▶	501,833,370 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	219,498	
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	219,498 ▶	219,498 B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		501,613,872

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)		501,613,872 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	501,613,872

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) 501,613,872 × (Taxable income earned in Canada 610 12,964,481 / Taxable income 12,964,481) = **Taxable capital employed in Canada** 690 501,613,872

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) 501,613,872

Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36) 801 50,000,000

Excess of taxable capital employed in Canada over capital deduction 811 451,613,872

Line 811	451,613,872	x Number of days in the taxation year before 2004 / Number of days in the taxation year		x 0.00225000 =		F
Line 811	451,613,872	x Number of days in the taxation year in 2004 / Number of days in the taxation year	214 / 214	x 0.00200000 =	903,228	G
Line 811	451,613,872	x Number of days in the taxation year in 2005 / Number of days in the taxation year		x 0.00175000 =		H
Line 811	451,613,872	x Number of days in the taxation year in 2006 / Number of days in the taxation year		x =		I
Line 811	451,613,872	x Number of days in the taxation year in 2007 / Number of days in the taxation year		x =		J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2005.

Subtotal (add amounts F to J) 903,228 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 903,228 x Number of days in the year (214) / 365 = ... 529,564 L

Gross Part I.3 tax (amount K or L, whichever applies) 820 529,564

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) . . . . . 501,613,872 M

Deduct: Line 801 above 50,000,000 x 1/5 = ... 10,000,000 N

Excess (amount M minus amount N) (if negative, enter "0") 491,613,872 O

Amount O 491,613,872 x 0.00225 = ... 1,106,131 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 1,106,131 x Number of days in the year (214) / 365 = ... 648,526 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) 821 648,526

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	145,202	x	line 690 of this schedule / line 500 of this schedule	501,613,872 / 501,613,872	=	145,202 c	
d) line 700 from the T2 return						2,808,976 d	145,202 S

Current-year surtax credit available (amount R or S, whichever applies) 830 145,202

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		145,202
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		648,526
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)			529,564 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	145,202	
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862		
Subtotal (cannot be more than amount on line 820)		145,202 ▶	145,202 U
Net Part I.3 tax payable (amount T minus amount U)	870		384,362

Enter this amount at line 704 of the T2 return.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2004-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder				
	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust) 100	Business Number 200	Social Insurance Number 300	Trust Number 350	Percentage common shares 400	Percentage preferred shares 500
1	THE CORPORATION OF THE CITY OF VAUGHAN				59.000	
2	THE CORPORATION OF THE TOWN OF MARKHAM				41.000	
3						
4						
5						
6						
7						
8						
9						
10						

T2 SCH 50 (06)

Canada

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
001	$ 002	$ 003	$	$	$ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0	009 0	0	0	010 0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
EMPLOYEE FUTURE BENEFITS	0	C-5 3,450,705	772,295	0	F5 4,223,000
ALLOWANCE FOR DOUBTFUL ACCTS	0	380,000	215,000	0	G-1 595,000
INVENTORY PROVISION	0	150,000	0	0	1 150,000
HOLDBACKS PAYABLE	0	548,109	0	196,739	C-9 351,370
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	0	4,528,814	987,295	196,739	5,319,370

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Schedule 13 Reserves

Per May 31, 2004 Stub Period Returns

	MH	RH	VH	Total
Employee Future Benefits Accrual	500,142	618,453	2,332,110	3,450,705
AFDA	-	-	380,000	380,000
Inventory Provision	-	-	150,000	150,000
Holdbacks Payable	548,109			548,109
Total Reserves as of May 31, 2004	1,048,251	618,453	2,862,110	4,528,814

Gross Part I.3 Tax

Per May 31, 2004 Stub Period Returns

	MH	RH	VH	Total
Gross Part I.3 Tax	91,422	52,271	200,463	344,156

POWERSTREAM INC. **SCH 033**
Account/Business No.: 857503346RC0001 Year Ended: 2004-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS

- 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 or 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 is 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	5,319,370
Capital stock (or members' contributions if incorporated without share capital)	103	142,633,000
Retained earnings	104	7,719,000
Contributed surplus	105	16,030,000
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	330,132,000
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	0
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

POWERSTREAM INC. **Sch 033**
Account/Business No.: 857503346RC0001 Year Ended: 2004-12-31

Part 1 - Capital (cont'd)

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	0		
	Subtotal	501,833,370	501,833,370	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
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	0		
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 at the end of the year	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		501,833,370	

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	0
A loan or advance to another corporation (other than a financial institution)	402	0
A bond, debenture, note, mortgage, hypothecary claim, 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, 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	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	0

POWERSTREAM INC. **Sch 033**
Account/Business No.: 857503346RC0001 Year Ended: 2004-12-31

Part 2 - Investment allowance (cont'd)

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)		501,833,370	C
Deduct: Investment allowance for the year (line 490)		0	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	501,833,370	

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)	501,833,370	X	Taxable income earned in Canada / Taxable income	610	13,727,321 / 13,727,321 =	**Taxable capital employed in Canada**	690	501,833,370

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.

POWERSTREAM INC. Sch. 033
Account/Business No.: 857503346RC0001 Year Ended: 2004-12-31

Part 4 - Taxable capital employed in Canada (cont'd)

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		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 through a permanent establishment in Canada	712	0	
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	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

Note: 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 I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)								501,833,370	
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801							50,000,000	
Excess of taxable capital employed in Canada over capital deduction	811							451,833,370	
Year	Line 811		Number of days	/	Number of days in the taxation year	x			
Before 2004	451,833,370	x	(0	/	214)	x	.2250% =	0	F
2004	451,833,370	x	(214	/	214)	x	.2000% =	903,667	G
2005	451,833,370	x	(0	/	214)	x	.1750% =	0	H
2006	451,833,370	x	(0	/	214)	x	.1250% =	0	I
2007	451,833,370	x	(0	/	214)	x	.0625% =	0	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)	903,667	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	903,667	x	Number of days in the year / 365	214	=	529,821	L
Gross Part I.3 tax (amount K or L, whichever applies)	820					529,821	

POWERSTREAM INC. **Sch. 033**
Account/Business No.: 857503346RC0001 Year Ended: 2004-12-31

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)	501,833,370	M
Deduct: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003)	10,000,000	N
Excess (amount M minus amount N) (if negative, enter "0")	491,833,370	O

Amount O 491,833,370 x .2250% =..... 1,106,625 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 1,106,625 x Number of days in the year / 365 214 =..... 648,816 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies)..... 821 648,816

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	0	a	
b) line 700 from the T2 return	0	b	0 R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from the T2 return 153,746 x (line 690 of this schedule 501,833,370 / line 500 of this schedule 501,833,370) = 153,746 c

d) line 700 from the T2 return..... 3,051,651 d 153,746 S

Current-year surtax credit available (amount R or S, whichever applies)..... 830 153,746

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)	153,746
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)	648,816
Current-year unused surtax credit (if negative, enter "0") 850	0

Enter this amount at line 600 on Schedule 37.

POWERSTREAM INC. **Sch. 033**
Account/Business No.: 857503346RC0001 **Year Ended: 2004-12-31**

Part 9 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			529,821 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	153,746	
Unused surtax credit form previous years applied (amount from line 320 on Schedule 37)	862	0	
Subtotal (cannot be more than amount on line 820)		153,746	153,746 U
Net Part I.3 tax payable (amount T minus amount U)	870		376,075

Enter this amount at line 704 of the T2 return.

SCHEDULE 33
LOANS AND ADVANCES

OTHER LIABILITIES	106,000.00
CUSTOMERS' DEPOSITS	11,497,000.00
REGULATORY LIABILITIES	16,597,000.00
DEBENTURES PAYABLE	100,000,000.00
NOTE PAYABLE	146,102,000.00
DUE TO RELATED PARTIES	37,635,000.00
LIABILITY FOR SUBDIVISION DEVELOPMENT	5,000,000.00
CURRENT PORTION OF CUSTOMERS' DEPOSITS	11,662,000.00
CONSTRUCTION DEPOSITS	1,533,000.00
	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	330,132,000.00

POWERSTREAM INC. **SCH. 050**
Account/Business No.: 857503346RC0001 **Year Ended: 2004-12-31**

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
THE CORPORATION OF THE CITY OF VAUGHAN			59.00	0.00
THE CORPORATION OF THE TOWN OF MARKHAM			41.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Disposition of Balance Recorded in Account 1562 D

Distributor	**PowerStream Inc. - South**
OEB File Number	**EB-2011-0005**
Filing Year	**2005**

Consolidation 2005a

	Markham	Richmond Hill	Vaughan	PowerStream
Rate Base (wires-only)	132,012,571	104,354,290	180,841,143	417,208,004
1999 return from RUD Sheet #7	2,671,078	2,530,302	10,038,003	15,239,383
Amount allowed in 2001	2,760,228	2,042,310	1,654,859	6,457,397
Amount allowed in 2002	2,760,228	2,042,310	1,654,859	6,457,397
Amount allowed in 2005	2,760,228	2,042,310	1,654,859	6,457,397
Other			275,904	275,904
Regulatory Net Income REGINFO E53	10,951,763	8,657,232	15,278,484	34,887,479
Depreciation & Amortization	7,747,136	5,536,188	7,733,745	21,017,069
Capital Cost Allowance and CEC	4,847,663	4,271,174	7,241,188	16,360,025
CDM	400,000	296,000	240,000	936,000
Interest Expense Deemed/ Incurred	5,082,484	4,017,640	6,962,384	16,062,508
Total Regulatory Income Tax	3,022,793	2,025,828	3,094,999	8,143,620
Income Tax Rate used for gross- up (exclude surtax)	36.12%	36.12%	36.12%	36.12%
	4,731,987	3,171,303	4,845,020	12,748,310
	2,400,000	1,875,000	3,225,000	7,500,000
	16,000,000	12,500,000	21,500,000	50,000,000
Income Tax (proxy tax is grossed-up)	4,731,987	3,171,303	4,845,020	12,748,310
LCT (proxy tax is grossed-up)	171,090	153,301	286,284	610,674
Ontario Capital Tax (no gross-up since it is deductible)	388,838	307,438	532,848	1,229,124
Total PILs for Rate Adjustment	5,291,914	3,632,042	5,664,152	14,588,108

Allocation of 2005a Annual PIL's Proxy

Original Annual 2005	Markham	Richmond Hill	Vaughan	Total
Days	365	365	365	
Income Tax	4,731,987	3,171,303	4,845,020	12,748,310
LCT	171,090	153,301	286,284	610,674
OCT	388,838	307,438	532,848	1,229,124
Total PIL's Proxy	5,291,914	3,632,042	5,664,152	14,588,108

To Oct 31, 2005	Markham	Richmond Hill	Vaughan	Total
Days	304	304	304	**PowerStream**
Income Tax	3,941,162	2,641,304	4,035,304	10,617,771
LCT	142,496	127,681	238,439	508,616
OCT	323,854	256,058	443,797	1,023,709
Total PIL's Proxy	4,407,512	3,025,043	4,717,541	**12,150,096**

	A	B	C	D
1	**PILs TAXES - EB-2008-381**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - South**			Colour Code
4	**Reporting period: 2005**			**Input Cell**
5				**Formula in Cell**
6	**Days in reporting period:**	304	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		
22		LCT		
23				
24	Accounting Year End		Date	31-Dec-05
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			417,208,004
32				
33	Common Equity Ratio (CER)			45.00%
34				
35	1-CER			55.00%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.00%
40				
41	Market Adjusted Revenue Requirement			34,611,576
42				
43	1999 return from RUD Sheet #7			15,239,383
44				
45	Total Incremental revenue			19,372,193
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			6,457,397
48	Amount allowed in 2002			6,457,397
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			6,457,397
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			187,743,602
57				
58	Return at target ROE			18,549,068
59				
60	Debt			229,464,402
61				
62	Deemed interest amount in 100% of MARR			16,062,508
63				
64	Phase-in of interest - Year 1 (2001)			10,069,022
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			13,065,765
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			13,065,765
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			16,062,508
71				
72				

	A	B	C	D	E	F	G	
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: PowerStream Inc. - South**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	304	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	34,887,479		4,154,021		39,041,500	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	21,017,069		1,590,103		22,607,172	
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			6,226,201		6,226,201	
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			74,722		74,722	
30	**Items on which true-up does not apply "TAXREC 3"**				3,862,410		3,862,410	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	16,360,025		5,017,625		21,377,650	
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	16,062,508		24,992		16,087,500	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			5,319,370		5,319,370	
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	936,000		138,057		1,074,057	2005 CDM OM&A
45	Other Deductions (not "Material") "TAXREC"	12			0			
46	Material Items from "TAXREC 2" worksheet	12			690,734		690,734	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				4,468,613		4,468,613	
49								
50	TAXABLE INCOME/ (LOSS)		22,546,015		248,066	Before loss C/F	22,794,081	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		-0.7945%		35.33%	
54								
55	REGULATORY INCOME TAX		8,143,621		287,916	Actual	8,431,537	
56								
57								
58	Miscellaneous Tax Credits	14			178,377	Actual	178,377	
59								
60	**Total Regulatory Income Tax**		8,143,621		109,539	Actual	8,253,160	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	417,208,004		130,996,523		548,204,527	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		0		7,500,000	
68	Taxable Capital		409,708,004		130,996,523		540,704,527	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax (pro-rated)		1,023,709		327,312	**Overpaid**	1,351,021	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	417,208,004		118,913,197		536,121,201	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		0		50,000,000	
77	Taxable Capital		367,208,004		118,913,197		486,121,201	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0000%		0.1750%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		642,614		65,924		708,538	
82	Less: Federal Surtax 1.12% x Taxable Income	21	252,515		2,778		255,294	
83								
84	Net LCT (pro-rated)		324,904		63,146		453,245	
85								

	A	B	C	D	E	F	G	
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: PowerStream Inc. - South**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	304	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)		36.12%					
89								
90	Income Tax (proxy tax is grossed-up) (pro-rated)	22	10,617,771			**Actual 2005**	8,431,537	
91	LCT (proxy tax is grossed-up)	23	508,616			**Actual 2005**	441,215	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	1,023,709			**Actual 2005**	1,351,021	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	12,150,096			**Actual 2005**	10,223,773	
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			6,226,201			
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			5,319,370			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			138,057			
118	Other deductions "Material" Item TAXREC 2	12			690,734			
119								
120	Total TRUE-UPS before tax effect	26		=	78,040			
121								
122	Income Tax Rate (including surtax) from **2005** Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	28,188			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				28,188			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				43,366			
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)			=	22,546,015			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX (pro-rated)			=	6,782,632			
141								
142	Less: Revised Miscellaneous Tax Credits			-	178,377			
143								
144	Total Revised Regulatory Income Tax			=	6,604,255			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) (pro-rated)			-	6,782,632			
147								
148	Regulatory Income Tax Variance			=	(178,377)			
149								

	A	B	C	D	E	F	G
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: PowerStream Inc. - South**						
7	**Reporting period: 2005**						
8							**Column**
9	**Days in reporting period:**	304	days				**Brought**
10	**Total days in the calendar year:**	365	days				**From**
11							**TAXREC**
12			$		$		$
13							
150	**Ontario Capital Tax**						
151	Base			=	417,208,004		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000		
153	Revised deemed taxable capital			=	409,708,004		
154							
155	Rate - Tab Tax Rates cell C54			x	0.3000%		
156							
157	Revised Ontario Capital Tax (pro-rated)			=	1,023,709		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	1,023,709		
159	Regulatory Ontario Capital Tax Variance			=	0		
160							
161	**Federal LCT**						
162	Base				417,208,004		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000		
164	Revised Federal LCT			=	367,208,004		
165							
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.1750%		
167							
168	Gross Amount (pro-rated)				535,218		
169	Less: Federal surtax (pro-rated)			-	210,314		
170	Revised Net LCT			=	324,904		
171							
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	324,904		
173	Regulatory Federal LCT Variance			=	0		
174							
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%		
176							
177	**Income Tax (grossed-up)**			+	(274,426)		
178	**LCT (grossed-up)**			+	0		
179	**Ontario Capital Tax**			+	0		
180							
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(274,426)		
182							
183	**TRUE-UP VARIANCE (from cell I130)**			+	43,366		
184							
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(231,060)		
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)				16,062,508		
194	Interest phased-in (Cell C36)				13,065,765		
195							
196	Variance due to phase-in of debt component of MARR in rates				2,996,743		
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)				10,449,998		
202	Total deemed interest (REGINFO CELL D61) (pro-rated)				13,378,089		
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**				2,996,743		
209							
210							
211							

	A	B	C	D	E
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: PowerStream Inc. - South**				
8	**Reporting period: 2005**				
9	**Taxation Year's start date:**				
10	**Taxation Year's end date:**				
11	**Number of days in taxation year:**		304	days	
12					
13	**Please enter the Materiality Level :**		469,359	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-61,648,672		-61,648,672
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	22,607,172		22,607,172
44	Ontario Capital Tax	-			0
45	Reg Assets	-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	39,041,500	0	39,041,500
51	Less: Interest expense for accounting purposes	-	16,087,500		16,087,500
52	Provision for payments in lieu of income taxes	-	8,980,000		8,980,000
53	**Net Income (loss)**	=	13,974,000	0	13,974,000
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	+	8,980,000	0	8,980,000
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	22,607,172	0	22,607,172
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	+	6,226,201	0	6,226,201
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	***Items on which true-up does not apply "TAXREC 3"***		3,862,410	0	3,862,410
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	74,722	0	74,722
69					
70	*Subtotal*		41,750,505	0	41,750,505
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	A	B	C	D	E
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	=	41,750,505	0	41,750,505
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	-	20,871,763		20,871,763
98	Cumulative eligible capital deduction	-	505,887		505,887
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*	-	5,319,370	0	5,319,370
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		4,468,613	0	4,468,613
109	Interest capitalized for accounting deducted for tax	-			0
110	Material deduction items from TAXREC 2	-	690,734	0	690,734
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0
112					
113	Subtotal	=	31,856,367	0	31,856,367
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	=	31,856,367	0	31,856,367
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	=	23,868,138	0	23,868,138
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	23,868,138	0	23,868,138
140					

	A	B	C	D	E	
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)	+	5,102,041		5,102,041	
143	Net Ontario Income Tax (Must agree with tax return)	+	3,329,496		3,329,496	
144	Subtotal	=	8,431,537	0	8,431,537	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	8,431,537	0	8,431,537	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		21.38%		21.38%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.95%		13.95%	Divide Ontario
151	Blended Income Tax Rate		35.33%	**********	35.33%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	8,431,537	0	8,431,537	
157	Ontario Capital Tax	+	1,351,021		1,351,021	
158	Federal Large Corporations Tax	+	441,215		441,215	
159						
160	**Total income and capital taxes**	=	10,223,773	0	10,223,773	
161						

	A	B	C	D	E	
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: PowerStream Inc. - South**					
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		595,000		595,000	
45	Inventory obsolescence		150,000		150,000	
46	Property taxes				0	
47	OPEB		4,223,000		4,223,000	
48	Holdbacks		351,370		351,370	
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		5,319,370	0	5,319,370	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts		598,000		598,000	
58	Inventory obsolescence		150,000		150,000	
59	Property taxes				0	
60	OPEB		5,126,831		5,126,831	
61	Holdbacks		351,370		351,370	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		6,226,201	0	6,226,201	
65						

	A	B	C	D	E	
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: PowerStream Inc. - South**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		304			
11	**Materiality Level:**		469,359			
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	+	73,935		73,935	
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	+	787		787	
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	=	74,722	0	74,722	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		74,722	0	74,722	

	A	B	C	D	E	
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: PowerStream Inc. - South**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		304			
11	**Materiality Level:**		469,359			
12						
13						
81	Total Additions		74,722	0	74,722	
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	Interest Capitalized for Accounting	-	690,734		690,734	
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	=	690,734	0	690,734	
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	#REF!		690,734	0	690,734	
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		690,734	0	690,734	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		690,734	0	690,734	
125						

	A	B	C	D	E
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: PowerStream Inc. - South**				**Version 2009.1**
9					
10					
11	**Reporting period: 2005**				
12	**Number of days in taxation year:**		304		
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	+	22,699		22,699
33	Non-deductible club dues	+	5,669		5,669
34	Non-deductible automobile costs	+	27,301		27,301
35	**Donations - amount per books**		7,520		7,520
36	Interest and penalties on unpaid taxes		4,851		4,851
37	Management bonuses unpaid after 180 days of year end				0
38	Imputed interest expense on Regulatory Assets				0
39	Political Donations	+	6,469		6,469
40	**Ontario capital tax adjustments**	+	975,000		975,000
41	**Changes in Regulatory Asset balances**	+			0
42	12 1 x	+	2,804,485		2,804,485
43	*Other Additions: (please explain in detail the nature of the item)*	+			0
44	Income from joint ventures or partnerships	+			0
45	Capital Items expensed	+	8,416		8,416
46		+			
47	**Total Additions on which true-up does not apply**	=	3,862,410	0	3,862,410
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**	-	7,520		7,520
58	Income from joint ventures or partnerships	-			0
59	13 7 4 election	-	2,804,485		2,804,485
60	12 1 x	-	351,006		351,006
61		-			0
62		-			0
63		-			0
64	**Ontario capital tax adjustments to current or prior year**	-	1,305,602		1,305,602
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**	=	4,468,613	0	4,468,613
74					
75					

PILs TAXES - EB-2008-381
Corporate Tax Rates
Exemptions, Deductions, or Thresholds
Utility Name: PowerStream Inc. - South
Reporting period: 2005

Version 2009.1

Table 1

Rates Used in 2005 RAM PILs Applications for 2005

Income Range		0		400,001	
RAM 2002		to		to	>1128000
	Year	400,000		1,128,000	
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		0	250,001	400,001	
Expected Rates		to	to	to	>1,128,000
	Year	250,000	400,000	1,128,000	
Income Tax Rate					
Current year	*2005*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *** 2002	MAX $7.5MM	7,500,000			
Federal Large Corporations Tax Exemption *** 2002	MAX $50MM	50,000,000			

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

Table 3

Input Information from Utility's Actual 2005 Tax Returns

Income Range		0	250,001	400,001	
		to	to	to	>1,128,000
	Year	250,000	400,000	1,128,000	
Income Tax Rate					
Current year	*2005*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.175%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $7.5MM	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: PowerStream Inc. - South**														**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		-231,060		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)**	+/-									43,366				43,366
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
20	**Deferral Account Variance Adjustment (5)**	+/-									-274,426				-274,426
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		-231,060		-231,060		-231,060

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.

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

REGULATORY INFORMATION (REGINFO)

Utility Name:	PowerStream_Markham rate zone	
File Number:	RP-2005-0013	
	EB-2005-0047	
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.	32.00%	
3. Please explain the basis of the allocation if the percentage is other than 100%.	Based on allocation across 3 service territories for PowerStream. Allocation done on proportion of rate base. See spreadsheet attached.	
4. Accounting Year End	Dec-31	

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

Rate base (wires-only)	$132,012,571.00		
Common Equity Ratio (CER)	45.00%		
1-CER	55.00%		
Target Return On Equity (%)	9.88%		
Debt rate	7.00%		
			Regulatory Income
Market Adjusted Revenue Requirement	$10,951,763		
1999 return from RUD Sheet #7	$2,671,078		$2,671,078
Total Incremental revenue	$8,280,685		
	Based on Board's Decision (RP-2000-0069)	*Board-Approved Amounts*	
Amount allowed in 2001, Year 1	$2,760,228		$2,760,228
Amount allowed in 2002, Year 2	$2,760,228		$2,760,228
Amount allowed in 2003, Year 3	$2,760,228		$2,760,228
Permanent Changes to Base Rate *(e.g. LPP 5% to 1.5%)*			$0
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet	48%		
Total Regulatory Income			**$10,951,763**
Equity	$59,405,657		
Return at target ROE	$5,869,279		
Debt	$72,606,914		
Deemed interest amount in EBIT	$5,082,484		

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: PowerStream_Markham rate zone Reporting Period: January 1, 2005-December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
I) CORPORATE INCOME TAXES			
Regulatory Net Income	1	**$10,951,763**	
BOOK TO TAX ADJUSTMENTS			
Additions:			
Depreciation & Amortization	2	**$7,747,136**	
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	**$4,847,663**	
Employee Benefit Plans - Paid Amounts	8	$0	
Items Capitalized for Regulatory Purposes	9	$0	
Regulatory Adjustments	10	$0	
Interest Expense Deemed	11	**$5,082,484**	
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	**$400,000**	
Material Items	12	$0	
Other Deductions	12	$0	
REGULATORY TAXABLE INCOME		**$8,368,752**	
CORPORATE INCOME TAX RATE			
Deemed %	13	36.12%	
REGULATORY INCOME TAX		$3,022,793	
Taxable Income x Rate			
Miscellaneous Tax Credits	14	$0	
Total Regulatory Income Tax		**$3,022,793**	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: PowerStream_Markham rate zone Reporting Period: January 1, 2005-December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
Percentage used to determine the exemptions for capital tax and large corporations tax		32%	
II) CAPITAL TAXES			
Ontario			
Rate Base	15	$132,012,571	
Less: Exemption	16	$2,400,000	
Deemed Taxable Capital		$129,612,571	
Rate (.3%)	17	0.3000%	
Net Amount (Taxable Capital x Rate)		**$388,838**	
Federal (LCT)			
Base	18	$132,012,571	
Less: Exemption	19	$16,000,000	
Deemed Taxable Capital		$116,012,571	
Rate (.175%)	20	0.1750%	
Gross Amount (Taxable Capital x Rate)		$203,022	
Less: Federal Surtax	21	$93,730	
Net LCT		**$109,292**	
III) INCLUSION IN RATES			
Income Tax Rate used for gross- up		36.12%	
Income Tax (grossed-up)	22	$4,731,987	
LCT (grossed-up)	23	$171,090	
Ontario Capital Tax	24	$388,838	
Total S. 93 PILs Rate Adjustment ***(Enter this amount in the 2005 RAM, Sheet #4, cell G14)***	**25**	**$5,291,914**	

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: PowerStream_Markham rate zone
File Number: RP-2005-0013
EB-2005-0047

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30th 2007		Total
	$	%	$	%	$	%	$
Capital	$371,000	48%	$532,000	48%	$325,000	37%	**$1,228,000**
Tax Deductible Expense	$400,000	52%	$581,000	52%	$551,230	63%	**$1,532,230**
Total	**$771,000**	**100%**	**$1,113,000**	**100%**	**$876,230**	**100%**	**$2,760,230**

Notes:

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

2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax 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 a the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

	%
	44%
	56%
	100%

e.

deductible e

amount of

	Rate Base	%
Markham	132,012,571.00	32.00%
Richmond Hill	104,354,290.28	25.00%
Vaughan	180,841,143.00	43.00%
	417,208,004.28	100%

* use to allocate exemption

Federal LCT exemption	50,000,000.00
Markham	16,000,000.00
Richmond Hill	12,500,000.00
Vaughan	21,500,000.00
Ontario Capital tax	7,500,000.00
Markham	2,400,000.00
Richmond Hill	1,875,000.00
Vaughan	3,225,000.00

2005 Rate Adjustment Model

Name of Utility:	**PowerStream_Markham rate zone**
License Number:	**ED-2004-0420**
File Number:	**RP-2005-0013**
	EB-2005-0047
Name of Contact:	**Dianne Petrucci**
E- Mail Address:	dianne.petrucci@powerstream.ca
Phone Number:	**(905)477-3810 Extension: 2061**
Date:	**January 17, 2005**

Version Number: **2005.V1.1**

SHEET 1 - 2002 Base Rate Schedule

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 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

Distribution kWh Rate	$0.0084
Monthly Service Charge (Per Customer)	$10.65

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	n/a
Monthly Service Charge (Per Customer)	n/a

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0062
Monthly Service Charge (Per Customer)	$27.41

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$0.9234
Monthly Service Charge (Per Customer)	$313.62

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	$0.8916
Monthly Service Charge (Per Customer)	$2,608.12

SHEET 1 - 2002 Base Rate Schedule

INTERMEDIATE USE

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

LARGE USE

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	$1.0024
Monthly Service Charge (Per Connection)	$0.58

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Connection)	n/a

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Connection)	n/a

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	$0.9183
Monthly Service Charge (Per Connection)	$0.21

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

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Enter the final MARR installment calculated in the 2001 RUD Model	**$ 2,760,228.30**
Have you applied for approval of your C&DM plan?	**yes**
Enter the amount applied for your C&DM plan	**$2,760,228.30**
Has the C&DM application been approved?	**yes**
Enter the final MARR installment *(based on Board-Approved C&DM plan or applied-for amount)*	**$ 2,760,228.30**
Grossed-up MARR based on 14 months recovery over 13 months.	**$ 2,972,553.55**

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		587,877,467	51,405	$8,503,325	56.21%	$1,670,991
General Service < 50 KW Class		269,779,156	7,099	$2,886,763	19.08%	$567,279
General Service > 50 KW Non-Time of Use	2,260,006		739	$3,600,807	23.80%	$707,596
General Service > 50 KW Time of Use	52,677		2	$81,041	0.54%	$15,925
Intermediate Use	0		0	$0	0.00%	$0
Large Class User	0		0	$0	0.00%	$0
Sentinel Lights	1,030		198	$1,782	0.01%	$350
Street Lighting	33,446		16,080	$52,991	0.35%	$10,413
TOTALS	**2,347,159**	**857,656,623**	**75,523**	**$15,126,709**	**100.00%**	**$2,972,554**
			Grossed-up MARR Value ==========>			**$2,972,554**

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$1,670,991
(B) Fixed-Variable Split (%)	43.0%	57.0%	100%
(C) Re-Allocated MARR ($)	$718,526	$952,465	$1,670,991
(D) Number of kWh	587,877,467		
(E) Number of Customers		51,405	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0012		
(G) Incremental Monthly Service Charge (C)/(E)/12		$1.5441	

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

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$567,279
(B) Fixed-Variable Split (%)	43.0%	57.0%	100%
(C) Re-Allocated MARR ($)	$243,930	$323,349	$567,279
(D) Number of kWh	269,779,156		
(E) Number of Customers		7,099	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0009		
(G) Incremental Monthly Service Charge (C)/(E)/12		$3.7957	

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

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$707,596
(B) Fixed-Variable Split (%)	43.0%	57.0%	100%
(C) Re-Allocated MARR ($)	$304,266	$403,329	$707,596
(D) Number of kW	2,260,006		
(E) Number of Customers		739	
(F) Incremental Distribution kWh Rate ($/kW)	$0.1346		
(G) Incremental Monthly Service Charge (C)/(E)/12		$45.4814	

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$15,925
(B) Fixed-Variable Split (%)	43.0%	57.0%	100%
(C) Re-Allocated MARR ($)	$6,848	$9,078	$15,925
(D) Number of kW	52,677		
(E) Number of Customers		2	
(F) Incremental Distribution kW Rate ($/kW)	$0.1300		
(G) Incremental Monthly Service Charge (C)/(E)/12		$378.2299	

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			$350
(B) Fixed-Variable Split (%)	42.9%	57.1%	100%
(C) Re-Allocated MARR ($)	$150	$200	$350
(D) Number of kW	1,030		
(E) Number of Customers		198	
(F) Incremental Distribution kW Rate ($/kW)	$0.1458		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0841	

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$10,413
(B) Fixed-Variable Split (%)	43.0%	57.0%	100%
(C) Re-Allocated MARR ($)	$4,478	$5,936	$10,413
(D) Number of kW	33,446		
(E) Number of Customers		16,080	
(F) Incremental Distribution kW Rate ($/kW)	$0.1339		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0308	

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

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2005**	

Residential Class

DISTRIBUTION KWH RATE	$0.0096
MONTHLY SERVICE CHARGE (Per Customer)	$12.19

Residential Class (Time-of-Use)

DISTRIBUTION KWH RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

General Service < 50 KW

DISTRIBUTION KWH RATE	$0.0071
MONTHLY SERVICE CHARGE (Per Customer)	$31.21

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

DISTRIBUTION KW RATE	$1.0580
MONTHLY SERVICE CHARGE (Per Customer)	$359.10

General Service > 50 KW (Time of Use)

DISTRIBUTION KW RATE	$1.0216
MONTHLY SERVICE CHARGE (Per Customer)	$2,986.35

Intermediate Use

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

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

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

Large Use

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

Sentinel Lights (Non-Time of Use)

DISTRIBUTION KW RATE	$1.1482
MONTHLY SERVICE CHARGE (Per Connection)	$0.66

OR

Sentinel Lights (Time of Use)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

Street Lighting (Non-Time of Use)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

OR

Street Lighting (Time of Use)

DISTRIBUTION KW RATE	$1.0522
MONTHLY SERVICE CHARGE (Per Connection)	$0.24

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 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 $ 5,291,914.05

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		665,045,007	63,987	$17,740,529	58.1%	$3,076,481
General Service < 50 KW Class		386,745,680	7,358	$5,584,135	18.3%	$968,375
General Service > 50 KW Non-Time of Use	2,623,545	953,159,949	899	$6,970,101	22.8%	$1,208,723
General Service > 50 KW Time of Use	54,275	32,612,747	2	$114,055	0.4%	$19,779
Intermediate Use	0		0	$0	0.0%	$0
Large Class User	0		0	$0	0.0%	$0
Sentinel Lights	1,100	396,000	198	$3,076	0.01%	$533
Street Lighting	35,623	13,839,802	18,931	$103,924	0.3%	$18,022
TOTALS		**2,051,799,185**	**91,375**	**$30,515,820**	**1.00**	**$5,291,914**
			2005 PILs Proxy Amount ==========>			$5,291,914

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$3,076,481
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$3,076,481	$0	$3,076,481
(D) Number of kWh	665,045,007		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0046		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$968,375
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$968,375	$0	$968,375
(D) Number of kWh	386,745,680		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0025		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

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

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$1,208,723
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$1,208,723	$0	$1,208,723
(D) Number of kW	2,623,545		
(E) Incremental Distribution kW Rate ($/kW)	$0.4607		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$19,779
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$19,779	$0	$19,779
(D) Number of kW	54,275		
(E) Incremental Distribution kW Rate ($/kW)	$0.3644		

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			$533
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$533	$0	$533
(D) Number of kW	1,100		
(E) Incremental Distribution kW Rate ($/kW)	$0.4849		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$18,022
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$18,022	$0	$18,022
(D) Number of kW	35,623		
(E) Incremental Distribution kW Rate ($/kW)	$0.5059		

SHEET 5 - Rate Schedule including 2005 PILs

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2005**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0142
MONTHLY SERVICE CHARGE (Per Customer)	$12.19

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0096
MONTHLY SERVICE CHARGE (Per Customer)	$31.21

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.5188
MONTHLY SERVICE CHARGE (Per Customer)	$359.10

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$1.3860
MONTHLY SERVICE CHARGE (Per Customer)	$2,986.35

INTERMEDIATE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

SHEET 5 - Rate Schedule including 2005 PILs

SHEET 5 - Rate Schedule including 2005 PILs

LARGE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.6331
MONTHLY SERVICE CHARGE (Per Connection)	$0.66

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$1.5581
MONTHLY SERVICE CHARGE (Per Connection)	$0.24

SHEET 6 - December 31, 2003 Regulatory Assets

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 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**	$3,651,752
RSVA - One-time Wholesale Market Service	**1582**	$197,936
RSVA - Retail Transmission Network Charge	**1584**	$1,500,810
RSVA - Retail Transmission Connection Charge	**1586**	-$6,849,980
RSVA - Power	**1588**	$5,671
Sub-Total for RSVA Accounts		-$1,493,811
Current Recovery: Amount Entered on Sheet 3, cell G13, of 2004 RAM		$1,989,944
Adjusted 2005 Recovery Amount (RSVA Accounts)		**-$3,483,755**

Other Regulatory Assets	**1508**	$0
Retail Cost Variance Account - Retail	**1518**	$440,920
Retail Cost Variance Account - STR	**1548**	$0
Misc. Deferred Debits - incl. Rebate Cheques	**1525**	$315,650
Deferred Payments in Lieu of Taxes	**1562**	$1,054,142
PILs Contra Account	**1563**	$0
Qualifing Transition Costs	**1570**	$2,137,199
Pre-Market Opening Energy Variances Total	**1571**	$3,753,602
Extra-Ordinary Event Losses	**1572**	$0
Deferred Rate Impact Amounts	**1574**	$0
Other Deferred Credits	**2425**	-$1,139,858
Sub-Total for Non-RSVA Regulatory Asset Accounts		$6,561,654
Current Recovery: Amount Entered on Sheet 5, cell G14, of 2004 RAM		$762,118
Adjusted 2005 Recovery Amount (Non-RSVA Accounts)		**$5,799,536**

Total Adjusted Regulatory Assets	$2,315,781

33% of Total Adjusted Regulatory Assets	**$771,927.08**

SHEET 6 - December 31, 2003 Regulatory Assets

---------- Please go to Section 2 ----------

Section 1: For LDCs with Total RSVA adjusted balances greater than 33 % of Total:		
Total Adjusted Balance for RSVA Accounts	**(a)**	N/A
33% of Total Adjusted Regulatory Assets	**(b)**	N/A
Remaining Final Amount to be recovered in future periods (a) - (b)		**N/A**

Section 2: For LDCs with Total RSVA adjusted balances less than 33 % of Total:	
33% OF Total Adjusted Regulatory Assets	$771,927
Total Adjusted Balance for RSVA Accounts	-$3,483,755
Amount to be colleced from RSVA Accounts	-$3,483,755
Amount to be collected from Non-RSVA accounts	$4,255,682

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:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Approved Regulatory Asset Recovery from Sheet 4 ***(either from Section 1 or Section 2)*** **$ (3,483,755.12)**

The share of class kWh sold in 2003 is used to allocate the approved interim RSVA Regulatory Asset amounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 kWh Shares	2003 RSVA Allocations
Residential Class	0	665,045,007	63,987	$17,740,529	32.4%	-$1,129,182
General Service < 50 KW Class	0	386,745,680	7,358	$5,584,135	18.8%	-$656,656
General Service > 50 KW Non-Time of Use	2,623,545	953,159,949	899	$6,970,101	46.5%	-$1,618,373
General Service > 50 KW Time of Use	54,275	32,612,747	2	$114,055	1.6%	-$55,373
Intermediate Use	0	0	0	$0	0.0%	$0
Large Class User	0	0	0	$0	0.0%	$0
Sentinel Lights	1,100	396,000	198	$3,076	0.0%	-$672
Street Lighting	35,623	13,839,802	18,931	$103,924	0.7%	-$23,499
TOTALS		**2,051,799,185**	**91,375**	**$30,515,820.00**	**1.00**	**-$3,483,755**
			Allocated Total for RSVA accounts ==========>			-$3,483,755

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$1,129,182
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,129,182	$0	-$1,129,182
(D) Number of kWh	665,045,007		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0017		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$656,656
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$656,656	$0	-$656,656
(D) Number of kWh	386,745,680		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0017		

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

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

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$1,618,373
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,618,373	$0	-$1,618,373
(D) Number of kW	2,623,545		
(E) Incremental Distribution kW Rate ($/kW)	-$0.6169		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$55,373
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$55,373	$0	-$55,373
(D) Number of kW	54,275		
(E) Incremental Distribution kW Rate ($/kW)	-$1.0202		

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			-$672
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$672	$0	-$672
(D) Number of kW	1,100		
(E) Incremental Distribution kW Rate ($/kW)	-$0.6112		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$23,499
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$23,499	$0	-$23,499
(D) Number of kW	35,623		
(E) Incremental Distribution kW Rate ($/kW)	-$0.6596		

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

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Approved Regulatory Asset Recovery from Non-RSVA Accounts *(Sheet 4, Section 2)* **$ 4,255,682.20**

Distribution Revenue is used to allocate the approved final Regulatory Asset amounts related to the Non-RSVA accounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2002 Regulatory Asset RSVA Allocations
Residential Class	0	665,045,007	63,987	$17,740,529	58.1%	$2,474,063
General Service < 50 KW Class	0	386,745,680	7,358	$5,584,135	18.3%	$778,754
General Service > 50 KW Non-Time of Use	2,623,545	953,159,949	899	$6,970,101	22.8%	$972,038
General Service > 50 KW Time of Use	54,275	32,612,747	2	$114,055	0.4%	$15,906
Intermediate Use	0	0	0	$0	0.0%	$0
Large Class User	0	0	0	$0	0.0%	$0
Sentinel Lights	1,100	396,000	198	$3,076	0.0%	$429
Street Lighting	35,623	13,839,802	18,931	$103,924	0.3%	$14,493
TOTALS		**2,051,799,185**	**91,375**	**$30,515,820**	**1.00**	**$4,255,682**
			Allocated Total for Non-RSVA accounts ==========>			$4,255,682

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$2,474,063
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$2,474,063	$0	$2,474,063
(D) Number of kWh	665,045,007		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0037		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$778,754
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$778,754	$0	$778,754
(D) Number of kWh	386,745,680		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0020		

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

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

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$972,038
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$972,038	$0	$972,038
(D) Number of kW	2,623,545		
(E) Incremental Distribution kW Rate ($/kW)	$0.3705		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$15,906
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$15,906	$0	$15,906
(D) Number of kW	54,275		
(E) Incremental Distribution kW Rate ($/kW)	$0.2931		

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			$429
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$429	$0	$429
(D) Number of kW	1,100		
(E) Incremental Distribution kW Rate ($/kW)	$0.3900		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$14,493
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$14,493	$0	$14,493
(D) Number of kW	35,623		
(E) Incremental Distribution kW Rate ($/kW)	$0.4068		

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Asset

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2005**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0163
MONTHLY SERVICE CHARGE (Per Customer)	$12.19

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0099
MONTHLY SERVICE CHARGE (Per Customer)	$31.21

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.2724
MONTHLY SERVICE CHARGE (Per Customer)	$359.10

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.6588
MONTHLY SERVICE CHARGE (Per Customer)	$2,986.35

INTERMEDIATE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Asset

LARGE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.4119
MONTHLY SERVICE CHARGE (Per Connection)	$0.66

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$1.3053
MONTHLY SERVICE CHARGE (Per Connection)	$0.24

SHEET 10 - Phase 2 Final Rate Riders

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 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	
General Service < 50 KW Class	
General Service > 50 KW Non-Time of Use	
General Service > 50 KW Time of Use	
Intermediate Use	
Large Class User	
Sentinel Lights	
Street Lighting	

PowerStream_Markham rate zone
RP-2005-0013 EB-2005-0047
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

ED-2004-0420

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

RESIDENTIAL

Monthly Service Charge	(per month)	$12.19
Distribution Volumetric Rate	(per kWh)	$0.0163

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kWh)	#VALUE!

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$31.21
Distribution Volumetric Rate	(per kWh)	$0.0099

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$359.10
Distribution Volumetric Rate	(per kW)	$1.2724

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	$2,986.35
Distribution Volumetric Rate	(per kW)	$0.6588

INTERMEDIATE USE

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

LARGE USE

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$0.66
Distribution Volumetric Rate	(per kW)	$1.4119

PowerStream_Markham rate zone
RP-2005-0013 EB-2005-0047
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

ED-2004-0420

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	$0.24
Distribution Volumetric Rate	(per kW)	$1.3053

SHEET 12 - Current Rates as of April 1, 2004

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 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

Distribution kWh Rate	$0.0110
Monthly Service Charge (Per Customer)	$13.89

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	n/a
Monthly Service Charge (Per Customer)	n/a

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0084
Monthly Service Charge (Per Customer)	$35.75

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$1.4905
Monthly Service Charge (Per Customer)	$399.90

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	$1.5242
Monthly Service Charge (Per Customer)	$3,410.25

INTERMEDIATE USE

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

SHEET 12 - Current Rates as of April 1, 2004

LARGE USE

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	$1.4793
Monthly Service Charge (Per Customer)	$0.77

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	$1.4313
Monthly Service Charge (Per Customer)	$0.28

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.0**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
100	Monthly Service Charge	N/A	N/A	**$ 13.89**	Monthly Service Charge	N/A	N/A	**$ 12.19**		
	Distribution (kWh)	100	**$ 0.0110**	$ 1.10	Distribution (kWh)	100	**$ 0.0163**	$ 1.63		
			Sub-Total	**$ 14.99**			**Sub Total**	**$ 13.82**	**$ (1.17)**	**-7.80%**
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)	100	$ 0.0239	$ 2.39		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			**$ 22.08**	**Adjusted 2005 Bill**			**$ 20.91**	**$ (1.17)**	**-5.29%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
250	Monthly Service Charge	N/A	N/A	**$ 13.89**	Monthly Service Charge	N/A	N/A	**$ 12.19**		
	Distribution (kWh)	250	**$0.0110**	$ 2.75	Distribution (kWh)	250	**$ 0.0163**	$ 4.07		
			Sub-Total	**$ 16.64**			**Sub Total**	**$ 16.26**	**$ (0.38)**	**-2.27%**
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)	250	$ 0.0239	$ 5.98		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			**$ 34.37**	**Adjusted 2005 Bill**			**$ 33.99**	**$ (0.38)**	**-1.10%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
500	Monthly Service Charge	N/A	N/A	**$ 13.89**	Monthly Service Charge	N/A	N/A	**$ 12.19**		
	Distribution (kWh)	500	**$0.0110**	$ 5.50	Distribution (kWh)	500	**$ 0.0163**	$ 8.14		
			Sub-Total	**$ 19.39**			**Sub Total**	**$ 20.33**	**$ 0.94**	**4.84%**
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)	500	$ 0.0239	$ 11.95		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			**$ 54.84**	**Adjusted 2005 Bill**			**$ 55.78**	**$ 0.94**	**1.71%**

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	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	750	$0.0110	$ 8.25	Distribution (kWh)	750	0.0163	$ 12.20		
			Sub-Total	$ 22.14			Sub Total	$ 24.40	$ 2.26	10.19%
	Other Charges (kWh)	750	0.0239	$ 17.93	Other Charges (kWh)	750	0.0239	$ 17.93		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Current 2004 Bill			$ 75.32	Adjusted 2005 Bill			$ 77.57	$ 2.26	3.00%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	1000	$0.0110	$ 11.00	Distribution (kWh)	1000	0.0163	$ 16.27		
			Sub-Total	$ 24.89			Sub Total	$ 28.46	$ 3.57	14.36%
	Other Charges (kWh)	1000	0.0239	$ 23.90	Other Charges (kWh)	1000	0.0239	$ 23.90		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	250	0.0550	$ 13.75	Cost of Power (kWh)	250	0.0550	$ 13.75		
	Current 2004 Bill			$ 97.79	Adjusted 2005 Bill			$ 101.36	$ 3.57	3.66%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,500	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	1500	$0.0110	$ 16.50	Distribution (kWh)	1500	0.0163	$ 24.41		
			Sub-Total	$ 30.39			Sub Total	$ 36.60	$ 6.21	20.43%
	Other Charges (kWh)	1500	0.0239	$ 35.85	Other Charges (kWh)	1500	0.0239	$ 35.85		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	750	0.0550	$ 41.25	Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			$ 142.74	Adjusted 2005 Bill			$ 148.95	$ 6.21	4.35%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
2,000	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	2000	$0.0110	$ 22.00	Distribution (kWh)	2000	0.0163	$ 32.54		
			Sub-Total	$ 35.89			Sub Total	$ 44.73	$ 8.84	24.64%
	Other Charges (kWh)	2000	0.0239	$ 47.80	Other Charges (kWh)	2000	0.0239	$ 47.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	0.0550	$ 68.75	Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 187.69	Adjusted 2005 Bill			$ 196.53	$ 8.84	4.71%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

GENERAL SERVICE < 50 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
1,000										
	Monthly Service Charge	N/A	N/A	**$ 35.75**	Monthly Service Charge	N/A	N/A	**$ 31.21**		
	Distribution (kWh)	1000	**$ 0.0084**	$ 8.40	Distribution (kWh)	1000	**$ 0.0099**	$ 9.92		
			Sub-Total	**$ 44.15**			**Sub Total**	**$ 41.13**	**$ (3.02)**	**-6.84%**
	Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90		
	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00		
	Current 2004 Bill			**$ 114.05**	**Adjusted 2005 Bill**			**$ 111.03**	**$ (3.02)**	**-2.65%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
2,000										
	Monthly Service Charge	N/A	N/A	**$ 35.75**	Monthly Service Charge	N/A	N/A	**$ 31.21**		
	Distribution (kWh)	2000	**$0.0084**	$ 16.80	Distribution (kWh)	2000	**$0.0099**	$ 19.85		
			Sub-Total	**$ 52.55**			**Sub Total**	**$ 51.05**	**$ (1.50)**	**-2.85%**
	Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	$0.0550	$ 68.75	Cost of Power (kWh)	1,250	$0.0550	$ 68.75		
	Current 2004 Bill			**$ 202.35**	**Adjusted 2005 Bill**			**$ 200.85**	**$ (1.50)**	**-0.74%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
5,000										
	Monthly Service Charge	N/A	N/A	**$ 35.75**	Monthly Service Charge	N/A	N/A	**$ 31.21**		
	Distribution (kWh)	5000	**$0.0084**	$ 42.00	Distribution (kWh)	5000	**$0.0099**	$ 49.62		
			Sub-Total	**$ 77.75**			**Sub Total**	**$ 80.82**	**$ 3.07**	**3.95%**
	Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	4,250	$0.0550	$ 233.75	Cost of Power (kWh)	4,250	$0.0550	$ 233.75		
	Current 2004 Bill			**$ 461.25**	**Adjusted 2005 Bill**			**$ 464.32**	**$ 3.07**	**0.67%**

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	$ 35.75	Monthly Service Charge	N/A	N/A	$ 31.21		
	Distribution (kWh)	10000	$0.0084	$ 84.00	Distribution (kWh)	10000	$0.0099	$ 99.24		
			Sub-Total	$ 119.75			Sub Total	$ 130.44	$ 10.69	8.93%
	Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	9,250	$0.0550	$ 508.75	Cost of Power (kWh)	9,250	$0.0550	$ 508.75		
	Current 2004 Bill			$ 892.75	Adjusted 2005 Bill			$ 903.44	$ 10.69	1.20%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ 35.75	Monthly Service Charge	N/A	N/A	$ 31.21		
	Distribution (kWh)	15000	$0.0084	$ 126.00	Distribution (kWh)	15000	$0.0099	$ 148.86		
			Sub-Total	$ 161.75			Sub Total	$ 180.06	$ 18.31	11.32%
	Other Charges (kWh)	15000	$0.0229	$ 343.50	Other Charges (kWh)	15,000	$0.0229	$ 343.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	14,250	$0.0550	$ 783.75	Cost of Power (kWh)	14,250	$0.0550	$ 783.75		
	Current 2004 Bill			$ 1,324.25	Adjusted 2005 Bill			$ 1,342.56	$ 18.31	1.38%

GENERAL SERVICE > 50 KW to 3000 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

		CURRENT 2004 BILL				FUTURE 2005 BILL				
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
60	Monthly Service Charge	N/A	N/A	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10		
kWh	Distribution (kW)	60	$1.4905	$ 89.43	Distribution (kW)	60	$1.2724	$ 76.34		
15,000			Sub-Total	$ 489.33			Sub Total	$ 435.45	$ (53.88)	-11.01%
	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 2004 Bill			$ 963.18	Adjusted 2005 Bill			$ 909.30	$ (53.88)	-5.59%

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	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10		
kWh	Distribution (kW)	100	$1.4905	$ 149.05	Distribution (kW)	100	$1.2724	$ 127.24		
40,000			Sub-Total	$ 548.95			Sub Total	$ 486.34	$ (62.61)	-11.41%
	Other Charges (kW)	100	$3.9100	$ 391.00	Other Charges (kW)	100.00	$3.9100	$ 391.00		
	Other Charges (kWh)	40,000	$0.0132	$ 528.00	Other Charges (kWh)	40,000	$0.0132	$ 528.00		
	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00		
	Current 2004 Bill			$ 3,667.95	Adjusted 2005 Bill			$ 3,605.34	$ (62.61)	-1.71%

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	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10		
kWh	Distribution (kW)	500	$1.4905	$ 745.25	Distribution (kW)	500	$1.2724	$ 636.20		
100,000			Sub-Total	$ 1,145.15			Sub Total	$ 995.30	$ (149.85)	-13.09%
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00		
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00		
	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00		
	Current 2004 Bill			$ 9,920.15	Adjusted 2005 Bill			$ 9,770.30	$ (149.85)	-1.51%

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	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10		
kWh	Distribution (kW)	1,000	$1.4905	$ 1,490.50	Distribution (kW)	1000	1.2724	$ 1,272.39		
400,000			Sub-Total	$ 1,890.40			Sub Total	$ 1,631.49	$ (258.91)	-13.70%
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	Other Charges (kWh)	400,000	0.0132	$ 5,280.00		
	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00		
	Current 2004 Bill			$ 33,080.40	Adjusted 2005 Bill			$ 32,821.49	$ (258.91)	-0.78%

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	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10		
kWh	Distribution (kW)	3,000	$1.4905	$ 4,471.50	Distribution (kW)	3000	1.2724	$ 3,817.18		
1,000,000			Sub-Total	$ 4,871.40			Sub Total	$ 4,176.28	$ (695.12)	-14.27%
	Other Charges (kW)	3,000	3.9100	$ 11,730.00	Other Charges (kW)	3,000.00	3.9100	$ 11,730.00		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00		
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00		
	Current 2004 Bill			$ 84,801.40	Adjusted 2005 Bill			$ 84,106.28	$ (695.12)	-0.82%

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	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!		
800,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 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	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!		
1,000,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 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	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!		
1,200,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

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										
4,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!		
1,800,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 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/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
6,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	6,000	n/a	#VALUE!	Distribution (kW)	6000	#VALUE!	$ -		
2,800,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!
	Other Charges (kW)	6,000	0.0474	$ 284.21	Other Charges (kWh)	6,000.00	0.0474	$ 284.21		
	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00		
	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
15,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	15,000	n/a	#VALUE!	Distribution (kW)	15000	#VALUE!	$ -		
10,000,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!
	Other Charges (kW)	15,000	0.0474	$ 710.54	Other Charges (kWh)	15,000.00	0.0474	$ 710.54		
	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00		
	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

Sheet 14 - Estimated Bill Impact Analysis for 2005 Rate Schedule Includes adjustment for transmission rate reduction

Name of Utility:	**PowerStream_Markham rate zone**	**2005.V1.0**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0047**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL					FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
100	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge		N/A	N/A	$ 12.19			Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	100	$ 0.0110	$ 1.10	Distribution (kWh)		100	$ 0.0163	$ 1.63			Distribution (kWh)	100	$ 0.0163	$ 1.63		
			Sub-Total	$ 14.99				Sub Total	$ 13.82	$ (1.17)	-7.80%			Sub Total	$ 13.82	$ (1.17)	-7.80%
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)		100	$ 0.0239	$ 2.39			Other Charges (kWh)	100	$ 0.0218	$ 2.18		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)		100	$ 0.0470	$ 4.70			Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			**$ 22.08**	**Adjusted 2005 Bill**				**$ 20.91**	**$ (1.17)**	**-5.29%**	**Adjusted 2005 Bill**			**$ 20.70**	**$ (1.38)**	**-6.25%**
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
250	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge		N/A	N/A	$ 12.19			Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	250	$0.0110	$ 2.75	Distribution (kWh)		250	$ 0.0163	$ 4.07			Distribution (kWh)	250	$ 0.0163	$ 4.07		
			Sub-Total	$ 16.64				Sub Total	$ 16.26	$ (0.38)	-2.27%			Sub Total	$ 16.26	$ (0.38)	-2.27%
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)		250	$ 0.0239	$ 5.98			Other Charges (kWh)	250	$ 0.0218	$ 5.45		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)		250	$ 0.0470	$ 11.75			Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			**$ 34.37**	**Adjusted 2005 Bill**				**$ 33.99**	**$ (0.38)**	**-1.10%**	**Adjusted 2005 Bill**			**$ 33.46**	**$ (0.90)**	**-2.63%**
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
500	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge		N/A	N/A	$ 12.19			Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	500	$0.0110	$ 5.50	Distribution (kWh)		500	$ 0.0163	$ 8.14			Distribution (kWh)	500	$ 0.0163	$ 8.14		
			Sub-Total	$ 19.39				Sub Total	$ 20.33	$ 0.94	4.84%			Sub Total	$ 20.33	$ 0.94	4.84%
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)		500	$ 0.0239	$ 11.95			Other Charges (kWh)	500	$ 0.0218	$ 10.90		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)		500	$ 0.0470	$ 23.50			Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			**$ 54.84**	**Adjusted 2005 Bill**				**$ 55.78**	**$ 0.94**	**1.71%**	**Adjusted 2005 Bill**			**$ 54.73**	**$ (0.11)**	**-0.20%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
750	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19			Monthly Service Charge	N/A	N/A	$ 12.19		
	Distribution (kWh)	750	$0.0110	$ 8.25	Distribution (kWh)	750	0.0163	$ 12.20			Distribution (kWh)	750	$ 0.0163	$ 12.20		
			Sub-Total	$ 22.14			Sub Total	$ 24.40	$ 2.26	10.19%			Sub Total	$ 24.40	$ 2.26	10.19%
	Other Charges (kWh)	750	0.0239	$ 17.93	Other Charges (kWh)	750	0.0239	$ 17.93			Other Charges (kWh)	750	$ 0.0218	$ 16.35		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25			Cost of Power (kWh)	750	$ 0.0470	$ 35.25		
	Current 2004 Bill			$ 75.32	Adjusted 2005 Bill			$ 77.57	$ 2.26	3.00%	Adjusted 2005 Bill			$ 76.00	$ 0.68	0.91%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19			Monthly Service Charge	n/a	N/A	$ 12.19		
	Distribution (kWh)	1000	$0.0110	$ 11.00	Distribution (kWh)	1000	0.0163	$ 16.27			Distribution (kWh)	1000	0.0163	$ 16.27		
			Sub-Total	$ 24.89			Sub Total	$ 28.46	$ 3.57	14.36%			Sub Total	$ 28.46	$ 3.57	14.36%
	Other Charges (kWh)	1000	0.0239	$ 23.90	Other Charges (kWh)	1000	0.0239	$ 23.90			Other Charges (kWh)	1000	0.0218	$ 21.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	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			Cost of Power (kWh)	250	0.0550	$ 13.75		
	Current 2004 Bill			$ 97.79	Adjusted 2005 Bill			$ 101.36	$ 3.57	3.66%	Adjusted 2005 Bill			$ 99.26	$ 1.47	1.51%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,500	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19			Monthly Service Charge	n/a	N/A	$ 12.19		
	Distribution (kWh)	1500	$0.0110	$ 16.50	Distribution (kWh)	1500	0.0163	$ 24.41			Distribution (kWh)	1500	0.0163	$ 24.41		
			Sub-Total	$ 30.39			Sub Total	$ 36.60	$ 6.21	20.43%			Sub Total	$ 36.60	$ 6.21	20.43%
	Other Charges (kWh)	1500	0.0239	$ 35.85	Other Charges (kWh)	1500	0.0239	$ 35.85			Other Charges (kWh)	1500	0.0218	$ 32.70		
	Cost of Power (kWh)	750	0.0470	$ 35.25	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			Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			$ 142.74	Adjusted 2005 Bill			$ 148.95	$ 6.21	4.35%	Adjusted 2005 Bill			$ 145.80	$ 3.06	2.14%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
2,000	Monthly Service Charge	N/A	N/A	$ 13.89	Monthly Service Charge	N/A	N/A	$ 12.19			Monthly Service Charge	n/a	N/A	$ 12.19		
	Distribution (kWh)	2000	$0.0110	$ 22.00	Distribution (kWh)	2000	0.0163	$ 32.54			Distribution (kWh)	2000	0.0163	$ 32.54		
			Sub-Total	$ 35.89			Sub Total	$ 44.73	$ 8.84	24.64%			Sub Total	$ 44.73	$ 8.84	24.64%
	Other Charges (kWh)	2000	0.0239	$ 47.80	Other Charges (kWh)	2000	0.0239	$ 47.80			Other Charges (kWh)	2000	0.0218	$ 43.60		
	Cost of Power (kWh)	750	0.0470	$ 35.25	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			Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 187.69	Adjusted 2005 Bill			$ 196.53	$ 8.84	4.71%	Adjusted 2005 Bill			$ 192.33	$ 4.64	2.47%

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.

ENTER DESIRED CONSUMPTION LEVEL (kWh)	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 35.75	Monthly Service Charge	N/A	N/A	$ 31.21			Monthly Service Charge	n/a	N/A	$ 31.21		
	Distribution (kWh)	1000	$ 0.0084	$ 8.40	Distribution (kWh)	1000	$ 0.0099	$ 9.92			Distribution (kWh)	1000	$ 0.0099	$ 9.92		
			Sub-Total	$ 44.15			Sub Total	$ 41.13	$ (3.02)	-6.84%			Sub Total	$ 41.13	$ (3.02)	-6.84%
	Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90			Other Charges (kWh)	1000	$ 0.0210	$ 21.00		
	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00			Cost of Power (kWh)	1000	$ 0.0470	$ 47.00		
	Current 2004 Bill			$ 114.05	Adjusted 2005 Bill			$ 111.03	$ (3.02)	-2.65%	Adjusted 2005 Bill			$ 109.13	$ (4.92)	-4.31%
2,000	Monthly Service Charge	N/A	N/A	$ 35.75	Monthly Service Charge	N/A	N/A	$ 31.21			Monthly Service Charge	n/a	N/A	$ 31.21		
	Distribution (kWh)	2000	$0.0084	$ 16.80	Distribution (kWh)	2000	$0.0099	$ 19.85			Distribution (kWh)	2000	$0.0099	$ 19.85		
			Sub-Total	$ 52.55			Sub Total	$ 51.05	$ (1.50)	-2.85%			Sub Total	$ 51.05	$ (1.50)	-2.85%
	Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80			Other Charges (kWh)	2,000	$0.0210	$ 42.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	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			Cost of Power (kWh)	1,250	$0.0550	$ 68.75		
	Current 2004 Bill			$ 202.35	Adjusted 2005 Bill			$ 200.85	$ (1.50)	-0.74%	Adjusted 2005 Bill			$ 197.05	$ (5.30)	-2.62%
5,000	Monthly Service Charge	N/A	N/A	$ 35.75	Monthly Service Charge	N/A	N/A	$ 31.21			Monthly Service Charge	n/a	N/A	$ 31.21		
	Distribution (kWh)	5000	$0.0084	$ 42.00	Distribution (kWh)	5000	$0.0099	$ 49.62			Distribution (kWh)	5000	$0.0099	$ 49.62		
			Sub-Total	$ 77.75			Sub Total	$ 80.82	$ 3.07	3.95%			Sub Total	$ 80.82	$ 3.07	3.95%
	Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50			Other Charges (kWh)	5,000	$0.0210	$ 105.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	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			Cost of Power (kWh)	4,250	$0.0550	$ 233.75		
	Current 2004 Bill			$ 461.25	Adjusted 2005 Bill			$ 464.32	$ 3.07	0.67%	Adjusted 2005 Bill			$ 454.82	$ (6.43)	-1.39%
10,000	Monthly Service Charge	N/A	N/A	$ 35.75	Monthly Service Charge	N/A	N/A	$ 31.21			Monthly Service Charge	n/a	N/A	$ 31.21		
	Distribution (kWh)	10000	$0.0084	$ 84.00	Distribution (kWh)	10000	$0.0099	$ 99.24			Distribution (kWh)	10000	$0.0099	$ 99.24		
			Sub-Total	$ 119.75			Sub Total	$ 130.44	$ 10.69	8.93%			Sub Total	$ 130.44	$ 10.69	8.93%
	Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00			Other Charges (kWh)	10,000	$0.0210	$ 210.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	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				Cost of Power (kWh)	9,250	$0.0550	$ 508.75			
	Current 2004 Bill			**$ 892.75**		**Adjusted 2005 Bill**			**$ 903.44**	**$ 10.69**	**1.20%**		**Adjusted 2005 Bill**			**$ 884.44**	**$ (8.31)**	**-0.93%**	
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**	
15,000	Monthly Service Charge	N/A	N/A	**$ 35.75**		Monthly Service Charge	N/A	N/A	**$ 31.21**				Monthly Service Charge	n/a	N/A	**$ 31.21**			
	Distribution (kWh)	15000	**$0.0084**	$ 126.00		Distribution (kWh)	15000	**$0.0099**	$ 148.86				Distribution (kWh)	15000	**$0.0099**	$ 148.86			
			Sub-Total	**$ 161.75**				**Sub Total**	**$ 180.06**	**$ 18.31**	**11.32%**				**Sub Total**	**$ 180.06**	**$ 18.31**	**11.32%**	
	Other Charges (kWh)	15000	$0.0229	$ 343.50		Other Charges (kWh)	15,000	$0.0229	$ 343.50				Other Charges (kWh)	15,000	$0.0210	$ 315.00			
	Cost of Power (kWh)	750	$0.0470	$ 35.25		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				Cost of Power (kWh)	14,250	$0.0550	$ 783.75			
	Current 2004 Bill			**$ 1,324.25**		**Adjusted 2005 Bill**			**$ 1,342.56**	**$ 18.31**	**1.38%**		**Adjusted 2005 Bill**			**$ 1,314.06**	**$ (10.19)**	**-0.77%**	

GENERAL SERVICE > 50 KW to 3000 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

	CURRENT 2004 BILL					**FUTURE 2005 BILL**						**FUTURE 2005 BILL Incl. Transmission rate reduction**						
ENTER DESIRED CONSUMPTION LEVEL		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**			**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**			**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**	
kW																			
60	Monthly Service Charge	N/A	N/A	**$ 399.90**		Monthly Service Charge	N/A	N/A	**$ 359.10**				Monthly Service Charge	n/a	N/A	**$ 359.10**			
kWh	Distribution (kW)	60	**$1.4905**	$ 89.43		Distribution (kW)	60	**$1.2724**	$ 76.34				Distribution (kW)	60	**$1.2724**	$ 76.34			
15,000			**Sub-Total**	**$ 489.33**				**Sub Total**	**$ 435.45**	**$ (53.88)**	**-11.01%**				**Sub Total**	**$ 435.45**	**$ (53.88)**	**-11.01%**	
	Other Charges (kW)	60	$3.9100	$ 234.60		Other Charges (kW)	60.00	$3.9100	$ 234.60				Other Charges (kW)	60.00	$3.1662	$ 189.97			
	Other Charges (kWh)	15,000	$0.0132	$ 198.00		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				Cost of Power (kWh)	15,000	$0.0550	$ 825.00			
	Current 2004 Bill			**$ 1,746.93**		**Adjusted 2005 Bill**			**$ 1,693.05**	**$ (53.88)**	**-3.08%**		**Adjusted 2005 Bill**			**$ 1,648.42**	**$ (98.51)**	**-5.64%**	
ENTER DESIRED CONSUMPTION LEVEL		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**			**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**			**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**	
kW																			
100	Monthly Service Charge	N/A	N/A	**$ 399.90**		Monthly Service Charge	N/A	N/A	**$ 359.10**				Monthly Service Charge	n/a	N/A	**$ 359.10**			
kWh	Distribution (kW)	100	**$1.4905**	$ 149.05		Distribution (kW)	100	**$1.2724**	$ 127.24				Distribution (kW)	100	**$1.2724**	$ 127.24			
40,000			**Sub-Total**	**$ 548.95**				**Sub Total**	**$ 486.34**	**$ (62.61)**	**-11.41%**				**Sub Total**	**$ 486.34**	**$ (62.61)**	**-11.41%**	
	Other Charges (kW)	100	$3.9100	$ 391.00		Other Charges (kW)	100.00	$3.9100	$ 391.00				Other Charges (kW)	100.00	$3.1662	$ 316.62			
	Other Charges (kWh)	40,000	$0.0132	$ 528.00		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				Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00			
	Current 2004 Bill			**$ 3,667.95**		**Adjusted 2005 Bill**			**$ 3,605.34**	**$ (62.61)**	**-1.71%**		**Adjusted 2005 Bill**			**$ 3,530.96**	**$ (136.99)**	**-3.73%**	
ENTER DESIRED CONSUMPTION LEVEL		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**			**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**			**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**	

kW																			
500	Monthly Service Charge	N/A	N/A	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10			Monthly Service Charge	n/a	N/A	$ 359.10					
kWh	Distribution (kW)	500	$1.4905	$ 745.25	Distribution (kW)	500	$1.2724	$ 636.20			Distribution (kW)	500	$1.2724	$ 636.20					
100,000			Sub-Total	$ 1,145.15			Sub Total	$ 995.30	$ (149.85)	-13.09%			Sub Total	$ 995.30	$ (149.85)	-13.09%			
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00			Other Charges (kW)	500.00	$3.1662	$ 1,583.10					
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	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			Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00					
	Current 2004 Bill			$ 9,920.15	Adjusted 2005 Bill			$ 9,770.30	$ (149.85)	-1.51%	Adjusted 2005 Bill			$ 9,398.40	$ (521.75)	-5.26%			

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)			
kW																			
1,000	Monthly Service Charge	N/A	N/A	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10			Monthly Service Charge	n/a	N/A	$ 359.10					
kWh	Distribution (kW)	1,000	$1.4905	$ 1,490.50	Distribution (kW)	1000	1.2724	$ 1,272.39			Distribution (kW)	1000	$1.2724	$ 1,272.39					
400,000			Sub-Total	$ 1,890.40			Sub Total	$ 1,631.49	$ (258.91)	-13.70%			Sub Total	$ 1,631.49	$ (258.91)	-13.70%			
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00			Other Charges (kW)	1,000.00	$3.1662	$ 3,166.20					
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	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			Cost of Power (kWh)	400,000	$0.0550	$ 22,000.00					
	Current 2004 Bill			$ 33,080.40	Adjusted 2005 Bill			$ 32,821.49	$ (258.91)	-0.78%	Adjusted 2005 Bill			$ 32,077.69	$ (1,002.71)	-3.03%			

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)			
kW																			
3,000	Monthly Service Charge	N/A	N/A	$ 399.90	Monthly Service Charge	N/A	N/A	$ 359.10			Monthly Service Charge	n/a	N/A	$ 359.10					
kWh	Distribution (kW)	3,000	$1.4905	$ 4,471.50	Distribution (kW)	3000	1.2724	$ 3,817.18			Distribution (kW)	3000	$1.2724	$ 3,817.18					
1,000,000			Sub-Total	$ 4,871.40			Sub Total	$ 4,176.28	$ (695.12)	-14.27%			Sub Total	$ 4,176.28	$ (695.12)	-14.27%			
	Other Charges (kW)	3,000	3.9100	$ 11,730.00	Other Charges (kW)	3,000.00	3.9100	$ 11,730.00			Other Charges (kW)	3,000.00	$3.1662	$ 9,498.60					
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	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			Cost of Power (kWh)	1,000,000	$0.0550	$ 55,000.00					
	Current 2004 Bill			$ 84,801.40	Adjusted 2005 Bill			$ 84,106.28	$ (695.12)	-0.82%	Adjusted 2005 Bill			$ 81,874.88	$ (2,926.52)	-3.45%			

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						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																
3,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	#VALUE!	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
800,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	12,641.40	0.0000	$ -		
	Other Charges (kWh)	800,000	0.0132	$ 10,560.00	Other Charges (kWh)	800,000	0.0132	$ 10,560.00			Other Charges (kWh)	10,560	0.0000	$ -		
	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00			Cost of Power (kWh)	44,000	0.0000	$ -		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 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 (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
3,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	#VALUE!	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
1,000,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	12,641.40	0.0000	$ -		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00			Other Charges (kWh)	13,200	0.0000	$ -		
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00			Cost of Power (kWh)	55,000	0.0000	$ -		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 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 (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
4,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	#VALUE!	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
1,200,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	16,855.20	0.0000	$ -		
	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00			Other Charges (kWh)	15,840	0.0000	$ -		
	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00			Cost of Power (kWh)	66,000	0.0000	$ -		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 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 (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
4,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	#VALUE!	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
1,800,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	16,855.20	0.0000	$ -		
	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00			Other Charges (kWh)	23,760	0.0000	$ -		
	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00			Cost of Power (kWh)	99,000	0.0000	$ -		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

GS>50 TOU

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						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
100	Monthly Service Charge	N/A	N/A	$ 3,410.25	Monthly Service Charge	N/A	N/A	$ 2,986.35			Monthly Service Charge	n/a	N/A	$ 2,986.35		
kWh	Distribution (kW)	100	$1.5242	$ 152.42	Distribution (kW)	100	$0.66	$ 65.88			Distribution (kW)	100	$0.66	$ 65.88		
40,000			Sub-Total	$ 3,562.67			Sub Total	$ 3,052.23	$ (510.44)	-14.33%			Sub Total	$ 3,052.23	$ (510.44)	-14.33%
	Other Charges (kW)	100	4.2138	$ 421.38	Other Charges (kWh)	100.00	4.2138	$ 421.38			Other Charges (kWh)	100.00	3.3963	$ 339.63		

	Other Charges (kWh)	40,000	0.0132	$ 528.00	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			Cost of Power (kWh)	40,000	0.0550	$ 2,200.00			
	Current 2004 Bill			**$ 6,712.05**	**Adjusted 2005 Bill**			**$ 6,201.61**	**$ (510.44)**	**-7.60%**	**Adjusted 2005 Bill**			**$ 6,119.86**	**$ (592.19)**	**-8.82%**	

ENTER DESIRED CONSUMPTION LEVEL		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
kW																
1,000	Monthly Service Charge	N/A	N/A	**$ 3,410.25**	Monthly Service Charge	N/A	N/A	**$ 2,986.35**			Monthly Service Charge	n/a	N/A	**$ 2,986.35**		
kWh	Distribution (kW)	1,000	**$1.5242**	$ 1,524.20	Distribution (kW)	1000	**$0.66**	$ 658.85			Distribution (kW)	1000	**$0.66**	$ 658.85		
400,000			**Sub-Total**	**$ 4,934.45**			**Sub Total**	**$ 3,645.19**	**$ (1,289.26)**	**-26.13%**			**Sub Total**	**$ 3,645.19**	**$ (1,289.26)**	**-26.13%**
	Other Charges (kW)	1,000	4.2138	$ 4,213.80	Other Charges (kWh)	1,000.00	4.2138	$ 4,213.80			Other Charges (kWh)	1,000.00	3.3963	$ 3,396.30		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	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			Cost of Power (kWh)	400,000	0.0550	$ 22,000.00		
	Current 2004 Bill			**$ 36,428.25**	**Adjusted 2005 Bill**			**$ 35,138.99**	**$ (1,289.26)**	**-3.54%**	**Adjusted 2005 Bill**			**$ 34,321.49**	**$ (2,106.76)**	**-5.78%**

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0047

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 **PowerStream Inc. (Markham)** 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: $ 2,760,228
2005 PILs Proxy: $ 5,291,994
Regulatory Assets Second Tranche: $ 771,927

Submissions

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

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

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

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

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of

capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

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

The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

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

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

DATED at Toronto, March 18, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0047

March 18, 2005

ONTARIO ENERGY BOARD

PowerStream - Markham Rate Zone
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2005-0043
EB-2005-0047

RESIDENTIAL

Monthly Service Charge	(per month)	$12.19
Distribution Volumetric Rate	(per kWh)	$0.0163

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$31.21
Distribution Volumetric Rate	(per kWh)	$0.0099

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$359.10
Distribution Volumetric Rate	(per kW)	$1.2724

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	$2,986.35
Distribution Volumetric Rate	(per kW)	$0.6588

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$0.66
Distribution Volumetric Rate	(per kW)	$1.4119

STREET LIGHTING (Non Time of Use or TOU)

Monthly Service Charge	(per connection)	$0.24
Distribution Volumetric Rate	(per kW)	$1.3052

Unmetered Scattered Loads

Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	$31.21
Distribution Volumetric Rate	(per kWh)	$0.0099

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

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

REGULATORY INFORMATION (REGINFO)

Utility Name:	PowerStream_Richmond Hill rate zone	
File Number:	RP-2005-0013	
	EB-2005-0069	
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.	25.00%	
3. Please explain the basis of the allocation if the percentage is other than 100%.	Based on allocation across 3 service territories for PowerStream. Allocation done on proportion of rate base. See spreadsheet attached.	
4. Accounting Year End	Dec-31	

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

Rate base (wires-only)	$104,354,290.28		
Common Equity Ratio (CER)	45.00%		
1-CER	55.00%		
Target Return On Equity (%)	9.88%		
Debt rate	7.00%		
			Regulatory Income
Market Adjusted Revenue Requirement	$8,657,232		
1999 return from RUD Sheet #7	$2,530,302		$2,530,302
Total Incremental revenue	$6,126,930		
	Based on Board's Decision (RP-2000-0069)	*Board-Approved Amounts*	
Amount allowed in 2001, Year 1	$2,042,310		$2,042,310
Amount allowed in 2002, Year 2	$2,042,310		$2,042,310
Amount allowed in 2003, Year 3	$2,042,310		$2,042,310
Permanent Changes to Base Rate *(e.g. LPP 5% to 1.5%)*			$0
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet	48%		
Total Regulatory Income			**$8,657,232**
Equity	$46,959,431		
Return at target ROE	$4,639,592		
Debt	$57,394,860		
Deemed interest amount in EBIT	$4,017,640		

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: PowerStream_Richmond Hill rate zone Reporting Period: January 1,2005-December 31,2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
I) CORPORATE INCOME TAXES			
Regulatory Net Income	1	**$8,657,232**	
BOOK TO TAX ADJUSTMENTS			
Additions:			
Depreciation & Amortization	2	**$5,536,188**	
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	**$4,271,174**	
Employee Benefit Plans - Paid Amounts	8	$0	
Items Capitalized for Regulatory Purposes	9	$0	
Regulatory Adjustments	10	$0	
Interest Expense Deemed	11	**$4,017,640**	
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	**$296,000**	
Material Items	12	$0	
Other Deductions	12	$0	
REGULATORY TAXABLE INCOME		**$5,608,606**	
CORPORATE INCOME TAX RATE			
Deemed %	13	36.12%	
REGULATORY INCOME TAX Taxable Income x Rate		$2,025,828	
Miscellaneous Tax Credits	14	$0	
Total Regulatory Income Tax		**$2,025,828**	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: PowerStream_Richmond Hill rate zone Reporting Period: January 1,2005-December 31,2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
Percentage used to determine the exemptions for capital tax and large corporations tax		25%	
II) CAPITAL TAXES			
Ontario			
Rate Base	15	$104,354,290	
Less: Exemption	16	$1,875,000	
Deemed Taxable Capital		$102,479,290	
Rate (.3%)	17	0.3000%	
Net Amount (Taxable Capital x Rate)		**$307,438**	
Federal (LCT)			
Base	18	$104,354,290	
Less: Exemption	19	$12,500,000	
Deemed Taxable Capital		$91,854,290	
Rate (.175%)	20	0.1750%	
Gross Amount (Taxable Capital x Rate)		$160,745	
Less: Federal Surtax	21	$62,816	
Net LCT		**$97,929**	
III) INCLUSION IN RATES			
Income Tax Rate used for gross- up		36.12%	
Income Tax (grossed-up)	22	$3,171,303	
LCT (grossed-up)	23	$153,301	
Ontario Capital Tax	24	$307,438	
Total S. 93 PILs Rate Adjustment ***(Enter this amount in the 2005 RAM, Sheet #4, cell G14)***	**25**	**$3,632,042**	

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: PowerStream_Richmond Hill rate zone
File Number: RP-2005-0013
EB-2005-0069

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30th 2007		Total
	$	%	$	%	$	%	$
Capital	$275,000	48%	$394,000	48%	$240,000	37%	**$909,000**
Tax Deductible Expense	$296,000	52%	$430,000	52%	$407,310	63%	**$1,133,310**
Total	**$571,000**	**100%**	**$824,000**	**100%**	**$647,310**	**100%**	**$2,042,310**

Notes:

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

2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 ta 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 the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

%
45%
55%
100%

ve.

x deductible

amount of

	Rate Base	%
Markham	132,012,571.00	32.00%
Richmond Hill	104,354,290.28	25.00%
Vaughan	180,841,143.00	43.00%
	417,208,004.28	100%

* use to allocate exemption

Federal LCT exemption	50,000,000.00
Markham	16,000,000.00
Richmond Hill	12,500,000.00
Vaughan	21,500,000.00
Ontario Capital tax	7,500,000.00
Markham	2,400,000.00
Richmond Hill	1,875,000.00
Vaughan	3,225,000.00

2005 Rate Adjustment Model

Name of Utility:	**PowerStream_Richmond Hill rate zone**
License Number:	**ED-2004-0420**
File Number:	**RP-2005-0013**
	EB-2005-0069
Name of Contact:	**Dianne Petrucci**
E- Mail Address:	dianne.petrucci@powerstream.ca
Phone Number:	**(905)477-3810 Extension: 2061**
Date:	**January 17, 2004**

Version Number: **2005.V1.1**

SHEET 1 - 2002 Base Rate Schedule

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2004**	

Enter the values for your 2002 Base Rates as shown on sheet 4 of the 2002 RAM or sheet 2 of the 2004 RAM.
Using the 2002 base rates removes the impact of 2004 interim Regulatory Assets and the 2004 PILs Proxy, added in the approved rates on April 1, 2004.

Adjustments to rate classes may be made if your LDC has non-standard classes.

RESIDENTIAL

Distribution kWh Rate	$0.0097
Monthly Service Charge (Per Customer)	$12.53

RESIDENTIAL (TIME OF USE)

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

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0087
Monthly Service Charge (Per Customer)	$32.03

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$2.4014
Monthly Service Charge (Per Customer)	$286.06

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Customer)	$0.00

SHEET 1 - 2002 Base Rate Schedule

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	$0.0000
Monthly Service Charge (Per Connection)	$0.00

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	$3.1532
Monthly Service Charge (Per Connection)	$0.79

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Connection)	$0.00

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

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2004**	

Enter the final MARR installment calculated in the 2001 RUD Model	**$**	**2,042,309.97**
Have you applied for approval of your C&DM plan?		**yes**
Enter the amount applied for your C&DM plan		**$2,042,309.97**
Has the C&DM application been approved?		**yes**
Enter the final MARR installment *(based on Board-Approved C&DM plan or applied-for amount)*	**$**	**2,042,309.97**
Grossed-up MARR based on 14 months recovery over 13 months.	**$**	**2,199,410.74**

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		344,110,821	33,036	$6,189,341	52.99%	$1,165,548
General Service < 50 KW Class		113,332,044	3,849	$1,844,196	15.79%	$347,290
General Service > 50 KW Non-Time of Use	1,177,194		549	$3,524,424	30.18%	$663,703
General Service > 50 KW Time of Use					0.00%	$0
Intermediate Use					0.00%	$0
Large Class User					0.00%	$0
Sentinel Lights					0.00%	$0
Street Lighting	20,594		10,332	$121,439	1.04%	$22,869
TOTALS	**1,197,788**	**457,442,865**	**47,766**	**$11,679,400**	**100.00%**	**$2,199,411**
			Grossed-up MARR Value ==========>			**$2,199,411**

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$1,165,548
(B) Fixed-Variable Split (%)	40.0%	60.0%	100%
(C) Re-Allocated MARR ($)	$466,219	$699,329	$1,165,548
(D) Number of kWh	344,110,821		
(E) Number of Customers		33,036	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0014		
(G) Incremental Monthly Service Charge (C)/(E)/12		$1.7641	

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

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$347,290
(B) Fixed-Variable Split (%)	40.0%	60.0%	100%
(C) Re-Allocated MARR ($)	$138,916	$208,374	$347,290
(D) Number of kWh	113,332,044		
(E) Number of Customers		3,849	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0012		
(G) Incremental Monthly Service Charge (C)/(E)/12		$4.5114	

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

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$663,703
(B) Fixed-Variable Split (%)	60.0%	40.0%	100%
(C) Re-Allocated MARR ($)	$398,222	$265,481	$663,703
(D) Number of kW	1,177,194		
(E) Number of Customers		549	
(F) Incremental Distribution kWh Rate ($/kW)	$0.3383		
(G) Incremental Monthly Service Charge (C)/(E)/12		$40.2977	

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			$0
(B) Fixed-Variable Split (%)			0%
(C) Re-Allocated MARR ($)	$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	

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$22,869
(B) Fixed-Variable Split (%)	40.0%	60.0%	100%
(C) Re-Allocated MARR ($)	$9,148	$13,721	$22,869
(D) Number of kW	20,594		
(E) Number of Customers		10,332	
(F) Incremental Distribution kW Rate ($/kW)	$0.4442		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.1107	

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

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2004**	

Residential Class

DISTRIBUTION KWH RATE	$0.0111
MONTHLY SERVICE CHARGE (Per Customer)	$14.29

Residential Class (Time-of-Use)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

General Service < 50 KW

DISTRIBUTION KWH RATE	$0.0099
MONTHLY SERVICE CHARGE (Per Customer)	$36.54

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

DISTRIBUTION KW RATE	$2.7397
MONTHLY SERVICE CHARGE (Per Customer)	$326.36

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)

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	
MONTHLY SERVICE CHARGE (Per Connection)	

OR

Sentinel Lights (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

Street Lighting (Non-Time of Use)

DISTRIBUTION KW RATE	$3.5974
MONTHLY SERVICE CHARGE (Per Connection)	$0.90

OR

Street Lighting (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2004**	

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 $ 3,632,041.85

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		410,946,549	41,188	$12,899,211	59.0%	$2,141,715
General Service < 50 KW Class		155,748,717	4,374	$3,444,196	15.7%	$571,856
General Service > 50 KW Non-Time of Use	1,171,411	428,128,159	488	$5,341,616	24.4%	$886,893
General Service > 50 KW Time of Use					0.0%	$0
Intermediate Use					0.0%	$0
Large Class User					0.0%	$0
Sentinel Lights					0.0%	$0
Street Lighting	22,092	8,587,746	12,844	$190,193	0.9%	$31,579
TOTALS		**1,003,411,171**	**58,894**	**$21,875,216**	**1.00**	**$3,632,042**
			2005 PILs Proxy Amount ==========>			$3,632,042

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$2,141,715
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$2,141,715	$0	$2,141,715
(D) Number of kWh	410,946,549		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0052		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$571,856
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$571,856	$0	$571,856
(D) Number of kWh	155,748,717		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0037		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

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

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$886,893
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$886,893	$0	$886,893
(D) Number of kW	1,171,411		
(E) Incremental Distribution kW Rate ($/kW)	$0.7571		

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			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$31,579
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$31,579	$0	$31,579
(D) Number of kW	22,092		
(E) Incremental Distribution kW Rate ($/kW)	$1.4294		

SHEET 5 - Rate Schedule including 2005 PILs

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2004**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0163
MONTHLY SERVICE CHARGE (Per Customer)	$14.29

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0136
MONTHLY SERVICE CHARGE (Per Customer)	$36.54

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.4968
MONTHLY SERVICE CHARGE (Per Customer)	$326.36

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

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

MONTHLY SERVICE CHARGE (Per Connection)

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.0268
MONTHLY SERVICE CHARGE (Per Connection)	$0.90

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

SHEET 6 - December 31, 2003 Regulatory Assets

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810**	**Extension: 2061**
Date:	**January 17, 2004**	

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**	$2,028,667
RSVA - One-time Wholesale Market Service	**1582**	$110,873
RSVA - Retail Transmission Network Charge	**1584**	$1,052,535
RSVA - Retail Transmission Connection Charge	**1586**	-$4,157,885
RSVA - Power	**1588**	$165,711
Sub-Total for RSVA Accounts		-$800,099
Current Recovery: Amount Entered on Sheet 3, cell G13, of 2004 RAM		$1,889,008
Adjusted 2005 Recovery Amount (RSVA Accounts)		**-$2,689,107**

Other Regulatory Assets	**1508**	$0
Retail Cost Variance Account - Retail	**1518**	$0
Retail Cost Variance Account - STR	**1548**	$0
Misc. Deferred Debits - incl. Rebate Cheques	**1525**	$0
Deferred Payments in Lieu of Taxes	**1562**	$693,670
PILs Contra Account	**1563**	-$693,670
Qualifing Transition Costs	**1570**	$475,155
Pre-Market Opening Energy Variances Total	**1571**	$3,553,905
Extra-Ordinary Event Losses	**1572**	$0
Deferred Rate Impact Amounts	**1574**	$0
Other Deferred Credits	**2425**	-$163,547
Sub-Total for Non-RSVA Regulatory Asset Accounts		$3,865,514
Current Recovery: Amount Entered on Sheet 5, cell G14, of 2004 RAM		$0
Adjusted 2005 Recovery Amount (Non-RSVA Accounts)		**$3,865,514**

Total Adjusted Regulatory Assets	$1,176,407

33% of Total Adjusted Regulatory Assets	**$392,135.51**

SHEET 6 - December 31, 2003 Regulatory Assets

---------- Please go to Section 2 ----------

Section 1: For LDCs with Total RSVA adjusted balances greater than 33 % of Total:		
Total Adjusted Balance for RSVA Accounts	**(a)**	N/A
33% of Total Adjusted Regulatory Assets	**(b)**	N/A
Remaining Final Amount to be recovered in future periods (a) - (b)		**N/A**

Section 2: For LDCs with Total RSVA adjusted balances less than 33 % of Total:	
33% OF Total Adjusted Regulatory Assets	$392,136
Total Adjusted Balance for RSVA Accounts	-$2,689,107
Amount to be colleced from RSVA Accounts	-$2,689,107
Amount to be collected from Non-RSVA accounts	$3,081,243

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:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2004**	

Approved Regulatory Asset Recovery from Sheet 4 ***(either from Section 1 or Section 2)*** **$ (2,689,107.13)**

The share of class kWh sold in 2003 is used to allocate the approved interim RSVA Regulatory Asset amounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 kWh Shares	2003 RSVA Allocations
Residential Class	0	410,946,549	41,188	$12,899,211	41.0%	-$1,101,322
General Service < 50 KW Class	0	155,748,717	4,374	$3,444,196	15.5%	-$417,401
General Service > 50 KW Non-Time of Use	1,171,411	428,128,159	488	$5,341,616	42.7%	-$1,147,369
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	0	0	0	$0	0.0%	$0
Street Lighting	22,092	8,587,746	12,844	$190,193	0.9%	-$23,015
TOTALS		**1,003,411,171**	**58,894**	**$21,875,216.00**	**1.00**	**-$2,689,107**
			Allocated Total for RSVA accounts ==========>			-$2,689,107

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$1,101,322
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,101,322	$0	-$1,101,322
(D) Number of kWh	410,946,549		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0027		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$417,401
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$417,401	$0	-$417,401
(D) Number of kWh	155,748,717		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0027		

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

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

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$1,147,369
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,147,369	$0	-$1,147,369
(D) Number of kW	1,171,411		
(E) Incremental Distribution kW Rate ($/kW)	-$0.9795		

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

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$23,015
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$23,015	$0	-$23,015
(D) Number of kW	22,092		
(E) Incremental Distribution kW Rate ($/kW)	-$1.0418		

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

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2004**	

Approved Regulatory Asset Recovery from Non-RSVA Accounts *(Sheet 4, Section 2)* **$ 3,081,242.64**

Distribution Revenue is used to allocate the approved final Regulatory Asset amounts related to the Non-RSVA accounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2002 Regulatory Asset RSVA Allocations
Residential Class	0	410,946,549	41,188	$12,899,211	59.0%	$1,816,924
General Service < 50 KW Class	0	155,748,717	4,374	$3,444,196	15.7%	$485,134
General Service > 50 KW Non-Time of Use	1,171,411	428,128,159	488	$5,341,616	24.4%	$752,396
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	0	0	0	$0	0.0%	$0
Street Lighting	22,092	8,587,746	12,844	$190,193	0.9%	$26,790
TOTALS		**1,003,411,171**	**58,894**	**$21,875,216**	**1.00**	**$3,081,243**
			Allocated Total for Non-RSVA accounts ==========>			$3,081,243

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$1,816,924
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$1,816,924	$0	$1,816,924
(D) Number of kWh	410,946,549		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0044		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$485,134
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$485,134	$0	$485,134
(D) Number of kWh	155,748,717		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0031		

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

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

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$752,396
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$752,396	$0	$752,396
(D) Number of kW	1,171,411		
(E) Incremental Distribution kW Rate ($/kW)	$0.6423		

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	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$26,790
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$26,790	$0	$26,790
(D) Number of kW	22,092		
(E) Incremental Distribution kW Rate ($/kW)	$1.2126		

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Asset

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2004**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0180
MONTHLY SERVICE CHARGE (Per Customer)	$14.29

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0140
MONTHLY SERVICE CHARGE (Per Customer)	$36.54

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.1596
MONTHLY SERVICE CHARGE (Per Customer)	$326.36

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 Asset

LARGE USE

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Customer)

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.1977
MONTHLY SERVICE CHARGE (Per Connection)	$0.90

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

SHEET 10 - Phase 2 Final Rate Riders

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2004**	

This sheet is to be used by those distributors that have final approval of their Regulatory Asset Recovery - Phase 2 rate riders.

Class	Rate Rider per kWh (or kW)
Residential Class	
General Service < 50 KW Class	
General Service > 50 KW Non-Time of Use	
General Service > 50 KW Time of Use	
Intermediate Use	
Large Class User	
Sentinel Lights	
Street Lighting	

PowerStream_Richmond Hill rate zone
RP-2005-0013 EB-2005-0069
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

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

RESIDENTIAL

Monthly Service Charge	(per month)	$14.29
Distribution Volumetric Rate	(per kWh)	$0.0180

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kWh)	

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$36.54
Distribution Volumetric Rate	(per kWh)	$0.0140

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$326.36
Distribution Volumetric Rate	(per kW)	$3.1596

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)	
Distribution Volumetric Rate	(per kW)	

PowerStream_Richmond Hill rate zone
RP-2005-0013 EB-2005-0069
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.90
Distribution Volumetric Rate	(per kW)	$5.1977

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

SHEET 12 - Current Rates as of April 1, 2004

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2004**	

In order to calculate bill impacts on Sheet 13, enter your current rates as approved in your 2004 Rate Order.
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

Distribution kWh Rate	$0.0124
Monthly Service Charge (Per Customer)	$16.06

RESIDENTIAL (TIME OF USE)

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

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0110
Monthly Service Charge (Per Customer)	$40.60

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$3.4421
Monthly Service Charge (Per Customer)	$391.75

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Customer)	$0.00

INTERMEDIATE USE

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Customer)	$0.00

SHEET 12 - Current Rates as of April 1, 2004

LARGE USE

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Customer)	$0.00

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Customer)	$0.00

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	$4.0267
Monthly Service Charge (Per Customer)	$0.95

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	$0.0000
Monthly Service Charge (Per Customer)	$0.00

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

Name of Utility:	**PowerStream_Richmond Hill rate zone**	**2005.V1.0**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0069**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2004**	

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
100	Monthly Service Charge	N/A	N/A	**$ 16.06**	Monthly Service Charge	N/A	N/A	**$ 14.29**		
	Distribution (kWh)	100	**$ 0.0124**	$ 1.24	Distribution (kWh)	100	**$ 0.0180**	$ 1.80		
			Sub-Total	**$ 17.30**			**Sub Total**	**$ 16.09**	**$ (1.21)**	**-6.97%**
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)	100	$ 0.0239	$ 2.39		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			**$ 24.39**	**Adjusted 2005 Bill**			**$ 23.18**	**$ (1.21)**	**-4.94%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
250	Monthly Service Charge	N/A	N/A	**$ 16.06**	Monthly Service Charge	N/A	N/A	**$ 14.29**		
	Distribution (kWh)	250	**$0.0124**	$ 3.10	Distribution (kWh)	250	**$ 0.0180**	$ 4.50		
			Sub-Total	**$ 19.16**			**Sub Total**	**$ 18.80**	**$ (0.36)**	**-1.90%**
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)	250	$ 0.0239	$ 5.98		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			**$ 36.89**	**Adjusted 2005 Bill**			**$ 36.52**	**$ (0.36)**	**-0.99%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
500	Monthly Service Charge	N/A	N/A	**$ 16.06**	Monthly Service Charge	N/A	N/A	**$ 14.29**		
	Distribution (kWh)	500	**$0.0124**	$ 6.20	Distribution (kWh)	500	**$ 0.0180**	$ 9.00		
			Sub-Total	**$ 22.26**			**Sub Total**	**$ 23.30**	**$ 1.04**	**4.66%**
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)	500	$ 0.0239	$ 11.95		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			**$ 57.71**	**Adjusted 2005 Bill**			**$ 58.75**	**$ 1.04**	**1.80%**

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	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29		
	Distribution (kWh)	750	$0.0124	$ 9.30	Distribution (kWh)	750	0.0180	$ 13.51		
			Sub-Total	$ 25.36			Sub Total	$ 27.80	$ 2.44	9.62%
	Other Charges (kWh)	750	0.0239	$ 17.93	Other Charges (kWh)	750	0.0239	$ 17.93		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Current 2004 Bill			$ 78.54	Adjusted 2005 Bill			$ 80.97	$ 2.44	3.11%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29		
	Distribution (kWh)	1000	$0.0124	$ 12.40	Distribution (kWh)	1000	0.0180	$ 18.01		
			Sub-Total	$ 28.46			Sub Total	$ 32.30	$ 3.84	13.50%
	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 2004 Bill			$ 101.36	Adjusted 2005 Bill			$ 105.20	$ 3.84	3.79%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,500	Monthly Service Charge	N/A	N/A	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29		
	Distribution (kWh)	1500	$0.0124	$ 18.60	Distribution (kWh)	1500	0.0180	$ 27.01		
			Sub-Total	$ 34.66			Sub Total	$ 41.31	$ 6.65	19.17%
	Other Charges (kWh)	1500	0.0239	$ 35.85	Other Charges (kWh)	1500	0.0239	$ 35.85		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	750	0.0550	$ 41.25	Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			$ 147.01	Adjusted 2005 Bill			$ 153.66	$ 6.65	4.52%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
2,000	Monthly Service Charge	N/A	N/A	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29		
	Distribution (kWh)	2000	$0.0124	$ 24.80	Distribution (kWh)	2000	0.0180	$ 36.02		
			Sub-Total	$ 40.86			Sub Total	$ 50.31	$ 9.45	23.13%
	Other Charges (kWh)	2000	0.0239	$ 47.80	Other Charges (kWh)	2000	0.0239	$ 47.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	0.0550	$ 68.75	Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 192.66	Adjusted 2005 Bill			$ 202.11	$ 9.45	4.90%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

GENERAL SERVICE < 50 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
1,000										
	Monthly Service Charge	N/A	N/A	**$ 40.60**	Monthly Service Charge	N/A	N/A	**$ 36.54**		
	Distribution (kWh)	1000	**$ 0.0110**	$ 11.00	Distribution (kWh)	1000	**$ 0.0140**	$ 14.03		
			Sub-Total	**$ 51.60**			**Sub Total**	**$ 50.57**	**$ (1.03)**	**-1.99%**
	Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90		
	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00		
	Current 2004 Bill			**$ 121.50**	**Adjusted 2005 Bill**			**$ 120.47**	**$ (1.03)**	**-0.84%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
2,000										
	Monthly Service Charge	N/A	N/A	**$ 40.60**	Monthly Service Charge	N/A	N/A	**$ 36.54**		
	Distribution (kWh)	2000	**$0.0110**	$ 22.00	Distribution (kWh)	2000	**$0.0140**	$ 28.06		
			Sub-Total	**$ 62.60**			**Sub Total**	**$ 64.61**	**$ 2.01**	**3.20%**
	Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	$0.0550	$ 68.75	Cost of Power (kWh)	1,250	$0.0550	$ 68.75		
	Current 2004 Bill			**$ 212.40**	**Adjusted 2005 Bill**			**$ 214.41**	**$ 2.01**	**0.94%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
5,000										
	Monthly Service Charge	N/A	N/A	**$ 40.60**	Monthly Service Charge	N/A	N/A	**$ 36.54**		
	Distribution (kWh)	5000	**$0.0110**	$ 55.00	Distribution (kWh)	5000	**$0.0140**	$ 70.16		
			Sub-Total	**$ 95.60**			**Sub Total**	**$ 106.70**	**$ 11.10**	**11.61%**
	Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	4,250	$0.0550	$ 233.75	Cost of Power (kWh)	4,250	$0.0550	$ 233.75		
	Current 2004 Bill			**$ 479.10**	**Adjusted 2005 Bill**			**$ 490.20**	**$ 11.10**	**2.32%**

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	$ 40.60	Monthly Service Charge	N/A	N/A	$ 36.54		
	Distribution (kWh)	10000	$0.0110	$ 110.00	Distribution (kWh)	10000	$0.0140	$ 140.32		
			Sub-Total	$ 150.60			Sub Total	$ 176.86	$ 26.26	17.44%
	Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	9,250	$0.0550	$ 508.75	Cost of Power (kWh)	9,250	$0.0550	$ 508.75		
	Current 2004 Bill			$ 923.60	Adjusted 2005 Bill			$ 949.86	$ 26.26	2.84%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ 40.60	Monthly Service Charge	N/A	N/A	$ 36.54		
	Distribution (kWh)	15000	$0.0110	$ 165.00	Distribution (kWh)	15000	$0.0140	$ 210.48		
			Sub-Total	$ 205.60			Sub Total	$ 247.03	$ 41.43	20.15%
	Other Charges (kWh)	15000	$0.0229	$ 343.50	Other Charges (kWh)	15,000	$0.0229	$ 343.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	14,250	$0.0550	$ 783.75	Cost of Power (kWh)	14,250	$0.0550	$ 783.75		
	Current 2004 Bill			$ 1,368.10	Adjusted 2005 Bill			$ 1,409.53	$ 41.43	3.03%

GENERAL SERVICE > 50 KW to 3000 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

		CURRENT 2004 BILL				FUTURE 2005 BILL				
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
60	Monthly Service Charge	N/A	N/A	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36		
kWh	Distribution (kW)	60	$3.4421	$ 206.53	Distribution (kW)	60	$3.1596	$ 189.58		
15,000			Sub-Total	$ 598.28			Sub Total	$ 515.93	$ (82.34)	-13.76%
	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 2004 Bill			$ 1,072.13	Adjusted 2005 Bill			$ 989.78	$ (82.34)	-7.68%

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	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36		
kWh	Distribution (kW)	100	$3.4421	$ 344.21	Distribution (kW)	100	$3.1596	$ 315.96		
40,000			Sub-Total	$ 735.96			Sub Total	$ 642.32	$ (93.64)	-12.72%
	Other Charges (kW)	100	$3.9100	$ 391.00	Other Charges (kW)	100.00	$3.9100	$ 391.00		
	Other Charges (kWh)	40,000	$0.0132	$ 528.00	Other Charges (kWh)	40,000	$0.0132	$ 528.00		
	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00		
	Current 2004 Bill			$ 3,854.96	Adjusted 2005 Bill			$ 3,761.32	$ (93.64)	-2.43%

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	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36		
kWh	Distribution (kW)	500	$3.4421	$ 1,721.05	Distribution (kW)	500	$3.1596	$ 1,579.81		
100,000			Sub-Total	$ 2,112.80			Sub Total	$ 1,906.17	$ (206.63)	-9.78%
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00		
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00		
	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00		
	Current 2004 Bill			$ 10,887.80	Adjusted 2005 Bill			$ 10,681.17	$ (206.63)	-1.90%

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	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36		
kWh	Distribution (kW)	1,000	$3.4421	$ 3,442.10	Distribution (kW)	1000	3.1596	$ 3,159.62		
400,000			Sub-Total	$ 3,833.85			Sub Total	$ 3,485.98	$ (347.87)	-9.07%
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	Other Charges (kWh)	400,000	0.0132	$ 5,280.00		
	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00		
	Current 2004 Bill			$ 35,023.85	Adjusted 2005 Bill			$ 34,675.98	$ (347.87)	-0.99%

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	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36		
kWh	Distribution (kW)	3,000	$3.4421	$ 10,326.30	Distribution (kW)	3000	3.1596	$ 9,478.86		
1,000,000			Sub-Total	$ 10,718.05			Sub Total	$ 9,805.21	$ (912.84)	-8.52%
	Other Charges (kW)	3,000	3.9100	$ 11,730.00	Other Charges (kW)	3,000.00	3.9100	$ 11,730.00		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00		
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00		
	Current 2004 Bill			$ 90,648.05	Adjusted 2005 Bill			$ 89,735.21	$ (912.84)	-1.01%

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 2004 Bill			$ 67,201.40	Adjusted 2005 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 2004 Bill			$ 80,841.40	Adjusted 2005 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 2004 Bill			$ 98,695.20	Adjusted 2005 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 2004 Bill			$ 139,615.20	Adjusted 2005 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 2004 Bill			$ 191,244.21	Adjusted 2005 Bill			$ 191,244.21	$ -	0.00%

ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ -	Monthly Service Charge	N/A	N/A			
kWh	Distribution (kW)	15,000	$0.0000	$ -	Distribution (kW)	15000		$ -		
10,000,000			Sub-Total	$ -			Sub Total	$ -	$ -	#DIV/0!
	Other Charges (kW)	15,000	0.0474	$ 710.54	Other Charges (kWh)	15,000.00	0.0474	$ 710.54		
	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00		
	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00		
	Current 2004 Bill			$ 682,710.54	Adjusted 2005 Bill			$ 682,710.54	$ -	0.00%

Sheet 14 - Estimated Bill Impact Analysis for 2005 Rate Schedule Includes adjustment for transmission rate reduction

Name of Utility:	PowerStream_Richmond Hill rate zone	2005.V1.0
License Number:	ED-2004-0420	RP-2005-0013
Name of Contact:	Dianne Petrucci	EB-2005-0069
E- Mail Address:	dianne.petrucci@powerstream.ca	
Phone Number:	(905)477-3810 Extension: 2061	
Date:	January 17, 2004	

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

ENTER DESIRED CONSUMPTION LEVEL (kWh)	CURRENT 2004 BILL	kWh	RATE $/kWh	CHARGE ($)	FUTURE 2005 BILL	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
100	Monthly Service Charge	N/A	N/A	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29			Monthly Service Charge	N/A	N/A	$ 14.29		
	Distribution (kWh)	100	$ 0.0124	$ 1.24	Distribution (kWh)	100	$ 0.0180	$ 1.80			Distribution (kWh)	100	$ 0.0180	$ 1.80		
			Sub-Total	$ 17.30			Sub Total	$ 16.09	$ (1.21)	-6.97%			Sub Total	$ 16.09	$ (1.21)	-6.97%
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)	100	$ 0.0239	$ 2.39			Other Charges (kWh)	100	$ 0.0218	$ 2.18		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)	100	$ 0.0470	$ 4.70			Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			$ 24.39	Adjusted 2005 Bill			$ 23.18	$ (1.21)	-4.94%	Adjusted 2005 Bill			$ 22.97	$ (1.42)	-5.80%

ENTER DESIRED CONSUMPTION LEVEL (kWh)	CURRENT 2004 BILL	kWh	RATE $/kWh	CHARGE ($)	FUTURE 2005 BILL	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
250	Monthly Service Charge	N/A	N/A	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29			Monthly Service Charge	N/A	N/A	$ 14.29		
	Distribution (kWh)	250	$0.0124	$ 3.10	Distribution (kWh)	250	$ 0.0180	$ 4.50			Distribution (kWh)	250	$ 0.0180	$ 4.50		
			Sub-Total	$ 19.16			Sub Total	$ 18.80	$ (0.36)	-1.90%			Sub Total	$ 18.80	$ (0.36)	-1.90%
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)	250	$ 0.0239	$ 5.98			Other Charges (kWh)	250	$ 0.0218	$ 5.45		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)	250	$ 0.0470	$ 11.75			Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			$ 36.89	Adjusted 2005 Bill			$ 36.52	$ (0.36)	-0.99%	Adjusted 2005 Bill			$ 36.00	$ (0.89)	-2.41%

ENTER DESIRED CONSUMPTION LEVEL (kWh)	CURRENT 2004 BILL	kWh	RATE $/kWh	CHARGE ($)	FUTURE 2005 BILL	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
500	Monthly Service Charge	N/A	N/A	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29			Monthly Service Charge	N/A	N/A	$ 14.29		
	Distribution (kWh)	500	$0.0124	$ 6.20	Distribution (kWh)	500	$ 0.0180	$ 9.00			Distribution (kWh)	500	$ 0.0180	$ 9.00		
			Sub-Total	$ 22.26			Sub Total	$ 23.30	$ 1.04	4.66%			Sub Total	$ 23.30	$ 1.04	4.66%
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)	500	$ 0.0239	$ 11.95			Other Charges (kWh)	500	$ 0.0218	$ 10.90		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)	500	$ 0.0470	$ 23.50			Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			$ 57.71	Adjusted 2005 Bill			$ 58.75	$ 1.04	1.80%	Adjusted 2005 Bill			$ 57.70	$ (0.01)	-0.02%

ENTER DESIRED CONSUMPTION LEVEL (kWh)	CURRENT 2004 BILL	kWh	RATE $/kWh	CHARGE ($)	FUTURE 2005 BILL	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
750	Monthly Service Charge	N/A	N/A	$ 16.06	Monthly Service Charge	N/A	N/A	$ 14.29			Monthly Service Charge	N/A	N/A	$ 14.29		

	Distribution (kWh)	750	**$0.0124**	$ 9.30		Distribution (kWh)	750	**0.0180**	$ 13.51				Distribution (kWh)	750	**$ 0.0180**	$ 13.51				
			Sub-Total	**$ 25.36**				**Sub Total**	**$ 27.80**	**$ 2.44**	**9.62%**				**Sub Total**	**$ 27.80**	**$ 2.44**	**9.62%**
	Other Charges (kWh)	750	0.0239	$ 17.93		Other Charges (kWh)	750	0.0239	$ 17.93				Other Charges (kWh)	750	$ 0.0218	$ 16.35				
	Cost of Power (kWh)	750	0.0470	$ 35.25		Cost of Power (kWh)	750	0.0470	$ 35.25				Cost of Power (kWh)	750	$ 0.0470	$ 35.25				
	Current 2004 Bill			**$ 78.54**		**Adjusted 2005 Bill**			**$ 80.97**	**$ 2.44**	**3.11%**		**Adjusted 2005 Bill**			**$ 79.40**	**$ 0.86**	**1.10%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
1,000																		
	Monthly Service Charge	N/A	N/A	**$ 16.06**		Monthly Service Charge	N/A	N/A	**$ 14.29**				Monthly Service Charge	n/a	N/A	**$ 14.29**		
	Distribution (kWh)	1000	**$0.0124**	$ 12.40		Distribution (kWh)	1000	**0.0180**	$ 18.01				Distribution (kWh)	1000	**0.0180**	$ 18.01		
			Sub-Total	**$ 28.46**				**Sub Total**	**$ 32.30**	**$ 3.84**	**13.50%**				**Sub Total**	**$ 32.30**	**$ 3.84**	**13.50%**
	Other Charges (kWh)	1000	0.0239	$ 23.90		Other Charges (kWh)	1000	0.0239	$ 23.90				Other Charges (kWh)	1000	0.0218	$ 21.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25		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				Cost of Power (kWh)	250	0.0550	$ 13.75		
	Current 2004 Bill			**$ 101.36**		**Adjusted 2005 Bill**			**$ 105.20**	**$ 3.84**	**3.79%**		**Adjusted 2005 Bill**			**$ 103.10**	**$ 1.74**	**1.72%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
1,500																		
	Monthly Service Charge	N/A	N/A	**$ 16.06**		Monthly Service Charge	N/A	N/A	**$ 14.29**				Monthly Service Charge	n/a	N/A	**$ 14.29**		
	Distribution (kWh)	1500	**$0.0124**	$ 18.60		Distribution (kWh)	1500	**0.0180**	$ 27.01				Distribution (kWh)	1500	**0.0180**	$ 27.01		
			Sub-Total	**$ 34.66**				**Sub Total**	**$ 41.31**	**$ 6.65**	**19.17%**				**Sub Total**	**$ 41.31**	**$ 6.65**	**19.17%**
	Other Charges (kWh)	1500	0.0239	$ 35.85		Other Charges (kWh)	1500	0.0239	$ 35.85				Other Charges (kWh)	1500	0.0218	$ 32.70		
	Cost of Power (kWh)	750	0.0470	$ 35.25		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				Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			**$ 147.01**		**Adjusted 2005 Bill**			**$ 153.66**	**$ 6.65**	**4.52%**		**Adjusted 2005 Bill**			**$ 150.51**	**$ 3.50**	**2.38%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
2,000																		
	Monthly Service Charge	N/A	N/A	**$ 16.06**		Monthly Service Charge	N/A	N/A	**$ 14.29**				Monthly Service Charge	n/a	N/A	**$ 14.29**		
	Distribution (kWh)	2000	**$0.0124**	$ 24.80		Distribution (kWh)	2000	**0.0180**	$ 36.02				Distribution (kWh)	2000	**0.0180**	$ 36.02		
			Sub-Total	**$ 40.86**				**Sub Total**	**$ 50.31**	**$ 9.45**	**23.13%**				**Sub Total**	**$ 50.31**	**$ 9.45**	**23.13%**
	Other Charges (kWh)	2000	0.0239	$ 47.80		Other Charges (kWh)	2000	0.0239	$ 47.80				Other Charges (kWh)	2000	0.0218	$ 43.60		
	Cost of Power (kWh)	750	0.0470	$ 35.25		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				Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			**$ 192.66**		**Adjusted 2005 Bill**			**$ 202.11**	**$ 9.45**	**4.90%**		**Adjusted 2005 Bill**			**$ 197.91**	**$ 5.25**	**2.72%**

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.

ENTER DESIRED CONSUMPTION LEVEL (kWh): 1,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)	kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 40.60	Monthly Service Charge	N/A	N/A	$ 36.54				n/a	N/A	$ 36.54			
Distribution (kWh)	1000	$ 0.0110	$ 11.00	Distribution (kWh)	1000	$ 0.0140	$ 14.03				1000	$ 0.0140	$ 14.03			
		Sub-Total	$ 51.60			Sub Total	$ 50.57		$ (1.03)	-1.99%		Sub Total	$ 50.57		$ (1.03)	-1.99%
Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90				1000	$ 0.0210	$ 21.00			
Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00				1000	$ 0.0470	$ 47.00			
Current 2004 Bill			$ 121.50	Adjusted 2005 Bill			$ 120.47		$ (1.03)	-0.84%			Adjusted 2005 Bill	$ 118.57	$ (2.93)	-2.41%

ENTER DESIRED CONSUMPTION LEVEL (kWh): 2,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)	kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 40.60	Monthly Service Charge	N/A	N/A	$ 36.54				n/a	N/A	$ 36.54			
Distribution (kWh)	2000	$0.0110	$ 22.00	Distribution (kWh)	2000	$0.0140	$ 28.06				2000	$0.0140	$ 28.06			
		Sub-Total	$ 62.60			Sub Total	$ 64.61		$ 2.01	3.20%		Sub Total	$ 64.61		$ 2.01	3.20%
Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80				2,000	$0.0210	$ 42.00			
Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25				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				1,250	$0.0550	$ 68.75			
Current 2004 Bill			$ 212.40	Adjusted 2005 Bill			$ 214.41		$ 2.01	0.94%			Adjusted 2005 Bill	$ 210.61	$ (1.79)	-0.84%

ENTER DESIRED CONSUMPTION LEVEL (kWh): 5,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)	kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 40.60	Monthly Service Charge	N/A	N/A	$ 36.54				n/a	N/A	$ 36.54			
Distribution (kWh)	5000	$0.0110	$ 55.00	Distribution (kWh)	5000	$0.0140	$ 70.16				5000	$0.0140	$ 70.16			
		Sub-Total	$ 95.60			Sub Total	$ 106.70		$ 11.10	11.61%		Sub Total	$ 106.70		$ 11.10	11.61%
Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50				5,000	$0.0210	$ 105.00			
Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25				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				4,250	$0.0550	$ 233.75			
Current 2004 Bill			$ 479.10	Adjusted 2005 Bill			$ 490.20		$ 11.10	2.32%			Adjusted 2005 Bill	$ 480.70	$ 1.60	0.33%

ENTER DESIRED CONSUMPTION LEVEL (kWh): 10,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)	kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 40.60	Monthly Service Charge	N/A	N/A	$ 36.54				n/a	N/A	$ 36.54			
Distribution (kWh)	10000	$0.0110	$ 110.00	Distribution (kWh)	10000	$0.0140	$ 140.32				10000	$0.0140	$ 140.32			
		Sub-Total	$ 150.60			Sub Total	$ 176.86		$ 26.26	17.44%		Sub Total	$ 176.86		$ 26.26	17.44%
Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00				10,000	$0.0210	$ 210.00			
Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25				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				9,250	$0.0550	$ 508.75			
Current 2004 Bill			$ 923.60	Adjusted 2005 Bill			$ 949.86		$ 26.26	2.84%			Adjusted 2005 Bill	$ 930.86	$ 7.26	0.79%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000																
	Monthly Service Charge	N/A	N/A	**$ 40.60**	Monthly Service Charge	N/A	N/A	**$ 36.54**			Monthly Service Charge	n/a	N/A	**$ 36.54**		
	Distribution (kWh)	15000	**$0.0110**	$ 165.00	Distribution (kWh)	15000	**$0.0140**	$ 210.48			Distribution (kWh)	15000	**$0.0140**	$ 210.48		
			Sub-Total	**$ 205.60**			**Sub Total**	**$ 247.03**	**$ 41.43**	**20.15%**			**Sub Total**	**$ 247.03**	**$ 41.43**	**20.15%**
	Other Charges (kWh)	15000	$0.0229	$ 343.50	Other Charges (kWh)	15,000	$0.0229	$ 343.50			Other Charges (kWh)	15,000	$0.0210	$ 315.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	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			Cost of Power (kWh)	14,250	$0.0550	$ 783.75		
	Current 2004 Bill			**$ 1,368.10**	**Adjusted 2005 Bill**			**$ 1,409.53**	**$ 41.43**	**3.03%**	**Adjusted 2005 Bill**			**$ 1,381.03**	**$ 12.93**	**0.94%**

GENERAL SERVICE > 50 KW to 3000 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

ENTER DESIRED CONSUMPTION LEVEL kW	CURRENT 2004 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	FUTURE 2005 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
60	Monthly Service Charge	N/A	N/A	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36			Monthly Service Charge	n/a	N/A	$ 326.36		
kWh	Distribution (kW)	60	$3.4421	$ 206.53	Distribution (kW)	60	$3.1596	$ 189.58			Distribution (kW)	60	$3.1596	$ 189.58		
15,000			Sub-Total	$ 598.28			Sub Total	$ 515.93	$ (82.34)	-13.76%			Sub Total	$ 515.93	$ (82.34)	-13.76%
	Other Charges (kW)	60	$3.9100	$ 234.60	Other Charges (kW)	60.00	$3.9100	$ 234.60			Other Charges (kW)	60.00	$3.1662	$ 189.97		
	Other Charges (kWh)	15,000	$0.0132	$ 198.00	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			Cost of Power (kWh)	15,000	$0.0550	$ 825.00		
	Current 2004 Bill			$ 1,855.88	Adjusted 2005 Bill			$ 1,773.53	$ (82.34)	-4.44%	Adjusted 2005 Bill			$ 1,728.91	$ (126.97)	-6.84%

ENTER DESIRED CONSUMPTION LEVEL kW	CURRENT 2004 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	FUTURE 2005 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
100	Monthly Service Charge	N/A	N/A	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36			Monthly Service Charge	n/a	N/A	$ 326.36		
kWh	Distribution (kW)	100	$3.4421	$ 344.21	Distribution (kW)	100	$3.1596	$ 315.96			Distribution (kW)	100	$3.1596	$ 315.96		
40,000			Sub-Total	$ 735.96			Sub Total	$ 642.32	$ (93.64)	-12.72%			Sub Total	$ 642.32	$ (93.64)	-12.72%
	Other Charges (kW)	100	$3.9100	$ 391.00	Other Charges (kW)	100.00	$3.9100	$ 391.00			Other Charges (kW)	100.00	$3.1662	$ 316.62		
	Other Charges (kWh)	40,000	$0.0132	$ 528.00	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			Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00		
	Current 2004 Bill			$ 3,854.96	Adjusted 2005 Bill			$ 3,761.32	$ (93.64)	-2.43%	Adjusted 2005 Bill			$ 3,686.94	$ (168.02)	-4.36%

ENTER DESIRED CONSUMPTION LEVEL kW	CURRENT 2004 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	FUTURE 2005 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
500	Monthly Service Charge	N/A	N/A	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36			Monthly Service Charge	n/a	N/A	$ 326.36		
kWh	Distribution (kW)	500	$3.4421	$ 1,721.05	Distribution (kW)	500	$3.1596	$ 1,579.81			Distribution (kW)	500	$3.1596	$ 1,579.81		
100,000			Sub-Total	$ 2,112.80			Sub Total	$ 1,906.17	$ (206.63)	-9.78%			Sub Total	$ 1,906.17	$ (206.63)	-9.78%
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00			Other Charges (kW)	500.00	$3.1662	$ 1,583.10		
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	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			Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00		
	Current 2004 Bill			$ 10,887.80	Adjusted 2005 Bill			$ 10,681.17	$ (206.63)	-1.90%	Adjusted 2005 Bill			$ 10,309.27	$ (578.53)	-5.31%

ENTER DESIRED CONSUMPTION LEVEL kW	CURRENT 2004 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	FUTURE 2005 BILL	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	FUTURE 2005 BILL Incl. Transmission rate reduction	kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36			Monthly Service Charge	n/a	N/A	$ 326.36		
kWh	Distribution (kW)	1,000	$3.4421	$ 3,442.10	Distribution (kW)	1000	3.1596	$ 3,159.62			Distribution (kW)	1000	$3.1596	$ 3,159.62		
400,000			Sub-Total	$ 3,833.85			Sub Total	$ 3,485.98	$ (347.87)	-9.07%			Sub Total	$ 3,485.98	$ (347.87)	-9.07%
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00			Other Charges (kW)	1,000.00	$3.1662	$ 3,166.20		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	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			Cost of Power (kWh)	400,000	$0.0550	$ 22,000.00		
	Current 2004 Bill			$ 35,023.85	Adjusted 2005 Bill			$ 34,675.98	$ (347.87)	-0.99%	Adjusted 2005 Bill			$ 33,932.18	$ (1,091.67)	-3.12%

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																
3,000	Monthly Service Charge	N/A	N/A	$ 391.75	Monthly Service Charge	N/A	N/A	$ 326.36			Monthly Service Charge	n/a	N/A	$ 326.36		
kWh	Distribution (kW)	3,000	$3.4421	$ 10,326.30	Distribution (kW)	3000	3.1596	$ 9,478.86			Distribution (kW)	3000	$3.1596	$ 9,478.86		
1,000,000			Sub-Total	$ 10,718.05			Sub Total	$ 9,805.21	$ (912.84)	-8.52%			Sub Total	$ 9,805.21	$ (912.84)	-8.52%
	Other Charges (kW)	3,000	3.9100	$ 11,730.00	Other Charges (kW)	3,000.00	3.9100	$ 11,730.00			Other Charges (kW)	3,000.00	$3.1662	$ 9,498.60		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	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			Cost of Power (kWh)	1,000,000	$0.0550	$ 55,000.00		
	Current 2004 Bill			$ 90,648.05	Adjusted 2005 Bill			$ 89,735.21	$ (912.84)	-1.01%	Adjusted 2005 Bill			$ 87,503.81	$ (3,144.24)	-3.47%

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						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		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				Monthly Service Charge		N/A			
kWh	Distribution (kW)	3,000	$0.0000	$ -	Distribution (kW)	3000		#VALUE!			Distribution (kW)	#VALUE!		#VALUE!		
800,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	12,641.40	0.0000	$ -		
	Other Charges (kWh)	800,000	0.0132	$ 10,560.00	Other Charges (kWh)	800,000	0.0132	$ 10,560.00			Other Charges (kWh)	10,560	0.0000	$ -		
	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00			Cost of Power (kWh)	44,000	0.0000	$ -		
	Current 2004 Bill			$ 67,201.40	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		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				Monthly Service Charge		N/A			
kWh	Distribution (kW)	3,000	$0.0000	$ -	Distribution (kW)	3000		#VALUE!			Distribution (kW)	#VALUE!		#VALUE!		
1,000,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	12,641.40	0.0000	$ -		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00			Other Charges (kWh)	13,200	0.0000	$ -		
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00			Cost of Power (kWh)	55,000	0.0000	$ -		
	Current 2004 Bill			$ 80,841.40	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		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				Monthly Service Charge		N/A			
kWh	Distribution (kW)	4,000	$0.0000	$ -	Distribution (kW)	4000		#VALUE!			Distribution (kW)	#VALUE!		#VALUE!		
1,200,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	16,855.20	0.0000	$ -		
	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00			Other Charges (kWh)	15,840	0.0000	$ -		
	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00			Cost of Power (kWh)	66,000	0.0000	$ -		
	Current 2004 Bill			$ 98,695.20	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		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				Monthly Service Charge		N/A			
kWh	Distribution (kW)	4,000	$0.0000	$ -	Distribution (kW)	4000		#VALUE!			Distribution (kW)	#VALUE!		#VALUE!		
1,800,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	16,855.20	0.0000	$ -		
	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00			Other Charges (kWh)	23,760	0.0000	$ -		
	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00			Cost of Power (kWh)	99,000	0.0000	$ -		
	Current 2004 Bill			$ 139,615.20	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 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						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		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				Monthly Service Charge		N/A			
kWh	Distribution (kW)	6,000	$0.0000	$ -	Distribution (kW)	6000		$ -			Distribution (kW)	0		$ -		
2,800,000			Sub-Total	$ -			Sub Total	$ -	$ -	#DIV/0!			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)	284.21	0.0000	$ -		
	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00			Other Charges (kWh)	36,960	0.0000	$ -		
	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00			Cost of Power (kWh)	154,000	0.0000	$ -		
	Current 2004 Bill			$ 191,244.21	Adjusted 2005 Bill			$ 191,244.21	$ -	0.00%	Adjusted 2005 Bill			$ -	$ -	#DIV/0!

ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		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				Monthly Service Charge		N/A			
kWh	Distribution (kW)	15,000	$0.0000	$ -	Distribution (kW)	15000		$ -			Distribution (kW)	0		$ -		
10,000,000			Sub-Total	$ -			Sub Total	$ -	$ -	#DIV/0!			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)	710.54	0.0000	$ -		
	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00			Other Charges (kWh)	132,000	0.0000	$ -		
	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00			Cost of Power (kWh)	550,000	0.0000	$ -		
	Current 2004 Bill			$ 682,710.54	Adjusted 2005 Bill			$ 682,710.54	$ -	0.00%	Adjusted 2005 Bill			$ -	$ -	#DIV/0!

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0069

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 **PowerStream Inc. (Richmond Hill)** for an order or orders approving or fixing just and reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

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

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

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

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

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

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

MARR: $ 2,042,310
2005 PILs Proxy: $ 3,632,042
Regulatory Assets Second Tranche: $ 392,135

Submissions

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

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

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

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

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of

capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

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

The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

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

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

DATED at Toronto, March 18, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Secretary

Appendix "A"

RP-2005-0013
EB-2005-0069

March 18, 2005

ONTARIO ENERGY BOARD

PowerStream - Richmond Hill Rate Zone
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RESIDENTIAL

Monthly Service Charge	(per month)	$14.29
Distribution Volumetric Rate	(per kWh)	$0.0180

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$36.54
Distribution Volumetric Rate	(per kWh)	$0.0140

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$326.36
Distribution Volumetric Rate	(per kW)	$3.1596

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.90
Distribution Volumetric Rate	(per kW)	$5.1977

Unmetered Scattered Loads
Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	$36.54
Distribution Volumetric Rate	(per kWh)	$0.0140

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

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0069

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 **PowerStream Inc. (Richmond Hill)** 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
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Board Findings

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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 18, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Secretary

Appendix "A"

RP-2005-0013
EB-2005-0069

March 18, 2005

ONTARIO ENERGY BOARD

PowerStream - Richmond Hill Rate Zone RP-2005-0013
Schedule of Changed Distribution Rates and Charges EB-2005-0069
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RESIDENTIAL

Monthly Service Charge	(per month)	$14.29
Distribution Volumetric Rate	(per kWh)	$0.0180

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$36.54
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GENERAL SERVICE > 50 KW (Non Time of Use)

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STREET LIGHTING (Non Time of Use)

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Distribution Volumetric Rate	(per kW)	$5.1977

Unmetered Scattered Loads

Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	$36.54
Distribution Volumetric Rate	(per kWh)	$0.0140

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

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

REGULATORY INFORMATION (REGINFO)

Utility Name:	PowerStream_Vaughan rate zone	
File Number:	RP-2005-0013	
	EB-2005-0082	
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.	43.00%	
3. Please explain the basis of the allocation if the percentage is other than 100%.	Based on allocation across 3 service territories for PowerStream. Allocation done on proportion of rate base. See spreadsheet attached.	
4. Accounting Year End	Dec-31	

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

Rate base (wires-only)	$180,841,143.00		
Common Equity Ratio (CER)	45.00%		
1-CER	55.00%		
Target Return On Equity (%)	9.88%		
Debt rate	7.00%		
			Regulatory Income
Market Adjusted Revenue Requirement	$15,002,581		
1999 return from RUD Sheet #7	$10,038,003		$10,038,003
Total Incremental revenue	$4,964,578		
	Based on Board's Decision (RP-2000-0069)	*Board-Approved Amounts*	
Amount allowed in 2001, Year 1	$1,654,859		$1,654,859
Amount allowed in 2002, Year 2	$1,654,859		$1,654,859
Amount allowed in 2003, Year 3	$1,654,859		$1,654,859
Permanent Changes to Base Rate *(e.g. LPP 5% to 1.5%)*	$275,904		$275,904
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet	48%		
Total Regulatory Income			**$15,278,485**
Equity	$81,378,514		
Return at target ROE	$8,040,197		
Debt	$99,462,629		
Deemed interest amount in EBIT	$6,962,384		

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: PowerStream_Vaughan rate zone Reporting Period: January 1, 2005-December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
I) CORPORATE INCOME TAXES			
Regulatory Net Income	1	**$15,278,485**	
BOOK TO TAX ADJUSTMENTS			
Additions:			
Depreciation & Amortization	2	**$7,733,745**	
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	**$7,241,188**	
Employee Benefit Plans - Paid Amounts	8	$0	
Items Capitalized for Regulatory Purposes	9	$0	
Regulatory Adjustments	10	$0	
Interest Expense Deemed	11	**$6,962,384**	
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	**$240,000**	
Material Items	12	$0	
Other Deductions	12	$0	
REGULATORY TAXABLE INCOME		**$8,568,658**	
CORPORATE INCOME TAX RATE			
Deemed %	13	36.12%	
REGULATORY INCOME TAX		$3,094,999	
Taxable Income x Rate			
Miscellaneous Tax Credits	14	$0	
Total Regulatory Income Tax		**$3,094,999**	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: PowerStream_Vaughan rate zone Reporting Period: January 1, 2005-December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
Percentage used to determine the exemptions for capital tax and large corporations tax		43%	
II) CAPITAL TAXES			
Ontario			
Rate Base	15	$180,841,143	
Less: Exemption	16	$3,225,000	
Deemed Taxable Capital		$177,616,143	
Rate (.3%)	17	0.3000%	
Net Amount (Taxable Capital x Rate)		**$532,848**	
Federal (LCT)			
Base	18	$180,841,143	
Less: Exemption	19	$21,500,000	
Deemed Taxable Capital		$159,341,143	
Rate (.175%)	20	0.1750%	
Gross Amount (Taxable Capital x Rate)		$278,847	
Less: Federal Surtax	21	$95,969	
Net LCT		**$182,878**	
III) INCLUSION IN RATES			
Income Tax Rate used for gross- up		36.12%	
Income Tax (grossed-up)	22	$4,845,021	
LCT (grossed-up)	23	$286,284	
Ontario Capital Tax	24	$532,848	
Total S. 93 PILs Rate Adjustment ***(Enter this amount in the 2005 RAM, Sheet #4, cell G14)***	**25**	**$5,664,153**	

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: PowerStream_Vaughan rate zone
File Number: RP-2005-0013
EB-2005-0082

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30th 2007		Total
	$	%	$	%	$	%	$
Capital	$223,000	48%	$319,000	48%	$195,000	37%	**$737,000**
Tax Deductible Expense	$240,000	52%	$348,000	52%	$329,860	63%	**$917,860**
Total	**$463,000**	**100%**	**$667,000**	**100%**	**$524,860**	**100%**	**$1,654,860**

Notes:

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

2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax 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 the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

	%
	45%
	55%
	100%

ve.

x deductible

amount of

	Rate Base	%
Markham	132,012,571.00	32.00%
Richmond Hill	104,354,290.28	25.00%
Vaughan	180,841,143.00	43.00%
	417,208,004.28	100%

* use to allocate exemption

Federal LCT exemption	50,000,000.00
Markham	16,000,000.00
Richmond Hill	12,500,000.00
Vaughan	21,500,000.00
Ontario Capital tax	7,500,000.00
Markham	2,400,000.00
Richmond Hill	1,875,000.00
Vaughan	3,225,000.00

2005 Rate Adjustment Model

Name of Utility:	**PowerStream_Vaughan Rate Zone**
License Number:	**ED-2004-0420**
File Number:	**RP-2005-0013**
	EB-2005-0082
Name of Contact:	**Dianne Petrucci**
E- Mail Address:	dianne.petrucci@powerstream.ca
Phone Number:	**(905)477-3810 Extension: 2061**
Date:	**January 17, 2005**

Version Number: **2005.V1.1**

SHEET 1 - 2002 Base Rate Schedule

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 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

Distribution kWh Rate	$0.0071
Monthly Service Charge (Per Customer)	$11.19

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	n/a
Monthly Service Charge (Per Customer)	n/a

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0104
Monthly Service Charge (Per Customer)	$27.07

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$2.0365
Monthly Service Charge (Per Customer)	$294.86

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

SHEET 1 - 2002 Base Rate Schedule

INTERMEDIATE USE

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

LARGE USE

Distribution KW Rate	$0.8299
Monthly Service Charge (Per Customer)	$7,512.55

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	$1.6099
Monthly Service Charge (Per Connection)	$0.54

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Connection)	n/a

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	$2.5025
Monthly Service Charge (Per Connection)	$0.92

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Connection)	n/a

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

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Enter the final MARR installment calculated in the 2001 RUD Model	**$ 1,654,859.41**
Have you applied for approval of your C&DM plan?	**yes**
Enter the amount applied for your C&DM plan	**$1,654,859.41**
Has the C&DM application been approved?	**yes**
Enter the final MARR installment *(based on Board-Approved C&DM plan or applied-for amount)*	**$ 1,654,859.41**
Grossed-up MARR based on 14 months recovery over 13 months.	**$ 1,782,156.29**

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		466,526,071	43,432	$7,997,110	32.03%	$570,758
General Service < 50 KW Class		273,625,851	8,318	$4,862,296	19.47%	$347,025
General Service > 50 KW Non-Time of Use	3,681,298		1,547	$11,341,109	45.42%	$809,422
General Service > 50 KW Time of Use	0		0	$0	0.00%	$0
Intermediate Use	0		0	$0	0.00%	$0
Large Class User	307,808		5	$617,885	2.47%	$44,099
Sentinel Lights	360		159	$1,402	0.01%	$100
Street Lighting	24,888		9,902	$150,655	0.60%	$10,752
TOTALS	**4,014,354**	**740,151,922**	**63,363**	**$24,970,458**	**100.00%**	**$1,782,156**
			Grossed-up MARR Value ==========>			**$1,782,156**

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$570,758
(B) Fixed-Variable Split (%)	36.0%	64.0%	100%
(C) Re-Allocated MARR ($)	$205,473	$365,285	$570,758
(D) Number of kWh	466,526,071		
(E) Number of Customers		43,432	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0004		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.7009	

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

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$347,025
(B) Fixed-Variable Split (%)	51.0%	49.0%	100%
(C) Re-Allocated MARR ($)	$176,983	$170,042	$347,025
(D) Number of kWh	273,625,851		
(E) Number of Customers		8,318	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0006		
(G) Incremental Monthly Service Charge (C)/(E)/12		$1.7036	

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

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$809,422
(B) Fixed-Variable Split (%)	58.0%	42.0%	100%
(C) Re-Allocated MARR ($)	$469,465	$339,957	$809,422
(D) Number of kW	3,681,298		
(E) Number of Customers		1,547	
(F) Incremental Distribution kWh Rate ($/kW)	$0.1275		
(G) Incremental Monthly Service Charge (C)/(E)/12		$18.3127	

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			$44,099
(B) Fixed-Variable Split (%)	36.2%	63.8%	100%
(C) Re-Allocated MARR ($)	$15,964	$28,135	$44,099
(D) Number of kW	307,808		
(E) Number of Customers		5	
(F) Incremental Distribution kW Rate ($/kW)	$0.0519		
(G) Incremental Monthly Service Charge (C)/(E)/12		$468.9178	

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$100
(B) Fixed-Variable Split (%)	36.0%	64.0%	100%
(C) Re-Allocated MARR ($)	$36	$64	$100
(D) Number of kW	360		
(E) Number of Customers		159	
(F) Incremental Distribution kW Rate ($/kW)	$0.1001		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0336	

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$10,752
(B) Fixed-Variable Split (%)	36.0%	64.0%	100%
(C) Re-Allocated MARR ($)	$3,871	$6,881	$10,752
(D) Number of kW	24,888		
(E) Number of Customers		9,902	
(F) Incremental Distribution kW Rate ($/kW)	$0.1555		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0579	

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

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2005**	

Residential Class

DISTRIBUTION KWH RATE	$0.0075
MONTHLY SERVICE CHARGE (Per Customer)	$11.89

Residential Class (Time-of-Use)

DISTRIBUTION KWH RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

General Service < 50 KW

DISTRIBUTION KWH RATE	$0.0110
MONTHLY SERVICE CHARGE (Per Customer)	$28.77

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

DISTRIBUTION KW RATE	$2.1640
MONTHLY SERVICE CHARGE (Per Customer)	$313.17

General Service > 50 KW (Time of Use)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

Intermediate Use

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

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

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

Large Use

DISTRIBUTION KW RATE	$0.8818
MONTHLY SERVICE CHARGE (Per Customer)	$7,981.47

Sentinel Lights (Non-Time of Use)

DISTRIBUTION KW RATE	$1.7100
MONTHLY SERVICE CHARGE (Per Connection)	$0.57

OR

Sentinel Lights (Time of Use)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

Street Lighting (Non-Time of Use)

DISTRIBUTION KW RATE	$2.6580
MONTHLY SERVICE CHARGE (Per Connection)	$0.98

OR

Street Lighting (Time of Use)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 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 $ 5,664,153.03

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		615,996,408	61,055	$15,440,627	38.3%	$2,167,906
General Service < 50 KW Class		302,752,543	9,116	$7,380,420	18.3%	$1,036,231
General Service > 50 KW Non-Time of Use	3,797,447	1,448,433,950	1,729	$16,334,995	40.5%	$2,293,478
General Service > 50 KW Time of Use	0		0	$0	0.0%	$0
Intermediate Use	0		0	$0	0.0%	$0
Large Class User	705,692	386,477,276	5	$886,802	2.2%	$124,509
Sentinel Lights	680	259,367	78	$2,431	0.0%	$341
Street Lighting	32,493	11,831,541	14,411	$296,915	0.7%	$41,688
TOTALS		**2,765,751,085**	**86,394**	**$40,342,190**	**1.00**	**$5,664,153**
			2005 PILs Proxy Amount ==========>			$5,664,153

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$2,167,906
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$2,167,906	$0	$2,167,906
(D) Number of kWh	615,996,408		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0035		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$1,036,231
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$1,036,231	$0	$1,036,231
(D) Number of kWh	302,752,543		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0034		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

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

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$2,293,478
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$2,293,478	$0	$2,293,478
(D) Number of kW	3,797,447		
(E) Incremental Distribution kW Rate ($/kW)	$0.6040		

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			$124,509
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$124,509	$0	$124,509
(D) Number of kW	705,692		
(E) Number of Customers		5	
(F) Incremental Distribution kW Rate ($/kW)	$0.1764		
(G) Incremental Monthly Service Charge (C)/(E)/12		$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			$341
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$341	$0	$341
(D) Number of kW	680		
(E) Incremental Distribution kW Rate ($/kW)	$0.5019		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$41,688
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$41,688	$0	$41,688
(D) Number of kW	32,493		
(E) Incremental Distribution kW Rate ($/kW)	$1.2830		

SHEET 5 - Rate Schedule including 2005 PILs

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2005**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0111
MONTHLY SERVICE CHARGE (Per Customer)	$11.89

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0145
MONTHLY SERVICE CHARGE (Per Customer)	$28.77

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.7680
MONTHLY SERVICE CHARGE (Per Customer)	$313.17

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

INTERMEDIATE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

SHEET 5 - Rate Schedule including 2005 PILs

SHEET 5 - Rate Schedule including 2005 PILs

LARGE USE

DISTRIBUTION KW RATE	$1.0582
MONTHLY SERVICE CHARGE (Per Customer)	$7,981.47

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.2119
MONTHLY SERVICE CHARGE (Per Connection)	$0.57

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.9410
MONTHLY SERVICE CHARGE (Per Connection)	$0.98

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

SHEET 6 - December 31, 2003 Regulatory Assets

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 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**	$4,055,855
RSVA - One-time Wholesale Market Service	**1582**	$0
RSVA - Retail Transmission Network Charge	**1584**	$664,663
RSVA - Retail Transmission Connection Charge	**1586**	-$10,897,367
RSVA - Power	**1588**	$1,106,783
Sub-Total for RSVA Accounts		-$5,070,066
Current Recovery: Amount Entered on Sheet 3, cell G13, of 2004 RAM		$3,110,429
Adjusted 2005 Recovery Amount (RSVA Accounts)		**-$8,180,495**

Other Regulatory Assets	**1508**	$0
Retail Cost Variance Account - Retail	**1518**	$0
Retail Cost Variance Account - STR	**1548**	$0
Misc. Deferred Debits - incl. Rebate Cheques	**1525**	$0
Deferred Payments in Lieu of Taxes	**1562**	$0
PILs Contra Account	**1563**	$0
Qualifing Transition Costs	**1570**	$1,206,997
Pre-Market Opening Energy Variances Total	**1571**	$4,690,366
Extra-Ordinary Event Losses	**1572**	$0
Deferred Rate Impact Amounts	**1574**	$0
Other Deferred Credits	**2425**	-$1,095,769
Sub-Total for Non-RSVA Regulatory Asset Accounts		$4,801,594
Current Recovery: Amount Entered on Sheet 5, cell G14, of 2004 RAM		$0
Adjusted 2005 Recovery Amount (Non-RSVA Accounts)		**$4,801,594**

Total Adjusted Regulatory Assets	-$3,378,901
33% of Total Adjusted Regulatory Assets	**-$1,126,300.44**

SHEET 6 - December 31, 2003 Regulatory Assets

---------- Please go to Section 2 ----------

Section 1: For LDCs with Total RSVA adjusted balances greater than 33 % of Total:		
Total Adjusted Balance for RSVA Accounts	**(a)**	N/A
33% of Total Adjusted Regulatory Assets	**(b)**	N/A
Remaining Final Amount to be recovered in future periods (a) - (b)		**N/A**

Section 2: For LDCs with Total RSVA adjusted balances less than 33 % of Total:	
33% OF Total Adjusted Regulatory Assets	-$1,126,300
Total Adjusted Balance for RSVA Accounts	-$8,180,495
Amount to be colleced from RSVA Accounts	-$8,180,495
Amount to be collected from Non-RSVA accounts	$3,841,275

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:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Approved Regulatory Asset Recovery from Sheet 4 ***(either from Section 1 or Section 2)*** **$ (8,180,494.92)**

The share of class kWh sold in 2003 is used to allocate the approved interim RSVA Regulatory Asset amounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 kWh Shares	2003 RSVA Allocations
Residential Class	0	615,996,408	61,055	$15,440,627	22.3%	-$1,821,984
General Service < 50 KW Class	0	302,752,543	9,116	$7,380,420	10.9%	-$895,477
General Service > 50 KW Non-Time of Use	3,797,447	1,448,433,950	1,729	$16,334,995	52.4%	-$4,284,155
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	705,692	386,477,276	5	$886,802	14.0%	-$1,143,116
Sentinel Lights	680	259,367	78	$2,431	0.01%	-$767
Street Lighting	32,493	11,831,541	14,411	$296,915	0.4%	-$34,995
TOTALS		**2,765,751,085**	**86,394**	**$40,342,190.00**	**1.00**	**-$8,180,495**
			Allocated Total for RSVA accounts ==========>			-$8,180,495

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$1,821,984
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,821,984	$0	-$1,821,984
(D) Number of kWh	615,996,408		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0030		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$895,477
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$895,477	$0	-$895,477
(D) Number of kWh	302,752,543		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0030		

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

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

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$4,284,155
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$4,284,155	$0	-$4,284,155
(D) Number of kW	3,797,447		
(E) Incremental Distribution kW Rate ($/kW)	-$1.1282		

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			-$1,143,116
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,143,116	$0	-$1,143,116
(D) Number of kW	705,692		
(E) Number of Customers		5	
(F) Incremental Distribution kW Rate ($/kW)	-$1.6199		
(G) Incremental Monthly Service Charge (C)/(E)/12		$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			-$767
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$767	$0	-$767
(D) Number of kW	680		
(E) Incremental Distribution kW Rate ($/kW)	-$1.1282		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$34,995
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$34,995	$0	-$34,995
(D) Number of kW	32,493		
(E) Incremental Distribution kW Rate ($/kW)	-$1.0770		

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

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Approved Regulatory Asset Recovery from Non-RSVA Accounts *(Sheet 4, Section 2)* **$ 3,841,274.89**

Distribution Revenue is used to allocate the approved final Regulatory Asset amounts related to the Non-RSVA accounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2002 Regulatory Asset RSVA Allocations
Residential Class	0	615,996,408	61,055	$15,440,627	38.3%	$1,470,215
General Service < 50 KW Class	0	302,752,543	9,116	$7,380,420	18.3%	$702,744
General Service > 50 KW Non-Time of Use	3,797,447	1,448,433,950	1,729	$16,334,995	40.5%	$1,555,374
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	705,692	386,477,276	5	$886,802	2.2%	$84,439
Sentinel Lights	680	259,367	78	$2,431	0.0%	$231
Street Lighting	32,493	11,831,541	14,411	$296,915	0.7%	$28,271
TOTALS		**2,765,751,085**	**86,394**	**$40,342,190**	**1.00**	**$3,841,275**
			Allocated Total for Non-RSVA accounts ==========>			$3,841,275

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

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$1,470,215
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$1,470,215	$0	$1,470,215
(D) Number of kWh	615,996,408		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0024		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$702,744
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$702,744	$0	$702,744
(D) Number of kWh	302,752,543		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0023		

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

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

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$1,555,374
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$1,555,374	$0	$1,555,374
(D) Number of kW	3,797,447		
(E) Incremental Distribution kW Rate ($/kW)	$0.4096		

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			$84,439
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$84,439	$0	$84,439
(D) Number of kW	705,692		
(E) Number of Customers		5	
(F) Incremental Distribution kW Rate ($/kW)	$0.1197		
(G) Incremental Monthly Service Charge (C)/(E)/12		$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			$231
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$231	$0	$231
(D) Number of kW	680		
(E) Incremental Distribution kW Rate ($/kW)	$0.3404		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$28,271
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$28,271	$0	$28,271
(D) Number of kW	32,493		
(E) Incremental Distribution kW Rate ($/kW)	$0.8701		

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Asset

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 2005**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0105
MONTHLY SERVICE CHARGE (Per Customer)	$11.89

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0138
MONTHLY SERVICE CHARGE (Per Customer)	$28.77

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.0494
MONTHLY SERVICE CHARGE (Per Customer)	$313.17

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

INTERMEDIATE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	#VALUE!

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Asset

LARGE USE

DISTRIBUTION KW RATE	$1.1779
MONTHLY SERVICE CHARGE (Per Customer)	$7,981.4678

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.4241
MONTHLY SERVICE CHARGE (Per Connection)	$0.57

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.7341
MONTHLY SERVICE CHARGE (Per Connection)	$0.98

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Connection)	#VALUE!

SHEET 10 - Phase 2 Final Rate Riders

Name of Utility:	PowerStream_Vaughan Rate Zone	2005.V1.1
License Number:	ED-2004-0420	RP-2005-0013
Name of Contact:	Dianne Petrucci	EB-2005-0082
E- Mail Address:	dianne.petrucci@powerstream.ca	
Phone Number:	(905)477-3810 Extension: 2061	
Date:	January 17, 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	
General Service < 50 KW Class	
General Service > 50 KW Non-Time of Use	
General Service > 50 KW Time of Use	
Intermediate Use	
Large Class User	
Sentinel Lights	
Street Lighting	

PowerStream_Vaughan Rate Zone
RP-2005-0013 EB-2005-0082
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

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

RESIDENTIAL

Monthly Service Charge	(per month)	$11.89
Distribution Volumetric Rate	(per kWh)	$0.0105

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kWh)	#VALUE!

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$28.77
Distribution Volumetric Rate	(per kWh)	$0.0138

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$313.17
Distribution Volumetric Rate	(per kW)	$2.0494

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

INTERMEDIATE USE

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

LARGE USE

Monthly Service Charge	(per month)	$7,981.47
Distribution Volumetric Rate	(per kW)	$1.1779

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$0.57
Distribution Volumetric Rate	(per kW)	$1.4241

PowerStream_Vaughan Rate Zone
RP-2005-0013 EB-2005-0082
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)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.98
Distribution Volumetric Rate	(per kW)	$3.7341

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	#VALUE!
Distribution Volumetric Rate	(per kW)	#VALUE!

SHEET 12 - Current Rates as of April 1, 2004

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.1**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810 Extension: 2061**	
Date:	**January 17, 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

Distribution kWh Rate	$0.0073
Monthly Service Charge (Per Customer)	$13.95

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	n/a
Monthly Service Charge (Per Customer)	n/a

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0123
Monthly Service Charge (Per Customer)	$34.04

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$2.7425
Monthly Service Charge (Per Customer)	$358.17

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

INTERMEDIATE USE

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

SHEET 12 - Current Rates as of April 1, 2004

LARGE USE

Distribution KW Rate	$1.2757
Monthly Service Charge (Per Customer)	$10,246.18

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	$1.9985
Monthly Service Charge (Per Customer)	$0.65

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	$3.6502
Monthly Service Charge (Per Customer)	$1.14

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	n/a
Monthly Service Charge (Per Customer)	n/a

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.0**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
100	Monthly Service Charge	N/A	N/A	**$ 13.95**	Monthly Service Charge	N/A	N/A	**$ 11.89**		
	Distribution (kWh)	100	**$ 0.0073**	$ 0.73	Distribution (kWh)	100	**$ 0.0105**	$ 1.05		
			Sub-Total	**$ 14.68**			**Sub Total**	**$ 12.94**	**$ (1.74)**	**-11.85%**
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)	100	$ 0.0239	$ 2.39		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			**$ 21.77**	**Adjusted 2005 Bill**			**$ 20.03**	**$ (1.74)**	**-7.99%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
250	Monthly Service Charge	N/A	N/A	**$ 13.95**	Monthly Service Charge	N/A	N/A	**$ 11.89**		
	Distribution (kWh)	250	**$0.0073**	$ 1.83	Distribution (kWh)	250	**$ 0.0105**	$ 2.62		
			Sub-Total	**$ 15.78**			**Sub Total**	**$ 14.51**	**$ (1.26)**	**-8.00%**
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)	250	$ 0.0239	$ 5.98		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			**$ 33.50**	**Adjusted 2005 Bill**			**$ 32.24**	**$ (1.26)**	**-3.77%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
500	Monthly Service Charge	N/A	N/A	**$ 13.95**	Monthly Service Charge	N/A	N/A	**$ 11.89**		
	Distribution (kWh)	500	**$0.0073**	$ 3.65	Distribution (kWh)	500	**$ 0.0105**	$ 5.24		
			Sub-Total	**$ 17.60**			**Sub Total**	**$ 17.14**	**$ (0.46)**	**-2.64%**
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)	500	$ 0.0239	$ 11.95		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			**$ 53.05**	**Adjusted 2005 Bill**			**$ 52.59**	**$ (0.46)**	**-0.88%**

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	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89		
	Distribution (kWh)	750	$0.0073	$ 5.48	Distribution (kWh)	750	0.0105	$ 7.87		
			Sub-Total	$ 19.43			Sub Total	$ 19.76	$ 0.33	1.71%
	Other Charges (kWh)	750	0.0239	$ 17.93	Other Charges (kWh)	750	0.0239	$ 17.93		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Current 2004 Bill			$ 72.60	Adjusted 2005 Bill			$ 72.93	$ 0.33	0.46%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89		
	Distribution (kWh)	1000	$0.0073	$ 7.30	Distribution (kWh)	1000	0.0105	$ 10.49		
			Sub-Total	$ 21.25			Sub Total	$ 22.38	$ 1.13	5.32%
	Other Charges (kWh)	1000	0.0239	$ 23.90	Other Charges (kWh)	1000	0.0239	$ 23.90		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	250	0.0550	$ 13.75	Cost of Power (kWh)	250	0.0550	$ 13.75		
	Current 2004 Bill			$ 94.15	Adjusted 2005 Bill			$ 95.28	$ 1.13	1.20%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,500	Monthly Service Charge	N/A	N/A	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89		
	Distribution (kWh)	1500	$0.0073	$ 10.95	Distribution (kWh)	1500	0.0105	$ 15.73		
			Sub-Total	$ 24.90			Sub Total	$ 27.62	$ 2.72	10.94%
	Other Charges (kWh)	1500	0.0239	$ 35.85	Other Charges (kWh)	1500	0.0239	$ 35.85		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	750	0.0550	$ 41.25	Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			$ 137.25	Adjusted 2005 Bill			$ 139.97	$ 2.72	1.98%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
2,000	Monthly Service Charge	N/A	N/A	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89		
	Distribution (kWh)	2000	$0.0073	$ 14.60	Distribution (kWh)	2000	0.0105	$ 20.98		
			Sub-Total	$ 28.55			Sub Total	$ 32.87	$ 4.32	15.13%
	Other Charges (kWh)	2000	0.0239	$ 47.80	Other Charges (kWh)	2000	0.0239	$ 47.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	0.0550	$ 68.75	Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 180.35	Adjusted 2005 Bill			$ 184.67	$ 4.32	2.39%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

GENERAL SERVICE < 50 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

		CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
1,000										
	Monthly Service Charge	N/A	N/A	**$ 34.04**	Monthly Service Charge	N/A	N/A	**$ 28.77**		
	Distribution (kWh)	1000	**$ 0.0123**	$ 12.30	Distribution (kWh)	1000	**$ 0.0138**	$ 13.83		
			Sub-Total	**$ 46.34**			**Sub Total**	**$ 42.61**	**$ (3.73)**	**-8.06%**
	Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90		
	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00		
	Current 2004 Bill			**$ 116.24**	**Adjusted 2005 Bill**			**$ 112.51**	**$ (3.73)**	**-3.21%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
2,000										
	Monthly Service Charge	N/A	N/A	**$ 34.04**	Monthly Service Charge	N/A	N/A	**$ 28.77**		
	Distribution (kWh)	2000	**$0.0123**	$ 24.60	Distribution (kWh)	2000	**$0.0138**	$ 27.67		
			Sub-Total	**$ 58.64**			**Sub Total**	**$ 56.44**	**$ (2.20)**	**-3.75%**
	Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	$0.0550	$ 68.75	Cost of Power (kWh)	1,250	$0.0550	$ 68.75		
	Current 2004 Bill			**$ 208.44**	**Adjusted 2005 Bill**			**$ 206.24**	**$ (2.20)**	**-1.06%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
5,000										
	Monthly Service Charge	N/A	N/A	**$ 34.04**	Monthly Service Charge	N/A	N/A	**$ 28.77**		
	Distribution (kWh)	5000	**$0.0123**	$ 61.50	Distribution (kWh)	5000	**$0.0138**	$ 69.16		
			Sub-Total	**$ 95.54**			**Sub Total**	**$ 97.94**	**$ 2.40**	**2.51%**
	Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	4,250	$0.0550	$ 233.75	Cost of Power (kWh)	4,250	$0.0550	$ 233.75		
	Current 2004 Bill			**$ 479.04**	**Adjusted 2005 Bill**			**$ 481.44**	**$ 2.40**	**0.50%**

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	$ 34.04	Monthly Service Charge	N/A	N/A	$ 28.77		
	Distribution (kWh)	10000	$0.0123	$ 123.00	Distribution (kWh)	10000	$0.0138	$ 138.33		
			Sub-Total	$ 157.04			Sub Total	$ 167.10	$ 10.06	6.41%
	Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	9,250	$0.0550	$ 508.75	Cost of Power (kWh)	9,250	$0.0550	$ 508.75		
	Current 2004 Bill			$ 930.04	Adjusted 2005 Bill			$ 940.10	$ 10.06	1.08%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ 34.04	Monthly Service Charge	N/A	N/A	$ 28.77		
	Distribution (kWh)	15000	$0.0123	$ 184.50	Distribution (kWh)	15000	$0.0138	$ 207.49		
			Sub-Total	$ 218.54			Sub Total	$ 236.27	$ 17.73	8.11%
	Other Charges (kWh)	15000	$0.0229	$ 343.50	Other Charges (kWh)	15,000	$0.0229	$ 343.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	14,250	$0.0550	$ 783.75	Cost of Power (kWh)	14,250	$0.0550	$ 783.75		
	Current 2004 Bill			$ 1,381.04	Adjusted 2005 Bill			$ 1,398.77	$ 17.73	1.28%

GENERAL SERVICE > 50 KW to 3000 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

		CURRENT 2004 BILL				FUTURE 2005 BILL				
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
60	Monthly Service Charge	N/A	N/A	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17		
kWh	Distribution (kW)	60	$2.7425	$ 164.55	Distribution (kW)	60	$2.0494	$ 122.96		
15,000			Sub-Total	$ 522.72			Sub Total	$ 436.14	$ (86.58)	-16.56%
	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 2004 Bill			$ 996.57	Adjusted 2005 Bill			$ 909.99	$ (86.58)	-8.69%

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	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17		
kWh	Distribution (kW)	100	$2.7425	$ 274.25	Distribution (kW)	100	$2.0494	$ 204.94		
40,000			Sub-Total	$ 632.42			Sub Total	$ 518.11	$ (114.31)	-18.07%
	Other Charges (kW)	100	$3.9100	$ 391.00	Other Charges (kW)	100.00	$3.9100	$ 391.00		
	Other Charges (kWh)	40,000	$0.0132	$ 528.00	Other Charges (kWh)	40,000	$0.0132	$ 528.00		
	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00		
	Current 2004 Bill			$ 3,751.42	Adjusted 2005 Bill			$ 3,637.11	$ (114.31)	-3.05%

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	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17		
kWh	Distribution (kW)	500	$2.7425	$ 1,371.25	Distribution (kW)	500	$2.0494	$ 1,024.70		
100,000			Sub-Total	$ 1,729.42			Sub Total	$ 1,337.87	$ (391.55)	-22.64%
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00		
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00		
	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00		
	Current 2004 Bill			$ 10,504.42	Adjusted 2005 Bill			$ 10,112.87	$ (391.55)	-3.73%

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	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17		
kWh	Distribution (kW)	1,000	$2.7425	$ 2,742.50	Distribution (kW)	1000	2.0494	$ 2,049.40		
400,000			Sub-Total	$ 3,100.67			Sub Total	$ 2,362.57	$ (738.10)	-23.80%
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	Other Charges (kWh)	400,000	0.0132	$ 5,280.00		
	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00		
	Current 2004 Bill			$ 34,290.67	Adjusted 2005 Bill			$ 33,552.57	$ (738.10)	-2.15%

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	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17		
kWh	Distribution (kW)	3,000	$2.7425	$ 8,227.50	Distribution (kW)	3000	2.0494	$ 6,148.19		
1,000,000			Sub-Total	$ 8,585.67			Sub Total	$ 6,461.36	$ (2,124.31)	-24.74%
	Other Charges (kW)	3,000	3.9100	$ 11,730.00	Other Charges (kW)	3,000.00	3.9100	$ 11,730.00		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00		
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00		
	Current 2004 Bill			$ 88,515.67	Adjusted 2005 Bill			$ 86,391.36	$ (2,124.31)	-2.40%

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	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!		
800,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 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	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!		
1,000,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 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	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!		
1,200,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 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	n/a	Monthly Service Charge	N/A	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!		
1,800,000			Sub-Total	#VALUE!			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 2004 Bill			#VALUE!	Adjusted 2005 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	$ 10,246.18	Monthly Service Charge	N/A	N/A	$ 7,981.47		
kWh	Distribution (kW)	6,000	$1.2757	$ 7,654.20	Distribution (kW)	6000	$1.18	$ 7,067.12		
2,800,000			Sub-Total	$ 17,900.38			Sub Total	$ 15,048.58	$ (2,851.80)	-15.93%
	Other Charges (kW)	6,000	4.7369	$ 28,421.40	Other Charges (kWh)	6,000.00	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	0.0550	$ 154,000.00	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00		
	Current 2004 Bill			$ 237,281.78	Adjusted 2005 Bill			$ 234,429.98	$ (2,851.80)	-1.20%

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	$ 10,246.18	Monthly Service Charge	N/A	N/A	$ 7,981.47		
kWh	Distribution (kW)	15,000	$1.2757	$ 19,135.50	Distribution (kW)	15000	$1.18	$ 17,667.79		
10,000,000			Sub-Total	$ 29,381.68			Sub Total	$ 25,649.26	$ (3,732.42)	-12.70%
	Other Charges (kW)	15,000	4.7369	$ 71,053.50	Other Charges (kWh)	15,000.00	4.7369	$ 71,053.50		
	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00		
	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00		
	Current 2004 Bill			$ 782,435.18	Adjusted 2005 Bill			$ 778,702.76	$ (3,732.42)	-0.48%

Sheet 14 - Estimated Bill Impact Analysis for 2005 Rate Schedule Includes adjustment for transmission rate reduction

Name of Utility:	**PowerStream_Vaughan Rate Zone**	**2005.V1.0**
License Number:	**ED-2004-0420**	**RP-2005-0013**
Name of Contact:	**Dianne Petrucci**	**EB-2005-0082**
E- Mail Address:	**dianne.petrucci@powerstream.ca**	
Phone Number:	**(905)477-3810** **Extension: 2061**	
Date:	**January 17, 2005**	

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL					FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
100	Monthly Service Charge	N/A	N/A	**$ 13.95**	Monthly Service Charge	N/A	N/A	**$ 11.89**			Monthly Service Charge	N/A	N/A	**$ 11.89**		
	Distribution (kWh)	100	**$ 0.0073**	$ 0.73	Distribution (kWh)	100	**$ 0.0105**	$ 1.05			Distribution (kWh)	100	**$ 0.0105**	$ 1.05		
			Sub-Total	**$ 14.68**			**Sub Total**	**$ 12.94**	**$ (1.74)**	**-11.85%**			**Sub Total**	**$ 12.94**	**$ (1.74)**	**-11.85%**
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)	100	$ 0.0239	$ 2.39			Other Charges (kWh)	100	$ 0.0218	$ 2.18		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)	100	$ 0.0470	$ 4.70			Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			**$ 21.77**	**Adjusted 2005 Bill**			**$ 20.03**	**$ (1.74)**	**-7.99%**	**Adjusted 2005 Bill**			**$ 19.82**	**$ (1.95)**	**-8.96%**
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
250	Monthly Service Charge	N/A	N/A	**$ 13.95**	Monthly Service Charge	N/A	N/A	**$ 11.89**			Monthly Service Charge	n/a	N/A	**$ 11.89**		
	Distribution (kWh)	250	**$0.0073**	$ 1.83	Distribution (kWh)	250	**$ 0.0105**	$ 2.62			Distribution (kWh)	250	**$ 0.0105**	$ 2.62		
			Sub-Total	**$ 15.78**			**Sub Total**	**$ 14.51**	**$ (1.26)**	**-8.00%**			**Sub Total**	**$ 14.51**	**$ (1.26)**	**-8.00%**
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)	250	$ 0.0239	$ 5.98			Other Charges (kWh)	250	$ 0.0218	$ 5.45		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)	250	$ 0.0470	$ 11.75			Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			**$ 33.50**	**Adjusted 2005 Bill**			**$ 32.24**	**$ (1.26)**	**-3.77%**	**Adjusted 2005 Bill**			**$ 31.71**	**$ (1.79)**	**-5.33%**
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**			**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
500	Monthly Service Charge	N/A	N/A	**$ 13.95**	Monthly Service Charge	N/A	N/A	**$ 11.89**			Monthly Service Charge	n/a	N/A	**$ 11.89**		
	Distribution (kWh)	500	**$0.0073**	$ 3.65	Distribution (kWh)	500	**$ 0.0105**	$ 5.24			Distribution (kWh)	500	**$ 0.0105**	$ 5.24		
			Sub-Total	**$ 17.60**			**Sub Total**	**$ 17.14**	**$ (0.46)**	**-2.64%**			**Sub Total**	**$ 17.14**	**$ (0.46)**	**-2.64%**
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)	500	$ 0.0239	$ 11.95			Other Charges (kWh)	500	$ 0.0218	$ 10.90		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)	500	$ 0.0470	$ 23.50			Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			**$ 53.05**	**Adjusted 2005 Bill**			**$ 52.59**	**$ (0.46)**	**-0.88%**	**Adjusted 2005 Bill**			**$ 51.54**	**$ (1.51)**	**-2.86%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
750	Monthly Service Charge	N/A	N/A	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89			Monthly Service Charge	n/a	N/A	$ 11.89		
	Distribution (kWh)	750	$0.0073	$ 5.48	Distribution (kWh)	750	0.0105	$ 7.87			Distribution (kWh)	750	0.0105	$ 7.87		
			Sub-Total	$ 19.43			Sub Total	$ 19.76	$ 0.33	1.71%			Sub Total	$ 19.76	$ 0.33	1.71%
	Other Charges (kWh)	750	0.0239	$ 17.93	Other Charges (kWh)	750	0.0239	$ 17.93			Other Charges (kWh)	750	0.0218	$ 16.35		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25			Cost of Power (kWh)	750	0.0470	$ 35.25		
	Current 2004 Bill			$ 72.60	Adjusted 2005 Bill			$ 72.93	$ 0.33	0.46%	Adjusted 2005 Bill			$ 71.36	$ (1.24)	-1.71%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89			Monthly Service Charge	n/a	N/A	$ 11.89		
	Distribution (kWh)	1000	$0.0073	$ 7.30	Distribution (kWh)	1000	0.0105	$ 10.49			Distribution (kWh)	1000	0.0105	$ 10.49		
			Sub-Total	$ 21.25			Sub Total	$ 22.38	$ 1.13	5.32%			Sub Total	$ 22.38	$ 1.13	5.32%
	Other Charges (kWh)	1000	0.0239	$ 23.90	Other Charges (kWh)	1000	0.0239	$ 23.90			Other Charges (kWh)	1000	0.0218	$ 21.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	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			Cost of Power (kWh)	250	0.0550	$ 13.75		
	Current 2004 Bill			$ 94.15	Adjusted 2005 Bill			$ 95.28	$ 1.13	1.20%	Adjusted 2005 Bill			$ 93.18	$ (0.97)	-1.03%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,500	Monthly Service Charge	N/A	N/A	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89			Monthly Service Charge	n/a	N/A	$ 11.89		
	Distribution (kWh)	1500	$0.0073	$ 10.95	Distribution (kWh)	1500	0.0105	$ 15.73			Distribution (kWh)	1500	0.0105	$ 15.73		
			Sub-Total	$ 24.90			Sub Total	$ 27.62	$ 2.72	10.94%			Sub Total	$ 27.62	$ 2.72	10.94%
	Other Charges (kWh)	1500	0.0239	$ 35.85	Other Charges (kWh)	1500	0.0239	$ 35.85			Other Charges (kWh)	1500	0.0218	$ 32.70		
	Cost of Power (kWh)	750	0.0470	$ 35.25	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			Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			$ 137.25	Adjusted 2005 Bill			$ 139.97	$ 2.72	1.98%	Adjusted 2005 Bill			$ 136.82	$ (0.43)	-0.31%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
2,000	Monthly Service Charge	N/A	N/A	$ 13.95	Monthly Service Charge	N/A	N/A	$ 11.89			Monthly Service Charge	n/a	N/A	$ 11.89		
	Distribution (kWh)	2000	$0.0073	$ 14.60	Distribution (kWh)	2000	0.0105	$ 20.98			Distribution (kWh)	2000	0.0105	$ 20.98		
			Sub-Total	$ 28.55			Sub Total	$ 32.87	$ 4.32	15.13%			Sub Total	$ 32.87	$ 4.32	15.13%
	Other Charges (kWh)	2000	0.0239	$ 47.80	Other Charges (kWh)	2000	0.0239	$ 47.80			Other Charges (kWh)	2000	0.0218	$ 43.60		
	Cost of Power (kWh)	750	0.0470	$ 35.25	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			Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 180.35	Adjusted 2005 Bill			$ 184.67	$ 4.32	2.39%	Adjusted 2005 Bill			$ 180.47	$ 0.12	0.07%

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.

ENTER DESIRED CONSUMPTION LEVEL (kWh): 1,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 34.04	Monthly Service Charge	N/A	N/A	$ 28.77				Monthly Service Charge	n/a	N/A	$ 28.77		
Distribution (kWh)	1000	$ 0.0123	$ 12.30	Distribution (kWh)	1000	$ 0.0138	$ 13.83				Distribution (kWh)	1000	$ 0.0138	$ 13.83		
		Sub-Total	$ 46.34			Sub Total	$ 42.61		$ (3.73)	-8.06%			Sub Total	$ 42.61	$ (3.73)	-8.06%
Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90				Other Charges (kWh)	1000	$ 0.0210	$ 21.00		
Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00				Cost of Power (kWh)	1000	$ 0.0470	$ 47.00		
Current 2004 Bill			$ 116.24	Adjusted 2005 Bill			$ 112.51		$ (3.73)	-3.21%	Adjusted 2005 Bill			$ 110.61	$ (5.63)	-4.85%

ENTER DESIRED CONSUMPTION LEVEL (kWh): 2,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 34.04	Monthly Service Charge	N/A	N/A	$ 28.77				Monthly Service Charge	n/a	N/A	$ 28.77		
Distribution (kWh)	2000	$0.0123	$ 24.60	Distribution (kWh)	2000	$0.0138	$ 27.67				Distribution (kWh)	2000	$0.0138	$ 27.67		
		Sub-Total	$ 58.64			Sub Total	$ 56.44		$ (2.20)	-3.75%			Sub Total	$ 56.44	$ (2.20)	-3.75%
Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80				Other Charges (kWh)	2,000	$0.0210	$ 42.00		
Cost of Power (kWh)	750	$0.0470	$ 35.25	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				Cost of Power (kWh)	1,250	$0.0550	$ 68.75		
Current 2004 Bill			$ 208.44	Adjusted 2005 Bill			$ 206.24		$ (2.20)	-1.06%	Adjusted 2005 Bill			$ 202.44	$ (6.00)	-2.88%

ENTER DESIRED CONSUMPTION LEVEL (kWh): 5,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 34.04	Monthly Service Charge	N/A	N/A	$ 28.77				Monthly Service Charge	n/a	N/A	$ 28.77		
Distribution (kWh)	5000	$0.0123	$ 61.50	Distribution (kWh)	5000	$0.0138	$ 69.16				Distribution (kWh)	5000	$0.0138	$ 69.16		
		Sub-Total	$ 95.54			Sub Total	$ 97.94		$ 2.40	2.51%			Sub Total	$ 97.94	$ 2.40	2.51%
Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50				Other Charges (kWh)	5,000	$0.0210	$ 105.00		
Cost of Power (kWh)	750	$0.0470	$ 35.25	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				Cost of Power (kWh)	4,250	$0.0550	$ 233.75		
Current 2004 Bill			$ 479.04	Adjusted 2005 Bill			$ 481.44		$ 2.40	0.50%	Adjusted 2005 Bill			$ 471.94	$ (7.10)	-1.48%

ENTER DESIRED CONSUMPTION LEVEL (kWh): 10,000

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
	kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)		IMPACT ($)	IMPACT (%)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
Monthly Service Charge	N/A	N/A	$ 34.04	Monthly Service Charge	N/A	N/A	$ 28.77				Monthly Service Charge	n/a	N/A	$ 28.77		
Distribution (kWh)	10000	$0.0123	$ 123.00	Distribution (kWh)	10000	$0.0138	$ 138.33				Distribution (kWh)	10000	$0.0138	$ 138.33		
		Sub-Total	$ 157.04			Sub Total	$ 167.10		$ 10.06	6.41%			Sub Total	$ 167.10	$ 10.06	6.41%
Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00				Other Charges (kWh)	10,000	$0.0210	$ 210.00		

	Cost of Power (kWh)	750	$0.0470	$ 35.25	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			Cost of Power (kWh)	9,250	$0.0550	$ 508.75				
	Current 2004 Bill			**$ 930.04**	**Adjusted 2005 Bill**			**$ 940.10**	**$ 10.06**	**1.08%**	**Adjusted 2005 Bill**			**$ 921.10**	**$ (8.94)**	**-0.96%**		

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
15,000																
	Monthly Service Charge	N/A	N/A	**$ 34.04**	Monthly Service Charge	N/A	N/A	**$ 28.77**			Monthly Service Charge	n/a	N/A	**$ 28.77**		
	Distribution (kWh)	15000	**$0.0123**	$ 184.50	Distribution (kWh)	15000	**$0.0138**	$ 207.49			Distribution (kWh)	15000	**$0.0138**	$ 207.49		
			Sub-Total	**$ 218.54**			**Sub Total**	**$ 236.27**	**$ 17.73**	**8.11%**			**Sub Total**	**$ 236.27**	**$ 17.73**	**8.11%**
	Other Charges (kWh)	15000	$0.0229	$ 343.50	Other Charges (kWh)	15,000	$0.0229	$ 343.50			Other Charges (kWh)	15,000	$0.0210	$ 315.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	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			Cost of Power (kWh)	14,250	$0.0550	$ 783.75		
	Current 2004 Bill			**$ 1,381.04**	**Adjusted 2005 Bill**			**$ 1,398.77**	**$ 17.73**	**1.28%**	**Adjusted 2005 Bill**			**$ 1,370.27**	**$ (10.77)**	**-0.78%**

GENERAL SERVICE > 50 KW to 3000 KW

*For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

		CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																	
60	Monthly Service Charge	N/A	N/A	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17			Monthly Service Charge	n/a	N/A	$ 313.17		
kWh	Distribution (kW)	60	$2.7425	$ 164.55	Distribution (kW)	60	$2.0494	$ 122.96			Distribution (kW)	60	$2.0494	$ 122.96		
15,000			Sub-Total	$ 522.72			Sub Total	$ 436.14	$ (86.58)	-16.56%			Sub Total	$ 436.14	$ (86.58)	-16.56%
	Other Charges (kW)	60	$3.9100	$ 234.60	Other Charges (kW)	60.00	$3.9100	$ 234.60			Other Charges (kW)	60.00	$3.1662	$ 189.97		
	Other Charges (kWh)	15,000	$0.0132	$ 198.00	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			Cost of Power (kWh)	15,000	$0.0550	$ 825.00		
	Current 2004 Bill			$ 1,780.32	Adjusted 2005 Bill			$ 1,693.74	$ (86.58)	-4.86%	Adjusted 2005 Bill			$ 1,649.11	$ (131.21)	-7.37%

		CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																	
100	Monthly Service Charge	N/A	N/A	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17			Monthly Service Charge	n/a	N/A	$ 313.17		
kWh	Distribution (kW)	100	$2.7425	$ 274.25	Distribution (kW)	100	$2.0494	$ 204.94			Distribution (kW)	100	$2.0494	$ 204.94		
40,000			Sub-Total	$ 632.42			Sub Total	$ 518.11	$ (114.31)	-18.07%			Sub Total	$ 518.11	$ (114.31)	-18.07%
	Other Charges (kW)	100	$3.9100	$ 391.00	Other Charges (kW)	100.00	$3.9100	$ 391.00			Other Charges (kW)	100.00	$3.1662	$ 316.62		
	Other Charges (kWh)	40,000	$0.0132	$ 528.00	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			Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00		
	Current 2004 Bill			$ 3,751.42	Adjusted 2005 Bill			$ 3,637.11	$ (114.31)	-3.05%	Adjusted 2005 Bill			$ 3,562.73	$ (188.69)	-5.03%

		CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																	
500	Monthly Service Charge	N/A	N/A	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17			Monthly Service Charge	n/a	N/A	$ 313.17		
kWh	Distribution (kW)	500	$2.7425	$ 1,371.25	Distribution (kW)	500	$2.0494	$ 1,024.70			Distribution (kW)	500	$2.0494	$ 1,024.70		
100,000			Sub-Total	$ 1,729.42			Sub Total	$ 1,337.87	$ (391.55)	-22.64%			Sub Total	$ 1,337.87	$ (391.55)	-22.64%
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00			Other Charges (kW)	500.00	$3.1662	$ 1,583.10		
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	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			Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00		
	Current 2004 Bill			$ 10,504.42	Adjusted 2005 Bill			$ 10,112.87	$ (391.55)	-3.73%	Adjusted 2005 Bill			$ 9,740.97	$ (763.45)	-7.27%

		CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																	
1,000	Monthly Service Charge	N/A	N/A	$ 358.17	Monthly Service Charge	N/A	N/A	$ 313.17			Monthly Service Charge	n/a	N/A	$ 313.17		
kWh	Distribution (kW)	1,000	$2.7425	$ 2,742.50	Distribution (kW)	1000	2.0494	$ 2,049.40			Distribution (kW)	1000	$2.0494	$ 2,049.40		
400,000			Sub-Total	$ 3,100.67			Sub Total	$ 2,362.57	$ (738.10)	-23.80%			Sub Total	$ 2,362.57	$ (738.10)	-23.80%
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00			Other Charges (kW)	1,000.00	$3.1662	$ 3,166.20		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	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			Cost of Power (kWh)	400,000	$0.0550	$ 22,000.00		
	Current 2004 Bill			**$ 34,290.67**	**Adjusted 2005 Bill**			**$ 33,552.57**	**$ (738.10)**	**-2.15%**	**Adjusted 2005 Bill**			**$ 32,808.77**	**$ (1,481.90)**	**-4.32%**

ENTER DESIRED CONSUMPTION LEVEL		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**		**kW/ kWh**	**RATE $/kW or $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
kW																
3,000	Monthly Service Charge	N/A	N/A	**$ 358.17**	Monthly Service Charge	N/A	N/A	**$ 313.17**			Monthly Service Charge	n/a	N/A	**$ 313.17**		
kWh	Distribution (kW)	3,000	**$2.7425**	$ 8,227.50	Distribution (kW)	3000	**2.0494**	$ 6,148.19			Distribution (kW)	3000	**$2.0494**	$ 6,148.19		
1,000,000			**Sub-Total**	**$ 8,585.67**			**Sub Total**	**$ 6,461.36**	**$ (2,124.31)**	**-24.74%**			**Sub Total**	**$ 6,461.36**	**$ (2,124.31)**	**-24.74%**
	Other Charges (kW)	3,000	3.9100	$ 11,730.00	Other Charges (kW)	3,000.00	3.9100	$ 11,730.00			Other Charges (kW)	3,000.00	$3.1662	$ 9,498.60		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	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			Cost of Power (kWh)	1,000,000	$0.0550	$ 55,000.00		
	Current 2004 Bill			**$ 88,515.67**	**Adjusted 2005 Bill**			**$ 86,391.36**	**$ (2,124.31)**	**-2.40%**	**Adjusted 2005 Bill**			**$ 84,159.96**	**$ (4,355.71)**	**-4.92%**

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						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																
3,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	n/a	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
800,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	12,641.40	0.0000	$ -		
	Other Charges (kWh)	800,000	0.0132	$ 10,560.00	Other Charges (kWh)	800,000	0.0132	$ 10,560.00			Other Charges (kWh)	10,560	0.0000	$ -		
	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00			Cost of Power (kWh)	44,000	0.0000	$ -		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																
3,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	#VALUE!	N/A	#VALUE!		
kWh	Distribution (kW)	3,000	n/a	#VALUE!	Distribution (kW)	3000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
1,000,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	12,641.40	0.0000	$ -		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00			Other Charges (kWh)	13,200	0.0000	$ -		
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00			Cost of Power (kWh)	55,000	0.0000	$ -		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																
4,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	#VALUE!	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
1,200,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	16,855.20	0.0000	$ -		
	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00			Other Charges (kWh)	15,840	0.0000	$ -		
	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00			Cost of Power (kWh)	66,000	0.0000	$ -		
	Current 2004 Bill			#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

	CURRENT 2004 BILL				FUTURE 2005 BILL						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																
4,000	Monthly Service Charge	N/A	N/A	n/a	Monthly Service Charge	N/A	N/A	#VALUE!			Monthly Service Charge	#VALUE!	N/A	#VALUE!		
kWh	Distribution (kW)	4,000	n/a	#VALUE!	Distribution (kW)	4000	#VALUE!	#VALUE!			Distribution (kW)	#VALUE!	#VALUE!	#VALUE!		
1,800,000			Sub-Total	#VALUE!			Sub Total	#VALUE!	#VALUE!	#VALUE!			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)	16,855.20	0.0000	$ -		
	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00			Other Charges (kWh)	23,760	0.0000	$ -		

	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00		Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00			Cost of Power (kWh)	99,000	0.0000	$ -			
	Current 2004 Bill			**#VALUE!**		**Adjusted 2005 Bill**			**#VALUE!**	**#VALUE!**	**#VALUE!**	**Adjusted 2005 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						FUTURE 2005 BILL Incl. Transmission rate reduction					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																	
6,000	Monthly Service Charge	N/A	N/A	$ 10,246.18	Monthly Service Charge	N/A	N/A	$ 7,981.47			Monthly Service Charge	n/a	N/A	$ 7,981.47		
kWh	Distribution (kW)	6,000	$1.2757	$ 7,654.20	Distribution (kW)	6000	$1.18	$ 7,067.12			Distribution (kW)	6000	$1.18	$ 7,067.12		
2,800,000			Sub-Total	$ 17,900.38			Sub Total	$ 15,048.58	$ (2,851.80)	-15.93%			Sub Total	$ 15,048.58	$ (2,851.80)	-15.93%
	Other Charges (kW)	6,000	4.7369	$ 28,421.40	Other Charges (kWh)	6,000.00	4.7369	$ 28,421.40			Other Charges (kWh)	6,000.00	3.7995	$ 22,797.00		
	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00	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			Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00		
	Current 2004 Bill			$ 237,281.78	Adjusted 2005 Bill			$ 234,429.98	$ (2,851.80)	-1.20%	Adjusted 2005 Bill			$ 228,805.58	$ (8,476.20)	-3.57%

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW																
15,000	Monthly Service Charge	N/A	N/A	$ 10,246.18	Monthly Service Charge	N/A	N/A	$ 7,981.47			Monthly Service Charge	n/a	N/A	$ 7,981.47		
kWh	Distribution (kW)	15,000	$1.2757	$ 19,135.50	Distribution (kW)	15000	$1.18	$ 17,667.79			Distribution (kW)	15000	$1.18	$ 17,667.79		
10,000,000			Sub-Total	$ 29,381.68			Sub Total	$ 25,649.26	$ (3,732.42)	-12.70%			Sub Total	$ 25,649.26	$ (3,732.42)	-12.70%
	Other Charges (kW)	15,000	4.7369	$ 71,053.50	Other Charges (kWh)	15,000.00	4.7369	$ 71,053.50			Other Charges (kWh)	15,000.00	3.7995	$ 56,992.50		
	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00	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			Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00		
	Current 2004 Bill			$ 782,435.18	Adjusted 2005 Bill			$ 778,702.76	$ (3,732.42)	-0.48%	Adjusted 2005 Bill			$ 764,641.76	$ (17,793.42)	-2.27%

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0082

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 **PowerStream Inc. (Vaughan)** 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: $ 1,654,859
2005 PILs Proxy: $ 5,609,993
Regulatory Assets Second Tranche: ($ 1,126,300)

The Applicant also applied for recovery of amounts and/or items outside of the guidelines. Specifically, the Applicant requested:

- an allocation of costs to the customer classes that differed from the method in the filing guideline.

Submissions

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

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

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

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

Board Findings

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

At this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

As a result, the Board has made adjustments to the amounts applied for resulting in the following approved amounts:

MARR: $ 1,654,859
2005 PILs Proxy: $ 5,664,152
Regulatory Assets Second Tranche: ($ 4,339,220)

To avoid negative distribution rates within the Large User Class, the Board directs PowerStream to refund its Large User customers in the amount of $1,143,116 (the negative RSVA balance allocated to the Large Use class). This amount is to be allocated to these customers in proportion to their 2003 kWh consumption.

The Board adjusted the application for the recovery of non-RSVA regulatory

assets as the applied-for recovery was in excess of the non-RSVA total reported by the Applicant.

Subject to these adjustments, 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 provide a refund to Large Use customers of $1,143,116, based on 2003 kWh consumption of those customers.

3) The Applicant shall file an affidavit with the Board, attesting to the provision of these refunds within 30 days of the issuance of this order.

4) 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 18, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0082

March 18, 2005

ONTARIO ENERGY BOARD

PowerStream - Vaughan Rate Zone
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2005-0013
EB-2005-0082

RESIDENTIAL

Monthly Service Charge	(per month)	$11.89
Distribution Volumetric Rate	(per kWh)	$0.0105

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$28.77
Distribution Volumetric Rate	(per kWh)	$0.0138

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$313.17
Distribution Volumetric Rate	(per kW)	$2.0494

LARGE USER

Monthly Service Charge	(per connection)	$7,981.47
Distribution Volumetric Rate	(per kW)	$1.1779

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$0.57
Distribution Volumetric Rate	(per kW)	$1.4241

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per connection)	$0.98
Distribution Volumetric Rate	(per kW)	$3.7341

Unmetered Scattered Loads
Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	$28.77
Distribution Volumetric Rate	(per kWh)	$0.0138

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

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0082

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THE BOARD ORDERS THAT:

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2) The Applicant shall provide a refund to Large Use customers of $1,143,116, based on 2003 kWh consumption of those customers.

3) The Applicant shall file an affidavit with the Board, attesting to the provision of these refunds within 30 days of the issuance of this order.

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DATED at Toronto, March 18, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0082

March 18, 2005

ONTARIO ENERGY BOARD

PowerStream - Vaughan Rate Zone
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2005-0043
EB-2005-0082

RESIDENTIAL

Monthly Service Charge	(per month)	$11.89
Distribution Volumetric Rate	(per kWh)	$0.0105

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$28.77
Distribution Volumetric Rate	(per kWh)	$0.0138

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$313.17
Distribution Volumetric Rate	(per kW)	$2.0494

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Unmetered Scattered Loads
Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	$28.77
Distribution Volumetric Rate	(per kWh)	$0.0138

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

PowerStream Inc.
Account 1562 Disposition
Interest Expense - Fiscal Year Jan 1, 2005 to October 31, 2005

PowerStream Inc.	**Full year**	**Jan-Oct 2005**	**Notes**
Interest per Financial Statements	$ 19,305,000	$ 16,078,685	1
Interest on purchase of RHHI	$ (2,127,726)	$ (1,772,133)	2
interest adjustment re actual Rate Base	$ (729,175)	$ (607,313)	3
less net interest expense on Regulatory Assets and Liabilities	$ (3,589,657)	$ (2,989,742)	4
Interest capitalized - deduct for tax		$ 690,734	
Less interest earned on bank & investments	$ (1,756,338)	$ (1,462,813)	5
Interest deducted for purposes of Interest Adjustment		**$ 9,937,418**	
Deemed Interest Expense	$ 16,062,508	13,378,089	

Notes	**Jan-Oct 2005**	**Full year**	**Portion**
1. Pro-ration on number of days	304	365	83.29%

2. Interest expense related to Purchase of Richmond Hill Hydro Inc. ("RHHI")

Investment in Richmond Hill	$ 32,988,000
Financed by debenture	6.45%
Interest expense	2,127,726

3. Calculation of deemed interest on actual rate base:

2005 Actual Rate Base		
Average Net Fixed Assets	356,401,000	(see table below)
Working capital allowance (WCA)		
COP and OM&A	531,644,000	
	15.00%	
WCA	79,746,600	
Total Rate base	**436,147,600**	
Deemed debt	239,881,180	55.0%
Deemed interest	16,791,683	7.00%
Increase in deemed interest	729,175	

	Total	WIP	Adjusted
Closing NBV of Fixed Assets	376,773,000	(10,079,000)	366,694,000
Opening NBV of Fixed Assets	350,609,000	(4,501,000)	346,108,000
Average NBV of Fixed Assets			**356,401,000**

4. Net Regulatory Asset & Liability (RAL) Interest Expense included in interest expense.

5. Interest earned on bank deposits and investments included on other revenue line, needs to be netted with interest expense.

PowerStream Inc. 051031.205
2006-08-11 11:45

2005-10-31

POWERSTREAM INC
85750 3346 RC0001

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 required to file 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 85750 3346 RC0001

Corporation's name

002 POWERSTREAM 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 2800 RUTHERFORD ROAD

012

City	Province, territory, or state
015 VAUGHAN	016 ON
Country (other than Canada)	**Postal code/Zip code**
017	018 L4K 2N9

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 2800 RUTHERFORD ROAD

032

City	Province,territory, or state
035 VAUGHAN	036 ON
Country (other than Canada)	**Postal code/Zip code**
037	038 L4K 2N9

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . 043 _____ YYYY MM DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2005-01-01 YYYY MM DD	061 2005-10-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If *Yes*, provide the date control was acquired . . . . . 065 _____ YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒

Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☒ 2 No ☐

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . 082 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150		9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160		23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	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	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	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
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	X	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		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
[illegible]e 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 ☒
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? 282 ELECTRICITY DISTRIBUTION
(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	ELECTRICITY DISTRIBUTION	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes ☐	2 No ☒

Taxable income

Net income (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300	23,590,096	A
Deduct: Charitable donations from Schedule 2	311	7,520	
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		7,520 ▶	7,520 B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			23,582,576 C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C **plus** amount D)	360		23,582,576
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)			23,582,576 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 23,590,096 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 23,582,576 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 304 / Number of days in the taxation year 304) = 300,000 3

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) ..... 410 249,863 C

Notes:
1. For CCPCs that are not associated, enter the amount from line 4 on 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 on line 410.

Business limit reduction:

Amount C 249,863 x 415 *** 1,106,625 / 11,250 D = ... 24,578,190 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 on line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered on 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) * ..... B 23,590,096

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 23,582,576 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... D

Amount C **minus** amount D (if negative, enter "0") ..... 23,582,576 ▶ E 23,582,576

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 (amount 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 ..... 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 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 ..... 23,582,576 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") ..... 23,582,576 J

Amount J 23,582,576 x (Number of days in the taxation year after 2003 304 / Number of days in the taxation year 304) x 7 % = 1,650,780 K

General tax reduction for Canadian-controlled private corporations – amount K ..... 1,650,780 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

gate 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 23,582,576

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 = _____

_____ ▶ 23,582,576

x 26 2 / 3 % = 6,288,687 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) 5,216,466

Deduct: Corporate surtax from line 600 of page 7 264,125

amount ..... 4,952,341 ▶ 4,952,341 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 29,638

Deduct: Dividend refund for the previous taxation year ..... 465 29,638 ▶ _____ 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 ..... 6,800,000 x 1 / 3 2,266,667 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 8,961,379 A

Corporate surtax calculation

Base amount from line A above 8,961,379 1

Deduct:

10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 ... 2,358,258 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 ..... 2,358,258 7

Net amount (line 1 **minus** line 7) 6,603,121 8

Corporate surtax – 4.00 % of the amount on line 8 ..... 600 264,125 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 23,582,576

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least .....

Net amount ..... 23,582,576 ▶ 23,582,576 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) 9,225,504 E

Deduct:

Small business deduction from line 430 of page 4 9

Federal tax abatement 608 2,358,258

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 L on page 5 ..... 638 1,650,780

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

Apprenticeship job creation tax credit 11

Subtotal 4,009,038 ▶ 4,009,038 F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) ..... 5,216,466 G

PowerStream Inc. 051031.205
2006-08-11 11:45

2005-10-31

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	5,216,466
Part I.3 tax payable from Schedule 33, 34, or 35	704	444,413
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		5,660,879

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 Québec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	5,660,879 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	5,660,879	
Total credits	890	5,660,879	5,660,879 B

Refund code 894 ☐ Overpayment

Balance (line A **minus** line B)

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid

Enclosed payment 898

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 CINA (Last name) 951 TONY (First name) 954 DIRECTOR OF ACCOUNTING & TAX (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 2006-08-11 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation

956 (905) 417-6941 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 EBRAHIM HOSSEINI (Name) 959 (905) 417-6928 Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. Indiquer la langue de correspondance de votre choix. 1 English / Anglais ☒ 2 Français / French ☐

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 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. For more information, see the T2 *Corporation Income Tax Guide*.
- 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*.

Net income (loss) after taxes and extraordinary items per financial statements				13,974,000 A
Add:				
Provision for income taxes – current	101	8,980,000		
Interest and penalties on taxes	103	4,851		
Amortization of tangible assets	104	21,749,183		
Amortization of intangible assets	106	857,989		
Charitable donations from Schedule 2	112	7,520		
Political donations	114	6,469		
Non-deductible club dues and fees	120	5,669		
Non-deductible meals and entertainment expenses	121	22,699		
Non-deductible automobile expenses	122	27,301		
Reserves from financial statements – balance at the end of the year	126	6,226,201		
Subtotal of additions		37,887,882 ▶		37,887,882
Other additions:				
Capital items expensed	206	8,416		
Recapture of SR&ED expenditures – Form T661	231	73,935		
Miscellaneous other additions:				
600 ADDBACK RE: 12(1)(x)	290	2,804,485		
601 CAPITAL TAX BOOKED FOR ACCOUNTING PURPOSES	291	975,000		
603b Ontario Specified Tax Credits 787				
Total 787	293	787		
Subtotal of other additions	199	3,862,623 ▶		3,862,623
Total additions	500	41,750,505 ▶		41,750,505
Deduct:				
Capital cost allowance from Schedule 8	403	20,871,763		
Cumulative eligible capital deduction from Schedule 10	405	630,479		
Reserves from financial statements – balance at the beginning of the year	414	5,319,370		
Subtotal of deductions		26,821,612 ▶		26,821,612
Other deductions:				
Miscellaneous other deductions:				
700 20(1)(e)	390	511,976		
701 S.13(7.4) ELECTION	391	2,804,485		
702 CAPITAL TAX PER CT 23	392	1,305,602		
703 INTEREST CAPITALIZED FOR ACCOUNTING	393	690,734		
Subtotal of other deductions	499	5,312,797 ▶		5,312,797
Total deductions	510	32,134,409 ▶		32,134,409
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				23,590,096

T2 SCH 1 E (06)

Canada

Ontario

Ministry of Finance
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2006 CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2003

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **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 MGS 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

Signed copy

MGS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Corporation's Legal Name *(including punctuation)*

POWERSTREAM INC.

Ontario Corporations Tax Account No. (MOF)

1800377

Mailing Address

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K 2N9

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 — 2004-05-31

Registered/Head Office Address

2800 RUTHERFORD ROAD

VAUGHAN
ON CA L4K 2N9

Ontario Corporation No. (MGS): 1620505

Location of Books and Records

0 RUTHERFORD ROAD

VAUGHAN
ON CA L4K 2N9

Canada Revenue Agency Business No.

If applicable, enter: 85750 3346 RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
EBRAHIM HOSSEINI	(905) 417-6928	

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MGS)

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* (MGS)

Preferred Language / *Langue de préférence*

[X] English *anglais* [ ] French *français*

Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). ▶

No. of Schedule(s)

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). ▶ [X] No Change

Ministry Use

Certification (MGS)

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)*

TONY CINA

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. (BN)	
POWERSTREAM INC.	1800377	2005-10-31

CT23 Corporations Tax Return

Id ication continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

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-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, municipal electrical utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative corporation

23 [ ] Professional corporation (incorporated professionals only)

[ ] This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)

[ ] Amended Return

[ ] Taxation year end change – Canada Revenue Agency approval required

[ ] Final taxation year up to dissolution *(Note: for discontinued businesses, see guide.)*

[X] Final taxation year before amalgamation

[ ] The corporation has a floating fiscal year end

[ ] There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year

If checked, date control was acquired year month day

[ ] The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)

[ ] First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)

[ ] Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes	No	
[ ]	[X]	Was the corporation inactive throughout the taxation year?
[X]	[ ]	Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

[ ]	[X]	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?

Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.) 08065586

Ontario Employer Health Tax Account no. (Use head office no.) 112116683

Specify major business activity

ELECTRICITY DISTRIB

ncome Tax

DOLLARS ONLY

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	23,516,161
Subtract: Charitable donations	–	1	7,520
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	6,469
Subtract: Federal Part VI.1 tax ____ x 3	–	5	
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	
Net capital losses (page 16) From 715 ____ x inclusion rate 50.000000%	–	714	
Farm losses	–	From 724	
Restricted farm losses	–	From 734	
Limited partnership losses	–	From 754	
Taxable Income (Non-capital loss)	=	10	23,502,172
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	23,502,172

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 23,502,172 x 30 100.0000% Ontario Allocation 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) 23,502,172 x 30 100.0000% Ontario Allocation x 14% x (Days after Dec. 31, 2003: 34 304 ÷ Total Days 73 304) = + 32 3,290,304

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 3,290,304

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	23,590,096
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	23,582,576	
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		
	=	23,582,576	54 23,582,576
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	249,863

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. 48 100.0000%) = 45 333,151

Income eligible for the IDSBC From 30 100.0000% ***Ontario Allocation x 56 333,151 = 60 333,151

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

= [78] 8.5000

IDSBC Rate for Taxation Year [89] + [90] - - - - - - - - - - - - - - - -

FOR CRA USE ONLY

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 56 333,151

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 28,318 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121 333,151

*Ontario Allocation

Lesser of 56 or 121 - + 122 333,151

120 – 56 + 122 - = 130

Taxable Income - + From 10 23,502,172

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56 333,151

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - - - - + From 122 333,151

Subtract: Taxable Income 10 23,502,172 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 23,502,172

Claim

Number of Days in Taxation Year

143 _____ Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 1.5 % X (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days 73 304) = + 154

143 _____ Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 2 % X (Days after Dec. 31, 2003: 34 304 ÷ Total Days 73 304) = + 156

M&P claim for taxation year 154 + 156 - = 160

** **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - - - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule).* - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 - - - - = 190 3,290,304

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)* + 192 787 .

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) + 193 .
(Attach the original Certificate of Eligibility)

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) + 197 .
(Attach the original Certificate of Eligibility)

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) + 199 .
(Attach the original Certificate of Eligibility)

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) + 200 .
(Attach the original Certificate of Eligibility)

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 = 220 787 .

Specified Tax Credits ***Applied to reduce Income Tax*** = 225 787 .

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 3,289,517 .

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)

Total Assets of the corporation	+ 240	597,093,000 •	
Total Revenue of the corporation			+ 241 601,907,813 •

The 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.			= 249 597,093,000 •	
Aggregate Total Revenue 241 + 244 + 246 + 248 , etc.				= 250 601,907,813 •

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	22,954,000 • (If negative, enter zero)	X From 30	100.0000 % (Ontario Allocation)	X 4 %	= 276	918,160 •
S ct: Foreign Tax Credit for CMT purposes *(Attach Schedule)*						– 277	•
Su act: Income Tax						– From 190	3,290,304 •
Net CMT Payable (If negative, enter Nil on Page 17.)						= 280	-2,372,144 •

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 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	3,290,304 •
	Gross CMT Payable	+ From 276	918,160 •		
	Subtract: Foreign Tax Credit for CMT purposes	– From 277	•		
	If 276 – 277 is negative, enter NIL in 290	=	918,160 •	– 290	918,160 •
	Income Tax eligible for CMT Credit			= 300	2,372,144 •
B.	Income Tax (after deduction of specified credits)			+ From 230	3,289,517 •
	Subtract: CMT credit used to reduce income taxes			– 310	•
	Income Tax			= 320	3,289,517 •

Transfer to page 17

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 *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(2)(a) or 2(2)(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	142,633,000
Retained earnings (if deficit, deduct) (Int.B. 3012R)	± 351	14,893,000
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+ 352	16,030,000
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+ 353	356,339,000
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	6,226,201
C gent, investment, inventory and similar reserves (Int.B. 3012R)	+ 360	
Ot reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)	+ 361	
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+ 362	
Subtotal	= 370	536,121,201
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	− 371	6,094,114
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	530,027,087
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	530,027,087

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	
s of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	
Total Eligible Investments	= 410	

continued on Page 10

Capital Tax *continued from Page 9*

DOLLARS ONLY

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	+	420	597,093,000
Mortgages or other liabilities deducted from assets	+	421	
Share partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	
Subt. .. Investment in partnership(s)/joint venture(s)	–	423	
Total Assets as adjusted	=	430	597,093,000
Amounts in 360 and 361 (if deducted from assets)	+	440	
Subtract: Amounts in 371, 372 and 381	–	441	6,094,114
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	590,998,886

Investment Allowance (410 ÷ 450) x 390 — Not to exceed 410 = 460

Taxable Capital 390 – 460 = 470 530,027,087

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 501,315,000

Total Assets (as adjusted) From 430 597,093,000

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 2003.*

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 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

5,000,000	x	Days before Jan. 1, 2005: 35	÷	Total Days: 73	304	=	+ 500		
7,500,000	x	Days after Dec. 31, 2004 and before Jan. 1, 2006: 36 304	÷	Total Days: 73	304	=	+ 501	7,500,000	
10,000,000	x	Days after Dec. 31, 2005 and before Jan. 1, 2007: 37	÷	Total Days: 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	530,027,087									
–	From 503	7,500,000									
=	471	522,527,087	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	1,305,602

Transfer to 543 on page 12 and complete the return from that point

continued on Page 11

Corporation's Legal Name: POWERSTREAM INC.

Ontario Corporations Tax Account No. (MOF): 1800377

2005-10-31

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 to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. ☐ 524 (X if applicable) One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 _____ •

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 _____ •
			+ 532 _____ •
			+ 533 _____ •
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. - - - - - - - - - - - - - - - - - -			= 540 _____ •

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 _____ • ÷ From 540 _____ • X From 503 _____ • = 541 _____ •
Transfer to 542 *in Section E on page 1.*

Ss.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.*
Proceed to **Section F** on page 12.

continued on Page 12

DOLLARS ONLY

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total **aggregate** Taxable Capital [540] on page 11 exceeds the TCD [503] on page 10.

Complete the following calculation and transfer the amount from [523] to [543], and complete the return from that point.

+ From [470] _____
− [542] _____
= [471] _____ x From [30] 100.0000 % Ontario Allocation x 0.3 % x Days in taxation year [555] 304 / * 365 (366 if leap year) = + [523] _____ **Total Capital Tax for the taxation year**

Transfer to [543] *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From [470] _____ x From [30] 100.0000 % Ontario Allocation x 0.3 % = + [561] _____

− Capital tax deduction from [995] relating to **your corporation's** Capital Tax deduction, on Schedule 591 − From [995] _____
= [562] _____

Total Capital Tax for the taxation year

Capital Tax [562] _____ x Days in taxation year [555] 304 / * 365 (366 if leap year) = [563] _____

Transfer to [543] *and complete the return from that point*

** If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits = [543] 1,305,602

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* − [546] _____

Capital Tax [543] − [546] *(amount cannot be negative)* = [550] 1,305,602

Transfer to Page 1

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] _____ (Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1) x 0.6 % x From [30] 100.0000 % (Ontario Allocation) x [555] 304 (Days in taxation year) ÷ * 365 (366 if leap year) = + [569] _____

[570] _____ (Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount) x [571] _____ (Capital Tax Rate *(Refer to Guide)*) x From [30] 100.0000 % (Ontario Allocation) x [555] 304 (Days in taxation year) ÷ * 365 (366 if leap year) = + [574] _____

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) [569] + [574] = [575] _____

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments – [585] _____

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) ☐ Yes

Capital Tax - Financial Institutions [575] – [585] = [586] _____

Transfer to [543] *on Page 12*

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements [587] _____ x 2 % = [588] _____

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* – [589] _____

Premium Tax [588] – [589] = [590] _____

Transfer to page 1

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	23,590,096 • *Transfer to Page 15*

Add:

Federal capital cost allowance	+	601	20,871,763 •
Federal cumulative eligible capital deduction	+	602	630,479 •
Ontario taxable capital gain	+	603	•
Federal non-allowable reserves. Balance beginning of year	+	604	5,319,370 •
Federal allowable reserves. Balance end of year	+	605	•
Ontario non-allowable reserves. Balance end of year	+	606	6,226,201 •
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	+	611	•
Federal foreign exploration and development expenses	+	617	•
All Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*			
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	304	=+	633	•
612	•	x 5 / 14 x	Days after Dec. 31, 2003	34	304 ÷	Total Days 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 = 33,047,813 • ▶ 640 33,047,813 • *Transfer to Page 15*

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+	650	20,871,763 •
Ontario cumulative eligible capital deduction	+	651	630,479 •
Federal taxable capital gain	+	652	•
Ontario non-allowable reserves. Balance beginning of year	+	653	5,319,370 •
Ontario allowable reserves. Balance end of year	+	654	•
Federal non-allowable reserves. Balance end of year	+	655	6,226,201 •
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 33,047,813 • *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 23,590,096 •

Total of Additions on page 14 — From = 640 33,047,813 •

Sub Total of deductions on page 14 — From = 681 33,047,813 •

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(*Applies* only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year — 662

ONTTI Gross-up deduction calculation:

[From 662 • x (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 73,935 •

Total of other deductions allowed by Ontario *(Attach schedule)* + 664 •

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 33,121,748 • ▶ 680 33,121,748 •

Net income (loss) for Ontario Purposes 600 + 640 − 680 = 690 23,516,161 •
Transfer to Page 4

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)
Bal 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 1997-05-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1998-05-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1999-05-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2000-05-31	820	830	840	853	873
804 5th preceding taxation year 2001-05-31	821	831	841	854	874
805 4th preceding taxation year 2002-05-31	822	832	842	855	875
806 3rd preceding taxation year 2003-05-31	823	833	843	856	876
807 2nd preceding taxation year 2004-05-31	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.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2005-10-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more prev· taxation years under s.80(16) with respect to one or more types of losses carr ack.

- 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	2003-05-31	911	921	931	941
ii) 2nd preceding	902	2004-05-31	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		3,289,517 .
Corporate Minimum Tax	+ From 280		.
Capital Tax	+ From 550		1,305,602 .
Premium Tax	+ From 590		.
Total Tax Payable	=	950	4,595,119 .
Subtract: Payments	–	960	5,110,599 .
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	-515,480 .
If payment due	Enclosed *	990	.
If overpayment: Refund *(Refer to Guide)*	=	975	.
Apply to year month day 2005-12-31		980	515,480 . *(Includes credit interest)*

* 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)*

TONY CINA

Title

DIRECTOR OF ACCOUNTING & TAX

Full Residence Address

Signature

Date 2006-08-11

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Attached Schedule with Total

Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)

Title TAX AMOUNT IN EXCESS OF ACCOUNTING

Description	Amount
CUMULATIVE	6,094,114 00
Total	6,094,114 00

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2005-12-31

Part Calculation of CMT Base

Bank. 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 **13,974,000**

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	
	=	– 2110
Subtotal		
Add (to extent reflected in net income/loss):		
Provision for current taxes / cost of current income taxes	+ 2111	8,980,000
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	
	= 8,980,000	+ 2116 8,980,000
Subtotal		

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 **22,954,000**
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss		± 2133
		= 2134 **22,954,000**

Adjusted net income (loss) (if loss, transfer to 2202 in ***Part 2: Continuity of CMT Losses Carried Forward.***)

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 **22,954,000**

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
POWERSTREAM INC.	1800377	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 1997-05-31	2260	2280
2241	8th preceding taxation year 1998-05-31	2261	2281
2242	7th preceding taxation year 1999-05-31	2262	2282
2243	6th preceding taxation year 2000-05-31	2263	2283
2244	5th preceding taxation year 2001-05-31	2264	2284
2245	4th preceding taxation year 2002-05-31	2265	2285
2246	3rd preceding taxation year 2003-05-31	2266	2286
2247	2nd preceding taxation year 2004-05-31	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
POWERSTREAM INC.	1800377	2005-10-31

Part Continuity of CMT Credit Carryovers

Bala... 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 + 2310

Current year's CMT credit (If negative, enter NIL) 280 or 347 – 2305 . . . = + 2325

CMT Credit Carryovers from predecessor corporations NOTE (3) . . . . . = 2330

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

Subtotal 2301 + 2310 + 2325 . . . . . ± 2332

Adjustments *(Attach schedule)* . . . . . = 2333

CMT Credit Carryover available 2330 ± 2332 . . . . . *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 = 2336

Balances at End of Year NOTE (4) 2333 – 2335 . . . . .

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) ... CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) ...lude 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 1997-05-31	2360	2380
2341	8th preceding taxation year 1998-05-31	2361	2381
2342	7th preceding taxation year 1999-05-31	2362	2382
2343	6th preceding taxation year 2000-05-31	2363	2383
2344	5th preceding taxation year 2001-05-31	2364	2384
2345	4th preceding taxation year 2002-05-31	2365	2385
2346	3rd preceding taxation year 2003-05-31	2366	2386
2347	2nd preceding taxation year 2004-05-31	2367	2387
2348	1st preceding taxation year 2004-12-31	2368	2388
2	Current taxation year 2005-10-31	2369	2389
	Totals	2370	2390

The sum of amounts 2370 + 2390 ***must equal amount in*** 2336.

CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	2005-12-31

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	1996-05-31					
9th Prior Year	1997-05-31					
8th Prior Year	1998-05-31					
7th Prior Year	1999-05-31					
6th Prior Year	2000-05-31					
5th Prior Year	2001-05-31					
4th Prior Year	2002-05-31					
3rd Prior Year	2003-05-31					
2nd Prior Year	2004-05-31					
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
1996-05-31						
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
2001-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
2004-12-31						
Total						

CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	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
1996-05-31						
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
2001-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
2004-12-31						
Total						

CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	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	1996-05-31					
9th Prior Year	1997-05-31					
8th Prior Year	1998-05-31					
7th Prior Year	1999-05-31					
6th Prior Year	2000-05-31					
5th Prior Year	2001-05-31					
4th Prior Year	2002-05-31					
3rd Prior Year	2003-05-31					
2nd Prior Year	2004-05-31					
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
1996-05-31						
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
[illegible]-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
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
1996-05-31						
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
2001-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
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 [illegible]

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800377	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)

DUE TO RELATED PARTIES	+	55,279,000
CURRENT PORTION OF CUSTOMER'S DEPOSIT	+	3,628,000
CONSTRUCTION DEPOSIT	+	15,736,000
	+	
NOTES PAYABLE	+	146,102,000
DEBENTURES PAYABLE	+	100,000,000
REGULATORY LIABILITIES	+	24,097,000
CUSTOMERS' DEPOSIT	+	11,497,000
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
Total *Transfer to* 353 *of the CT23*	=	356,339,000

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CONTINUITY OF RESERVES

SCHEDULE 13

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2005-10-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal *Income Tax Act*.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property 001	Balance at the beginning of the year $ 002	Transfer on amalgamation or wind-up of subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
1						
	Totals	008	009			010

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
1	EMPLOYEE FUTURE BENEFITS	4,223,000		903,831		5,126,831
2	ALLOWANCE FOR DOUBTFUL A	595,000		3,000		598,000
3	INVENTORY PROVISION	150,000				150,000
4	HOLDBACKS PAYABLE	351,370				351,370
5						
	Reserves from Section 2 below					
	Totals	5,319,370		906,831		6,226,201

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

FOR DISCUSSION PURPOSES ONLY

Part 2 – Other reserves

Description	Balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts ☐	110	115			120
Reserve for undelivered goods and services not rendered ☐	130	135			140
Reserve for prepaid rent ☐	150	155			160
Reserve for December 31, 1995 income ☐	170	175			180
Reserve for refundable containers ☐	190	195			200
Reserve for unpaid amounts ☐	210	215			220
Insurance corporation policy reserves ☐					
Bank reserves ☐					
Other tax reserves ☐	230	235			240
Totals	270	275			280

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.
The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

T2 SCH 13 E (99)

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SCHEDULE 33

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0001	2005-10-31

- 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	6,226,201	
Capital stock (or members' contributions if incorporated without share capital)	103	142,633,000	
Retained earnings	104	14,893,000	
Contributed surplus	105	16,930,000	
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	356,339,000	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
Subtotal		536,121,201 ▶	536,121,201 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		536,121,201

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.

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2005-10-31

POWERSTREAM INC.
85750 3346 RC0001

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:		
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)		536,121,201 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	536,121,201

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) 536,121,201 × (Taxable income earned in Canada 610 23,582,576 / Taxable income 23,582,576) = **Taxable capital employed in Canada** 690 536,121,201

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) 536,121,201

Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36) 801 50,000,000

Excess of taxable capital employed in Canada over capital deduction 811 486,121,201

Line 811	486,121,201	x	Number of days in the taxation year before 2004 / Number of days in the taxation year	304	x 0.00225000 =		F
Line 811	486,121,201	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	304	x 0.00200000 =		G
Line 811	486,121,201	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	304 / 304	x 0.00175000 =	850,712	H
Line 811	486,121,201	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	304	x =		I
Line 811	486,121,201	x	Number of days in the taxation year in 2007 / Number of days in the taxation year	304	x =		J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2005.

Subtotal (add amounts F to J) ..... 850,712 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 850,712 x Number of days in the year (304) / 365 = ... 708,538 L

Gross Part I.3 tax (amount K or L, whichever applies) 820 708,538

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) ..... 536,121,201 M

Deduct: Line 801 above 50,000,000 x 1/5 = ... 10,000,000 N

Excess (amount M minus amount N) (if negative, enter "0") 526,121,201 O

Amount O 526,121,201 x 0.00225 = ... 1,183,773 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 1,183,773 x Number of days in the year (304) / 365 = ... 985,937 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) 821 985,937

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	264,125	x	line 690 of this schedule / line 500 of this schedule	536,121,201 / 536,121,201	=	264,125 c	
d) line 700 from the T2 return						5,216,466 d	264,125 S

Current-year surtax credit available (amount R or S, whichever applies) 830 264,125

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		264,125
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		985,937
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)			708,538 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	264,125	
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862		
Subtotal (cannot be more than amount on line 820)		264,125 ▶	264,125 U
Net Part I.3 tax payable (amount T minus amount U)	870		444,413

Enter this amount at line 704 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Loans & Advances To Corporation

Description	Amount
DUE TO RELATED PARTIES	55,279,000 00
CURRENT PORTION OF CUSTOMER'S DEPOSIT	3,628,000 00
CONSTRUCTION DEPOSIT	15,736,000 00
NOTES PAYABLE	146,102,000 00
DEBENTURES PAYABLE	100,000,000 00
REGULATORY LIABILITIES	24,097,000 00
CUSTOMERS' DEPOSIT	11,497,000 00
Total	356,339,000 00

Disposition of Balance Recorded in Account 1562 D

Distributor	**PowerStream Inc. - South**
OEB File Number	**EB-2011-0005**
Filing Year	**2005**

Consolidation 2005b

	Markham	Richmond Hill	Vaughan	Aurora	PowerStream
Rate Base (wires-only)	132,012,571	104,354,290	180,841,143	28,804,790	446,012,794
1999 return from RUD Sheet #7	2,671,078	2,530,302	10,038,003		15,239,383
Amount allowed in 2001	2,760,228	2,042,310	1,654,859	822,377	7,279,774
Amount allowed in 2002	2,760,228	2,042,310	1,654,859	822,377	7,279,774
Amount allowed in 2005	2,760,228	2,042,310	1,654,859	822,377	7,279,774
Other			275,904		275,904
Regulatory Net Income REGINFO E53	10,951,763	8,657,232	15,278,484	2,467,131	37,354,610
Depreciation & Amortization	7,747,136	5,536,188	7,733,745	1,440,593	22,457,662
Capital Cost Allowance and CEC	4,847,663	4,271,174	7,241,188	1,224,043	17,584,068
CDM	400,000	296,000	240,000	168,833	1,104,833
Interest Expense Deemed/ Incurred	5,082,484	4,017,640	6,962,384	1,044,174	17,106,682
Total Regulatory Income Tax	3,022,793	2,025,828	3,094,999	531,208	8,674,828
Income Tax Rate used for gross- up (exclude surtax)	36.12%	36.12%	36.12%	36.12%	36.12%
	4,731,987	3,171,303	4,845,020	831,571	13,579,881
	2,400,000	1,875,000	3,225,000	7,500,000	15,000,000
	16,000,000	12,500,000	21,500,000	50,000,000	100,000,000
Income Tax (proxy tax is grossed-up)	4,731,987	3,171,303	4,845,020	831,571	13,579,881
LCT (proxy tax is grossed-up)	171,090	153,301	286,284	0	610,674
Ontario Capital Tax (no gross-up since it is deductible)	388,838	307,438	532,848	63,914	1,293,038
Total PILs for Rate Adjustment	5,291,914	3,632,042	5,664,152	895,485	15,483,594

Debt 2005b

	Markham	Richmond Hill	Vaughan	Aurora	PowerStream	
Rate Base (wires-only)	132,012,571	104,354,290	180,841,143	28,804,790	446,012,794	
Common Equity Ratio (CER)	45%	45%	45%	50%		
1-CER	55%	55%	55%	50%		
Target Return On Equity	9.88%	9.88%	9.88%	9.88%		
Debt rate	7.00%	7.00%	7.00%	7.25%		
WACC	8.30%	8.30%	8.30%	8.57%	8.31%	
Market Adjusted Revenue Requirement	10,951,763	8,657,232	15,002,581	2,467,130	37,078,706	
Equity	59,405,657	46,959,431	81,378,514	14,402,395	202,145,997	45.3%
Debt	72,606,914	57,394,860	99,462,629	14,402,395	243,866,797	54.7%
Equity	5,869,279	4,639,592	8,040,197	1,422,957	19,972,024	9.880%
Debt	5,082,484	4,017,640	6,962,384	1,044,174	17,106,682	7.015%

Allocation of 2005b Annual PIL's Proxy

Original Annual 2005	Markham	Richmond Hill	Vaughan	Aurora	Total
Days	365	365	365	365	
Income Tax	4,731,987	3,171,303	4,845,020	831,571	13,579,881
LCT	171,090	153,301	286,284	0	610,674
OCT	388,838	307,438	532,848	63,914	1,293,038
Total	5,291,914	3,632,042	5,664,152	895,485	15,483,594

To Oct 31, 2005	Aurora
Days	304
Income Tax	692,596
LCT	0
OCT	53,233
Total	745,829

To Dec 31, 2005	Markham	Richmond Hill	Vaughan	Aurora	Total
Days	61	61	61	61	**PowerStream**
Income Tax	790,825	529,999	809,716	138,975	2,269,514
LCT	28,593	25,620	47,845	0	102,058
OCT	64,984	51,380	89,051	10,682	216,097
Total	884,402	606,999	946,612	149,656	2,587,669

	A	B	C	D
1	**PILs TAXES - EB-2008-381**			
2	**REGULATORY INFORMATION (REGINFO)**			
3	**Utility Name: PowerStream Inc. - South**			Colour Code
4	**Reporting period: 2005**			**Input Cell**
5				**Formula in Cell**
6	**Days in reporting period:**	61	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		
22		LCT		
23				
24	Accounting Year End		Date	31-Dec-05
25				
26	**MARR NO TAX CALCULATIONS**			
27	**SHEET #7 FINAL RUD MODEL DATA**			
28	**(FROM 1999 FINANCIAL STATEMENTS)**			
29	**USE BOARD-APPROVED AMOUNTS**			
30				
31	Rate Base (wires-only)			446,012,794
32				
33	Common Equity Ratio (CER)			45.32%
34				
35	1-CER			54.68%
36				
37	Target Return On Equity			9.88%
38				
39	Debt rate			7.01%
40				
41	Market Adjusted Revenue Requirement			37,078,706
42				
43	1999 return from RUD Sheet #7			15,239,383
44				
45	Total Incremental revenue			21,839,323
46	**Input: Board-approved dollar amounts phased-in**			
47	Amount allowed in 2001			7,279,774
48	Amount allowed in 2002			7,279,774
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			7,279,774
50	unless authorized by the Minister and the Board)			
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			
52	Other Board-approved changes to MARR or incremental revenue			
53				
54	**Total Regulatory Income**			
55				
56	Equity			202,145,997
57				
58	Return at target ROE			19,972,024
59				
60	Debt			243,866,797
61				
62	Deemed interest amount in 100% of MARR			17,106,682
63				
64	Phase-in of interest - Year 1 (2001)			10,389,469
65	((D43+D47)/D41)*D61			
66	Phase-in of interest - Year 2 (2002)			13,748,075
67	((D43+D47+D48)/D41)*D61			
68	Phase-in of interest - Year 3 (2003) and forward			13,748,075
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			
70	Phase-in of interest - 2005			17,106,682
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: PowerStream Inc. - South**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	61	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	37,354,610		-32,595,110		4,759,500	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	22,457,662		-17,508,252		4,949,410	
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			6,058,926		6,058,926	
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			180,650		180,650	
30	**Items on which true-up does not apply "TAXREC 3"**				18,219,445		18,219,445	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	17,584,068		-13,234,063		4,350,005	
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	17,106,682		-13,889,182		3,217,500	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			6,268,316		6,268,316	
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	1,104,833		-28,331		1,076,502	2005 CDM OM&A
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			109,017		109,017	
48	**Items on which true-up does not apply "TAXREC 3"**				18,128,535		18,128,535	
49								
50	TAXABLE INCOME/ (LOSS)		24,016,689		(22,998,633)	Before loss C/F	1,018,056	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		-2.7612%		33.36%	
54								
55	REGULATORY INCOME TAX		8,674,828		-7,976,109	Actual	698,719	
56								
57								
58	Miscellaneous Tax Credits	14			32,973	Actual	32,973	
59								
60	**Total Regulatory Income Tax**		8,674,828		-8,009,082	Actual	665,746	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	446,012,794		71,462,141		517,474,935	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	15,000,000		-7,500,000		7,500,000	
68	Taxable Capital		431,012,794		63,962,141		509,974,935	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax (pro-rated)		216,097		39,589	**Overpaid**	255,686	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	446,012,794		59,025,147		505,037,941	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	69,392,472		-19,392,472		50,000,000	
77	Taxable Capital		376,620,322		39,632,675		455,037,941	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0000%		0.1750%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		659,086		-526,003		133,083	
82	Less: Federal Surtax 1.12% x Taxable Income	21	268,987		-257,585		11,402	
83								
84	Net LCT (pro-rated)		65,195		-268,418		121,681	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: PowerStream Inc. - South**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	61	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)		36.12%					
89								
90	Income Tax (proxy tax is grossed-up) (pro-rated)	22	2,269,514			**Actual 2005**	698,719	
91	LCT (proxy tax is grossed-up)	23	102,058			**Actual 2005**	109,624	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	216,097			**Actual 2005**	255,676	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	2,587,669			**Actual 2005**	1,064,019	
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			6,058,926			
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			6,268,316			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			-28,331			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-181,059			
121								
122	Income Tax Rate (including surtax) from **2005** Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	-65,399			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-65,399			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				(100,613)			
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)			=	24,016,689			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX (pro-rated)			=	1,449,766			
141								
142	Less: Revised Miscellaneous Tax Credits			-	32,973			
143								
144	Total Revised Regulatory Income Tax			=	1,416,793			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) (pro-rated)			-	1,449,766			
147								
148	Regulatory Income Tax Variance			=	(32,973)			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: PowerStream Inc. - South**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	61	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	446,012,794			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	438,512,794			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax (pro-rated)			=	219,857			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	216,097			
159	Regulatory Ontario Capital Tax Variance			=	3,760			
160								
161	**Federal LCT**							
162	Base				446,012,794			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	396,012,794			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.1750%			
167								
168	Gross Amount (pro-rated)				115,820			
169	Less: Federal surtax (pro-rated)			-	44,954			
170	Revised Net LCT			=	70,866			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	65,195			
173	Regulatory Federal LCT Variance			=	5,672			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	**Income Tax (grossed-up)**			+	(50,728)			
178	**LCT (grossed-up)**			+	8,726			
179	**Ontario Capital Tax**			+	3,760			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(38,242)			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	(100,613)			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(138,855)			
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)				17,106,682			
194	Interest phased-in (Cell C36)				13,748,075			
195								
196	Variance due to phase-in of debt component of MARR in rates				3,358,607			
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)				2,096,875			
202	Total deemed interest (REGINFO CELL D61) (pro-rated)				2,858,925			
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**				3,358,607			
209								
210								
211								

	A	B	C	D	E
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: PowerStream Inc. - South**				
8	**Reporting period: 2005**				
9	**Taxation Year's start date:**				
10	**Taxation Year's end date:**				
11	**Number of days in taxation year:**		61	days	
12					
13	**Please enter the Materiality Level :**		505,365	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
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	-	-9,708,910		-9,708,910
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	4,949,410		4,949,410
44	Ontario Capital Tax	-			0
45	Reg Assets	-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	4,759,500	0	4,759,500
51	Less: Interest expense for accounting purposes	-	3,217,500		3,217,500
52	Provision for payments in lieu of income taxes	-	930,000		930,000
53	**Net Income (loss)**	=	612,000	0	612,000
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	+	930,000	0	930,000
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	4,949,410	0	4,949,410
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	+	6,058,926	0	6,058,926
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	***Items on which true-up does not apply "TAXREC 3"***		18,219,445	0	18,219,445
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	180,650	0	180,650
69					
70	*Subtotal*		30,338,431	0	30,338,431
71					
72	*Other Additions: (Please explain the nature of the additions)*				

	A	B	C	D	E
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	=	30,338,431	0	30,338,431
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	-	4,247,290		4,247,290
98	Cumulative eligible capital deduction	-	102,715		102,715
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*	-	6,268,316	0	6,268,316
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		18,128,535	0	18,128,535
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	-	109,017	0	109,017
112					
113	Subtotal	=	28,855,873	0	28,855,873
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	=	28,855,873	0	28,855,873
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	=	2,094,558	0	2,094,558
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	2,094,558	0	2,094,558
140					

	A	B	C	D	E	
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)	+	433,403		433,403	
143	Net Ontario Income Tax (Must agree with tax return)	+	265,316		265,316	
144	Subtotal	=	698,719	0	698,719	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	698,719	0	698,719	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		20.69%		20.69%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.67%		12.67%	Divide Ontario
151	Blended Income Tax Rate		33.36%	**********	33.36%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	698,719	0	698,719	
157	Ontario Capital Tax	+	255,676		255,676	
158	Federal Large Corporations Tax	+	109,624		109,624	
159						
160	**Total income and capital taxes**	=	1,064,019	0	1,064,019	
161						

	A	B	C	D	E
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: PowerStream Inc. - South**				
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		598,000		598,000
45	Inventory obsolescence		150,000		150,000
46	Property taxes				0
47	OPEB		5,168,946		5,168,946
48	Holdbacks		351,370		351,370
49	Other - Please describe				0
50					0
51	**Total (**carry forward to the TAXREC worksheet)		6,268,316	0	6,268,316
52					
53	**End of Year:**				
54					0
55					0
56	Environmental				0
57	Allowance for doubtful accounts		598,000		598,000
58	Inventory obsolescence		150,000		150,000
59	Property taxes				0
60	OPEB		5,294,122		5,294,122
61	Holdbacks		16,804		16,804
62					0
63	Insert line above this line				
64	**Total (**carry forward to the TAXREC worksheet)		6,058,926	0	6,058,926
65					

	A	B	C	D	E
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: PowerStream Inc. - South**				
9	**Reporting period: 2005**				
10	**Number of days in taxation year:**		61		
11	**Materiality Level:**		505,365		
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	+	3,060		3,060
38	Scientific Research Expenditures	+	97,460		97,460
39	Recapture of SR&ED Expenditure	+	80,130		80,130
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	=	180,650	0	180,650
47					
48	Recap of Material Additions:				
49			0	0	0
50			0	0	0
51			0	0	0
52			0	0	0
53			0	0	0
54			0	0	0
55			0	0	0
56			0	0	0
57			0	0	0
58			0	0	0
59			0	0	0
60			0	0	0
61			0	0	0
62			0	0	0
63			0	0	0
64			0	0	0
65			0	0	0
66			0	0	0
67			0	0	0
68			0	0	0
69			0	0	0
70			0	0	0
71			0	0	0
72			0	0	0
73			0	0	0
74			0	0	0
75			0	0	0
76			0	0	0
77			0	0	0
78					
79	Total Material additions		0	0	0
80	Other additions less than materiality level		180,650	0	180,650

	A	B	C	D	E	
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: PowerStream Inc. - South**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		61			
11	**Materiality Level:**		505,365			
12						
13						
81	Total Additions		180,650	0	180,650	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-	14,354		14,354	
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		-				
95		-			0	
96		-			0	
97	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
98		-			0	
99	Interest Capitalized for Accounting	-	94,663		94,663	
100					0	
101		-			0	
102	Total Deductions	=	109,017	0	109,017	
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		109,017	0	109,017	
124	Total Deductions		109,017	0	109,017	
125						

	A	B	C	D	E
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: PowerStream Inc. - South**				**Version 2009.1**
9					
10					
11	**Reporting period: 2005**				
12	**Number of days in taxation year:**		61		
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	+	7,645		7,645
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	+	15,943		15,943
33	Non-deductible club dues	+	1,435		1,435
34	Non-deductible automobile costs	+	1,670		1,670
35	**Donations - amount per books**		17,385		17,385
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**	+	382,173		382,173
41	**Changes in Regulatory Asset balances**	+			0
42		+			0
43	*Other Additions: (please explain in detail the nature of the item)*	+			0
44	13.7.4 Election	+	17,793,194		17,793,194
45		+			0
46		+			
47	**Total Additions on which true-up does not apply**	=	18,219,445	0	18,219,445
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**	-	17,385		17,385
58	Income from joint ventures or partnerships	-			0
59	13 7 4 election	-	17,793,194		17,793,194
60	Capital Item expensed	-	8,416		8,416
61	12.1 x	-	70,432		70,432
62		-			0
63		-			0
64	**Ontario capital tax adjustments to current or prior year**	-	239,108		239,108
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**	=	18,128,535	0	18,128,535
74					
75					

PILs TAXES - EB-2008-381
Corporate Tax Rates
Exemptions, Deductions, or Thresholds
Utility Name: PowerStream Inc. - South
Reporting period: 2005

Version 2009.1

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	15,000,000			
Federal Large Corporations Tax Exemption**	MAX $50MM	69,392,472			

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

Table 2

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

Income Range Expected Rates		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: PowerStream Inc. - South**														**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		-138,855		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)**	+/-									-100,613				-100,613
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
20	**Deferral Account Variance Adjustment (5)**	+/-									-38,242				-38,242
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		-138,855		-138,855		-138,855

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.

PowerStream Inc.
Account 1562 Disposition
Interest Expense - Fiscal Year November 1, 2005 to December 31, 2005

PowerStream Inc.	Full year	Nov - Dec 31/05	Notes
Interest per Financial Statements	$ 19,305,000	$ 3,226,315	1
Interest on purchase of RHHI	$ (2,127,726)	$ (355,593)	2
interest adjustment re actual Rate Base	$ 314,999	$ 52,644	3
less net interest expense on Regulatory Assets and Liabilities	$ (3,589,657)	$ (599,915)	4
Interest capitalized - deduct for tax		$ 94,663	
Less interest earned on bank & investments	$ (1,756,338)	$ (293,525)	5
Interest deducted for purposes of Interest Adjustment		$ 2,124,589	
Deemed Interest Expense	$ 17,106,682	2,858,925	

Notes	Nov - Dec 31/05	Full year	Portion
1. Pro-ration on number of days	61	365	16.71%

2. Interest expense related to Purchase of Richmond Hill Hydro Inc. ("RHHI")

Investment in Richmond Hill	$ 32,988,000
Financed by debenture	6.45%
Interest expense	2,127,726

3. Calculation of deemed interest on actual rate base:

2005 Actual Rate Base		
Average Net Fixed Assets	356,401,000	(see table below)
Working capital allowance (WCA)		
COP and OM&A	531,644,000	
	15.00%	
WCA	79,746,600	
Total Rate base	**436,147,600**	
Deemed debt	239,881,180	55.0%
Deemed interest	16,791,683	7.00%
Increase in deemed interest	(314,999)	

	Total	WIP	Adjusted
Closing NBV of Fixed Assets	376,773,000	(10,079,000)	366,694,000
Opening NBV of Fixed Assets	350,609,000	(4,501,000)	346,108,000
Average NBV of Fixed Assets			**356,401,000**

4. Net Regulatory Asset & Liability (RAL) Interest Expense included in interest expense.

5. Interest earned on bank deposits and investments included on other revenue line, needs to be netted with interest expense.

Financial Statements of

POWERSTREAM INC.

December 31, 2005

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Auditors' Report

To the Shareholders of
PowerStream Inc.

We have audited the balance sheet of PowerStream Inc. as at December 31, 2005 and the statements of earnings and retained earnings and of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2005 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

"Deloitte & Touche LLP"

Chartered Accountants

Toronto, Ontario
April 7, 2006

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December 31, 2005

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POWERSTREAM INC.
Balance Sheet
December 31, 2005
(in thousands of dollars)

	December 31, 2005	December 31, 2004
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 33,477**	$ 27,461
Restricted cash - current portion of customer deposits (Note 11)	**1,605**	11,662
Short-term investments	**6,608**	7,880
Accounts receivable	**33,720**	43,000
Unbilled revenue	**66,115**	61,298
Income taxes recoverable	**-**	4,616
Inventory	**5,774**	4,915
Prepaids and other	**487**	486
	147,786	161,318
PROPERTY, PLANT AND EQUIPMENT (Note 5)	**376,773**	350,609
OTHER ASSETS		
Restricted cash - non-current portion of customer deposits (Note 11)	**13,378**	11,497
Deferred debt issue costs, net of amortization of $1,957 (2004 - $1,403)	**3,670**	4,224
Intangibles, net of amortization of $866 (2004 - $391)	**561**	1,036
Goodwill	**32,988**	32,988
	$ 575,156	$ 561,672
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	**$ 95,223**	$ 74,130
Income taxes payable	**1,116**	-
Due to related parties (Note 9)	**16,612**	37,635
Liability for subdivision development	**1,923**	5,000
	114,874	116,765
LONG-TERM LIABILITIES		
Notes payable (Note 15)	**146,102**	146,102
Debentures payable (Note 10)	**100,000**	100,000
Regulatory liabilities (Note 6)	**15,315**	16,597
Customers' deposits (Note 11)	**13,378**	11,497
Employee future benefits (Note 12)	**5,294**	4,223
Other liabilities	**931**	106
	281,020	278,525
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 14)	**149,433**	142,633
CONTRIBUTED SURPLUS (Note 14)	**14,324**	16,030
RETAINED EARNINGS	**15,505**	7,719
	179,262	166,382
	$ 575,156	$ 561,672

APPROVED ON BEHALF OF THE BOARD

"Peter Meffe" . . . . . Director

"Frank Scarpitti" . . . . . Director

POWERSTREAM INC.
Statement of Earnings and Retained Earnings
Year ended December 31, 2005
(in thousands of dollars)

	2005	2004
	(12 months)	(7 months)
REVENUE		
Energy and distribution	**$ 592,242**	$ 289,588
Other	**9,300**	7,043
	601,542	296,631
EXPENSES		
Cost of power purchased (Note 6(d))	**491,331**	235,661
High voltage transformation	**1,071**	589
Distribution	**11,776**	5,282
Utilization	**3,060**	870
Billing and collection	**6,302**	2,677
Administration and general	**16,016**	10,911
Taxes, other than amounts in lieu of corporate income taxes	**2,088**	1,306
	531,644	257,296
EARNINGS BEFORE AMORTIZATION, INTEREST AND INCOME TAXES	**69,898**	39,335
AMORTIZATION OF CAPITAL ASSETS AND INTANGIBLES (net of $906; 2004 - $571 charged to other accounts)	**26,097**	14,862
INTEREST EXPENSE	**19,305**	11,680
INCOME BEFORE INCOME TAXES	**24,496**	12,793
INCOME TAX EXPENSE (Note 19)	**9,910**	5,074
NET EARNINGS FOR THE PERIOD	**14,586**	7,719
RETAINED EARNINGS, BEGINNING OF PERIOD	**7,719**	-
DIVIDENDS (Note 14)	**(6,800)**	-
RETAINED EARNINGS, END OF PERIOD	**$ 15,505**	$ 7,719

POWERSTREAM INC.
Statement of Cash Flows
Year ended December 31, 2005
(in thousands of dollars)

	2005 (12 months)	2004 (7 months)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net earnings for the period	**$ 14,586**	$ 7,719
Adjustments to determine cash provided by operating activities		
Amortization of property, plant and equipment	**26,528**	15,106
Amortization of debt issue costs	**554**	346
Amortization of intangibles	**475**	327
Employee future benefits	**901**	773
Increase in regulatory liabilities	**2,559**	7,407
Gain on disposal of capital assets	**(14)**	(274)
Net change in non-cash operating working capital (Note 20)	**31,185**	(18,722)
	76,774	12,682
FINANCING		
(Decrease) increase in liability for subdivisions development	**(3,158)**	1,548
Decrease in due to related parties	**(27,823)**	(374)
Increase in long-term customer's deposits	**807**	310
Decrease in bank loan	**-**	(25,000)
Increase in other liabilities	**825**	148
	(29,349)	(23,368)
INVESTING		
Shares issued from treasury	**6,800**	
Acquisition of Aurora Hydro (Note 4)	**(30,019)**	-
Proceeds on disposal of capital assets	**36**	312
Intangibles	**-**	(285)
Decrease (increase) in restricted cash - customer deposits	**8,176**	(310)
Decrease in short term investments	**1,272**	1,194
Adjustment to contributed surplus (Note 14)	**(1,706)**	-
Expenditure on capital assets, net of contribution of capital construction	**(25,968)**	(14,668)
	(41,409)	(13,757)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**6,016**	(24,443)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**27,461**	51,904
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 33,477**	$ 27,461

Supplementary cash flow information (Note 21)

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2005
(in thousands of dollars)

1. DESCRIPTION OF THE BUSINESS

PowerStream Inc. (the "Corporation") was incorporated on June 1, 2004, under the *Business Corporations Act* (Ontario) and is wholly owned by the City of Vaughan through its wholly owned subsidiary, Vaughan Holdings Inc. and the Town of Markham, through its wholly owned subsidiary, Markham Enterprises Corporation.

The principal activity of the Corporation is to distribute electricity in the service area of Vaughan, Markham, Richmond Hill and Aurora, in the Province of Ontario, under the license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated under the OEB and adjustments to the distribution rates require OEB approval.

2. ELECTRICITY INDUSTRY REGULATION

The Energy Competition Act, 1998 (the "Act") was given Royal Assent on October 30, 1998. The Act provides for a competitive market in the sale of electricity and the regulation of the monopoly electricity delivery system in the Province of Ontario (the "Province") by the OEB. Electricity retailers began competing for customers as of March 1, 2000. On May 1, 2002, with the electricity market opening, or (Open Access), electricity retailers began to sell electricity.

The OEB has regulatory oversight of electricity matters in the Province. The Act sets out the OEB's powers to issue a distribution license, which must be obtained by any person owning or operating a distribution system under the Ontario Energy Board Act, 1998. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, separation of accounts for separate businesses and filing/process requirements for rate-setting purposes.

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

In December 2002, the Province passed Electricity Pricing, Conservation and Supply Act, 2002 ("Bill 210") which among other things

(a) Fixed the price of electricity paid by low volume and designated consumers at 4.3 cents per kWh (retroactive to May 1, 2002); and

(b) Capped distribution rates at current levels and deferred further rate increases and certain cost recoveries by distributors.

The price freeze and rate caps were originally expected to continue until at least May 1, 2006.

In November 2003, the Province announced its intention to increase (effective April 1, 2004) the price of electricity payable by low volume and designated customers from 4.3 to 4.7 cents per kWh on the first 750 kWhs consumed during a month and 5.5 cents per kWh thereafter and directed the OEB to develop new pricing mechanisms (to take effect no later than May 1, 2005) for setting the price of electricity payable by low volume and designated customers.

2. ELECTRICITY INDUSTRY REGULATION (continued)

The Province also announced its intention in November 2003 to permit electricity distributors to make rate applications to the OEB earlier than had been contemplated under Bill 210 with respect to the:

(a) Recovery of regulatory assets (based on year-end balances at December 31, 2002) to be phased in over a four-year period effective March 1, 2004; and

(b) The final adjustment necessary to achieve a market-based rate of return (subject to a one-time investment in conservation and demand management initiatives equal to one year of additional revenue resulting from such rate increase) effective March 1, 2005.

In December 2003, the OEB issued filing guidelines with respect to the recovery of regulatory assets. The OEB's filing guidelines provided that:

(a) PowerStream was permitted to recover 25% to 30% of certain regulatory assets in rate adjustments to become effective March 1, 2004;

(b) The 2004 rate adjustment was implemented on April 1, 2004 (with a gross-up added to the recovered amount to allow recovery over 11 months);

(c) The OEB provided additional instructions with respect to the filing of evidence to facilitate the OEB's review of the balance of the regulatory assets; and

(d) Permitted recoveries will be phased in over a four-year period (2004 through 2007).

During the period that the price freeze is in effect, it is expected that distributors and retailers will be compensated by the Ontario Electricity Financial Corporation (OEFC) as follows:

(a) In the case of distributors, for amounts by which the price paid by distributors for electricity purchased by them in the wholesale market on behalf of low volume and designated consumers is greater than the fixed price per kWh; and

(b) In the case of retailers, for amounts by which the retail contract price between retailers and low volume and designated consumers is greater than the fixed price per kWh.

Consumers other than designated consumers who annually utilize more than 250,000 kWh continue to be eligible to receive Business Protection Plan ("BPP") rebates (formerly received under the Market Power Mitigation Agreement) from Ontario Power Generation Inc. ("OPG") to the extent that electricity prices exceed certain prescribed thresholds.

On December 9, 2004, the Province passed the Electricity Restructuring Act. The purpose of this act is to provide stable prices for consumers that reflect the true cost of electricity, facilitate new supply additions and promote conservation and demand management. The act also creates the Ontario Power Authority, with a mandate to ensure an adequate, long-term supply of electricity in Ontario. The Independent Electricity System Operator (IESO) (formerly the Independent Electricity Market Operator) will continue to be responsible for operating the system and the spot market, and shorter-term system planning.

2. ELECTRICITY INDUSTRY REGULATION (continued)

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and future possible consultations between the OEB and interested stakeholders, may affect the distribution rates, including payments in lieu of taxes ("PILS") collected from customers, that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

The Corporation implemented the final rate increase in April 2005 to achieve a 9.88% return on equity in 2005. However, the related monies raised equal to one year of additional revenue resulting from this rate increase will be spent specifically on demand side management and energy conservation initiatives over a three year period ending in 2007.

3. SIGNIFICANT ACCOUNTING POLICIES

The Corporation's financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and accounting policies provided by its regulator, the OEB, as contained in the Accounting Procedures Handbook, issued under the authority of the Ontario Energy Board Act, 1998.

The financial statements reflect the following significant accounting policies:

(a) Rate setting

The Corporation is regulated by the OEB under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

As the Corporation is regulated by the OEB, the timing of accounting recognition and measurement of assets and liabilities arising from rate regulation may differ from that otherwise expected under Canadian generally accepted accounting principles for non-rate regulated enterprises. Specifically:

(i) Capital and operating costs incurred in respect of the transition to competitive markets have been deferred with amortization to commence on the date that a rate increase is implemented to offset the amortization of the transition costs (Note 6).

(ii) The Corporation provides for amounts in lieu of corporate income taxes using the taxes payable method for its regulated activities as permitted by The Canadian Institute of Chartered Accountants (CICA).

(iii) The Corporation has deferred certain pre-market opening cost of power variances and post-market opening retail settlement variances in accordance with Article 490 of the OEB Accounting Procedures Handbook (Note 6).

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2005
(in thousands of dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Disclosures by entities subject to rate regulation

In 2005 the Corporation adopted the new accounting guideline "Disclosures by Entities Subject to Rate Regulation (AcG-19)". This regulation requires the disclosure of information to facilitate an understanding of the nature and economic effects of rate regulation.

(c) Cash and cash equivalents

Cash and cash equivalents include bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days.

(d) Short-term investments

Short-term investments are recorded at the lower of cost and fair market value.

(e) Revenue recognition

(i) Electricity and distribution sale

Revenue from the sale and distribution of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. The related cost of power is recorded on the basis of power used. Actual results could differ from estimates made of actual electricity usage.

(ii) Other revenue

Other revenue related to sales of other services is recognized as services are rendered. Contract revenue is accounted for using the percentage of completion method, whereby revenue is recognized proportionately with the degree of completion of the services under contract. Losses on contracts are fully recognized when they become evident.

(f) Inventory

Inventory, which consists of parts and supplies acquired for internal construction or consumption, is stated at the lower of cost and replacement cost. Cost is determined on a weighted-moving average basis.

(g) Property, plant and equipment and amortization

Property, plant and equipment are recorded at cost and include contracted services, materials, labour, engineering costs, interest and overheads. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers and may be refunded by the Corporation based on economic evaluation (discounted cash flow), in accordance with the OEB Distribution System Code. Such contributions, whether in cash or in-kind, are offset against the related asset cost. Contributions in-kind are valued at their fair market value at the date of their contribution.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment and amortization (continued)

When identifiable assets, such as buildings, distribution station equipment and equipment and furniture are retired or otherwise disposed of, their original cost and related accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets such as transmission and distribution facilities is removed from the accounts at the end of their estimated service life.

Amortization of property, plant and equipment is provided for on the straight-line basis over the estimated service life of the assets. Amortization of contributions from developers or customers are amortized at the rates corresponding with the useful lives of the related capital assets. The estimated service lives of the various assets used in calculating amortization are summarized below:

Buildings	10 to 60 years
Transformer stations	40 years
Transformers and meters	25 to 40 years
Plant and equipment	10 to 30 years
Other	3 to 5 years

Construction in progress comprises property, plant and equipment under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed. An allowance for the outlay of funds employed during the construction period has been applied to the related capital assets.

(h) Impairment of long-lived assets

The Corporation reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of the long-lived assets is not recoverable. Any resulting impairment loss is recorded in the period in which the impairment occurs.

(i) Intangibles

Intangibles include corporate restructuring costs related to amalgamation. Intangibles are stated at cost and are amortized on a straight-line basis over three years.

(j) Regulatory assets and liabilities

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered through future rates. Similarly, regulatory liabilities can arise from differences in amounts billed to customers and retailers that the OEB directs the distributor to account for. The Corporation accrues interest on certain regulatory assets and liabilities as allowed by the OEB.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Regulatory assets and liabilities (continued)

The Corporation began recovery of regulatory assets on April 1, 2005 for deferred balances dating back to December 31, 2003. In 2006, the OEB has directed the Corporation to recover balances accrued to December 31, 2004. The Corporation is anticipating rate approval for implementation on May 1, 2006.

The Corporation received approval from the OEB in 2005 and subsequently implemented for April 1, 2005 the recovery of regulatory assets. This approval addressed the second installment of the four year plan of phased in recovery of regulatory assets. This installment related to balances accrued at December 31, 2003.

As at December 31, 2005, management has provided a "valuation allowance" against regulatory assets comprised principally of pension costs. Management continues to assess the likelihood of recovery of its regulatory assets and believes that it is probable that its regulatory assets, net of the valuation allowance, and liability balances will be factored into setting of future rates.

(k) Deferred debt issue costs

Deferred debt issue costs represent the discount and the cost of the issue of debentures. Amortization is provided on a straight-line basis over the term of the debentures.

(l) Goodwill

Goodwill represents the excess of the purchase price over the fair value assigned to the Corporation's interest of the net identifiable assets acquired on the acquisition, by predecessor corporations, of the former Richmond Hill Hydro Inc. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. When the carrying amount of goodwill exceeds the implied fair value of goodwill, an impairment loss is recognized in an amount equal to the excess.

(m) Pension and other post-employment benefits

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

The Corporation actuarially determines the cost of other employment and post-employment benefits offered to employees using the projected benefit method prorated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over the years of service in the attribution period commencing at date of hire, and ended at the earliest age the employee could retire and qualify for benefits. Compensated absences and termination benefits that do not vest or accumulate are recognized as an expense when the event occurs. This accounting policy for future employee benefits was applied on the prospective basis. The transitional obligation resulting from this treatment is being amortized over the average remaining service period of employees.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Customer's deposits

Customer deposits are cash collections from customers to guarantee the payment of energy bills and fulfillment of construction obligations. Deposits estimated to be refundable to customers within the next fiscal year are classified as a current liability. Interest is paid on customer balances at rates established from time to time by the Corporation.

(o) Variable interest entities

Effective January 1, 2005, the Corporation adopted the new accounting guideline on "*Variable Interest Entities (AcG-15)"*. The guidance requires the application of consolidation principles to entities subject to control on a basis other than through the ownership of voting interests. Adoption of this standard has no material impact on the Corporation's financial results.

(p) Payment in lieu of income taxes

In accordance with Ontario Regulation 162/01 made under the Electricity Act, 1998, the Corporation provides for payments in lieu of corporate income taxes using the taxes payable method. No provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers at that time.

(q) Conservation demand management

In accordance with the OEB, funds have been dedicated to spending on conservation and demand management initiatives spanning over a 3 year period ending in 2007. Any amounts collected in excess of the related dedicated conservation and demand spending have been deferred and are recorded as part of regulatory liabilities.

(r) Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent assets and liabilities at the financial statement date. Accounts receivable, unbilled revenue, inventory, regulatory assets/liabilities, goodwill and employee future benefits are reported based on amounts expected to be recovered and an appropriate allowance has been provided based on management's best estimate of unrecoverable amounts. Due to the inherent uncertainty involved in making such estimates, actual results could differ from amounts recorded in these financial statements , including changes as a result of future decisions made by the OEB or the Minister of Energy.

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2005
(in thousands of dollars)

4. ACQUISITION

On September 19, 2005 the Corporation received approval from the OEB in respect of the purchase of Aurora Hydro Connections Limited ("Aurora Hydro"). Effective with the close of business on October 31, 2005, the Corporation acquired 100% of the shares of Aurora Hydro for purchase consideration of $35,239. Aurora Hydro is a licensed local distribution company that distributes electricity to approximately 15,000 customers in the Town of Aurora. On November 1, 2005, immediately following the acquisition, Aurora Hydro was amalgamated into the Corporation.

The following summarizes the net assets acquired as of the closing date of the acquisition:

	Aurora Hydro
Assets	
Current, net of cash acquired of $5,451	**$ 8,420**
Capital	**26,593**
Regulatory	**3,972**
	38,985
Liabilities	
Current	**7,752**
Other	**1,214**
	8,966
Net assets acquired, inclusive of acquisition costs of $231	**$ 30,019**

5. PROPERTY, PLANT AND EQUIPMENT

	2005			2004
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land and Land Rights	**$ 3,493**	**$ 117**	**$ 3,376**	$ 2,556
Buildings	**1,888**	**364**	**1,524**	1,564
Transformer stations	**81,965**	**21,544**	**60,421**	60,113
Transformers and meters	**220,616**	**104,972**	**115,644**	109,100
Plant and equipment	**540,168**	**247,511**	**292,657**	263,194
Other	**24,146**	**15,444**	**8,702**	9,457
Construction in progress	**10,079**	**-**	**10,079**	4,501
	882,355	**389,952**	**492,403**	450,485
Capital contributions	**134,196**	**18,566**	**115,630**	99,876
	$ 748,159	**$ 371,386**	**$ 376,773**	$ 350,609

Included in property, plant and equipment costs are capitalized interest costs of $785 (2004 – nil).

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2005
(in thousands of dollars)

6. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities arise as a result of the rate-making process and consist of the following:

	2005	2004
Regulatory Assets		
Deferred qualifying transition costs	**$ 4,206**	$ 4,107
Pre-market opening cost of power variances	**15,033**	13,016
Deferred cash pension contributions	**1,580**	-
Deferred OEB annual cost assessments	**1,165**	250
	21,984	17,373
Provision for above regulatory assets	**(1,723)**	(5,228)
Regulatory Assets	**20,261**	12,145
Regulatory Liabilities		
Retail settlement variance accounts	**(19,993)**	(21,356)
Estimated over-recovery of payment in lieu of taxes	**(1,385)**	(105)
Regulatory asset recovery	**(7,720)**	(6,088)
	(29,098)	$ (27,549)
Other regulatory liabilities	**(6,478)**	(1,193)
Regulatory Liabilities	**(35,576)**	(28,742)
Net regulatory liabilities	**$ (15,315)**	$ (16,597)

(a) Regulatory Assets

(i) Deferred qualifying transition costs

Deferred qualifying transition costs were incurred to meet the requirements of the competitive electricity market as mandated by the Electricity Act, 1998. The OEB has established rules in respect of transition costs, whereby certain amounts qualify for deferral and amortization against future revenue. To the extent that transition costs have been incurred that do not qualify for deferral, these costs have been expensed in the period incurred. During the current year, $672 of transition costs which were identified as non-qualifying costs, were expensed.

For the period January 1, 2003 to December 31, 2005 deferred qualifying transition costs increased due to the applied carrying charges prescribed by the OEB. In the absence of rate regulations, interest income would have been $236 lower in 2005.

6. REGULATORY ASSETS AND LIABILITIES (continued)

(a) Regulatory Assets (continued)

(ii) Pre-market opening cost of power variance

Pre-market opening cost of power variances represent amounts accumulated as a result of the excess of the cost of power purchased by the Corporation over the amount billed for this power prior to the market opening. The OEB directed utilities to accumulate such variances in the period leading up to market opening.

Under OEB regulations, expenses were allowed to be deferred which would have been expensed under Canadian GAAP for non rate regulated businesses. No further costs were incurred relating to this deferral account after May 1, 2002. Increases to the pre-market cost of power variance are related to the applied carrying charges prescribed by the OEB. In the absence of rate regulation, interest income would have been $769 lower in 2005.

(iii) Deferred cash pension contributions account

The OEB has approved the establishment of a regulatory deferral account to record the incremental OMERS pension costs beginning January, 2005. The Corporation has deferred all 2005 OMERS expenditures in accordance with the criteria setout in the Accounting Procedures Handbook ("APH").

Under OEB regulations, expenses were allowed to be deferred which would have been expensed under Canadian GAAP for non rate regulated businesses. Carrying charges have been applied to this deferred balance, in accordance with OEB direction, at a rate of 3.38%. In the absence of regulation, operating expenses in the fiscal year 2005 would have been $1,475 higher. Interest revenue would have been lower by $21.

(iv) Deferred OEB annual cost assessments account

The OEB has allowed the deferral of OEB annual cost assessments beginning January 1, 2004. The Corporation has deferred the above noted costs in accordance with prescribed criteria in the APH.

Under OEB regulations, expenses were allowed to be deferred which would have been expensed under Canadian GAAP for non rate regulated businesses. The deferred balance in this account has had carrying charges applied in accordance with the OEB direction. In the absence of rate regulation, operational expenses would have been $832 higher in 2005. Interest revenue would have been $37 lower.

6. REGULATORY ASSETS AND LIABILITIES (continued)

(b) Regulatory Liabilities

(i) Retail settlement variance accounts

Retail settlement variance accounts relate to variances that have occurred since May 1, 2002 when the competitive electricity market was declared open and that have accumulated pursuant to direction from the OEB. Specifically, these amounts include:

(a) variances between the amount charged by the Independent Electricity System Operator ("IESO") for the operation of the markets and grid, the purchase of imported power by the IESO to augment Ontario's power supply and charged by the IESO as an uplift charge that is part of the wholesale market service charges, as well as various wholesale market settlement charges, transmission charges as compared to the amount billed to consumers based on the OEB-approved wholesale market service rate; and

(b) the differences between the amounts charged by the IESO and billed to consumers for energy costs due to line losses.

Under OEB regulations, the retail settlement variances are allowed to be deferred which under Canadian GAAP would be recorded as revenue for non rate regulated businesses. Under non regulated reporting, revenues would have been $992 higher in 2005 and interest expense would have been lower in 2005 by $1,773.

(ii) Estimated over-recovery of payment in lieu of taxes (PILs)

Variances are recorded as the differences resulting from the OEB approved PILs methodology (billed recovery) and the PILs proxy/allowance amount as determined. The cumulative amount of this variance, net of carrying charges, as of December 31, 2005 is $1,385.

(iii) Regulatory assets recovery account

On April 1, 2005 PowerStream began recovering the second phase of a 4 year recovery plan. These recoveries are based on balances accrued to December 31, 2003. The regulatory assets recovery account is credited with recovery amounts and credited by the OEB prescribed interest rate for carrying charges (2005 - 6.90%). If regulated rates were not implemented the interest expense in 2005 would have been $444 lower.

6. REGULATORY ASSETS AND LIABILITIES (continued)

(c) Other regulatory liabilities

In April 2005 the Corporation received approval to collect its final phase of market adjusted rate of return. These funds were to be collected over the 2005 rate year beginning April 1 2005 and ending April 30, 2006. These funds are to be dedicated to spending on conservation and demand management initiatives spanning a 3 year period ending in 2007. Consistent with revenue recognition principles and the revenue neutrality of the program the Corporation has deferred revenue in 2005 in excess of the dedicated conservation and demand spending. Total deferred revenue for the period included in other regulatory liabilities is $5,337.

(d) Provision

Management has determined that there is uncertainty concerning the future recovery of OMERS pension costs deferred for 2005 based on the guidelines issued by the Ontario Energy Board on February 15, 2005. Based on this uncertainty a provision against this deferral account has been recorded. Based on the Corporation's October 2005 regulatory asset filing, management has reversed a regulatory asset provision held by two predecessor companies in the amount of $4,178 as management believes the entire amount to be recoverable. This amount was recorded as a reduction of the cost of power in the current year.

7. BANK INDEBTEDNESS AND CREDIT FACILITY

The Corporation requested and received an unsecured credit facility with a Canadian chartered bank and the related agreement was executed on March 23, 2005. This credit facility agreement provides an extendible 364-day revolving credit facility of $125 million. This facility replaces the credit facilities that were in place for the former utilities (Hydro Vaughan, Markham Hydro and Richmond Hill Hydro).

As at December 31, 2005, the Corporation had utilized $15.7 million of the credit facility to provide the IESO with a letter of credit for prudential support. With the opening of Ontario's electricity market to wholesale and retail competition on May 1, 2002 ("Open Access"), the IESO requires all purchasers of electricity in Ontario to provide security to mitigate the risk of their default based on their expected purchases from the IESO administered spot market. The IESO could draw on the letter of credit if the Corporation defaults on its payment.

The existing credit facility can be drawn upon by either direct advances, bearing interest at prime less 0.50% or Bankers' Acceptances, with a stamping fee of 20 basis points, or by way of letter of credit with a fee of 20 basis points per annum.

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2005
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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2005	2004
Accounts payable - energy purchased	**$ 45,086**	$ 36,274
Current portion of customer's deposits	**1,605**	11,662
Other accounts payable and accrued liabilities (including construction deposits to be refunded within one year in the amount of $8,067 - 2004 - $1,533)	**48,532**	26,194
	$ 95,223	$ 74,130

9. RELATED PARTY BALANCES AND TRANSACTIONS

The amount due to the Corporation of the City of Vaughan ("City") and the Corporation of the Town of Markham ("Town") is comprised of amounts payable to the City and Town and their wholly-owned companies established under the provisions of the Ontario Business Corporation Act in order to comply with provisions of provincial legislation enacted to restructure the publicly-owned electricity business in Ontario.

Components of the amounts due to related parties are as follows:

	2005	2004
The Corporation of the City of Vaughan		
Accounts payable - Hydro Vaughan Distribution Inc. Dividend	**$ -**	$ 25,000
Accrued interest on Hydro Vaughan Distribution Inc. Dividend	**-**	814
Accounts payable - Hydro Vaughan Distribution Inc. Dividend	**-**	1,900
Accrued interest on note payable of $78,236 at an annual rate of 5.58%	**1,100**	1,100
Net balance payable of inter entity transactions, without interest	**5,769**	5,951
Vaughan Holdings Inc.		
Special dividend payable	**6,800**	-
Accrued interest on special dividend payable an annual rate of 2.76%	**113**	-
	13,782	34,765
The Corporation of the Town of Markham		
Accrued interest on note payable of $67,866 at an annual rate of 5.58%	**955**	955
Net balance payable of inter entity transactions, without interest	**1,875**	1,915
	2,830	2,870
	$ 16,612	$ 37,635

POWERSTREAM INC.
Notes to the Financial Statements
December 31, 2005
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9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Interest of $8,153 on the notes payable and interest of $999 on outstanding Hydro Vaughan dividends was charged to interest expense. Interest on the dividends payable to Vaughan Holdings Inc. of $113 was charged to interest expense. As at December 31, 2005, the amounts shown as due to related parties included an aggregate accrual of $2,168 related to such interest.

Other significant related party transactions not otherwise disclosed separately in the financial statements, are summarized below:

	2005		2004	
	City of Vaughan	Town of Markham	City of Vaughan	Town of Markham
Revenue				
Energy and distribution	**$ 3,443**	**$ 3,576**	$ 1,697	$ 1,166
Shared services	**$ 1,397**	**$ 1,526**	$ 1,606	$ -
Expenses				
Facilities rental	**$ 523**	**$ 602**	$ 517	$ 602
Realty taxes	**$ 142**	**$ 224**	$ 124	$ 190
Operations	**$ 1,082**	**$ 145**	$ 1,014	$ 931

10. DEBENTURES PAYABLE

	2005	2004
6.45% unsecured Debentures due August 15, 2012, interest payable in arrears semi-annually on August 15 and February 15	**$ 100,000**	$ 100,000

In August 2002, the three predecessor corporations raised gross proceeds of $100,000 through a private placement offering. These corporations were three of five local distribution companies ("LDC") that participated in the Electricity Distributors Finance Corporation ("EDFIN") 10 Year Debentures Issued (Series 2002-1) that was offered on a private placement. EDFIN is a specific purpose corporation managed by MEARIE Management Inc., for the purpose of providing LDC with efficient access to the debt capital markets. Each LDC has executed a debenture which is a direct and unsecured obligation of the LDC. The LDC's obligations are several and not joint, and each LDC is liable for its own obligation and not that of any other LDC.

The Corporation assumed the obligations of the three predecessor corporations pursuant to an assumption agreement dated June 1, 2004.

The unsecured debentures, totaling $100,000 represents the Corporation's debenture payable of $35,000 (Hydro Vaughan), $30,000 (Markham Hydro) and $35,000 (Richmond Hill Hydro).

Interest expense, including amortization of deferred debt issue costs, was $7,004 (2004 - $4,116).

11. CUSTOMERS' DEPOSITS

	2005	2004
Service deposits	**$ 14,983**	$ 23,159
Less amounts expected to be refunded within one year, included in accounts payable and accrued liabilities (Note 8)	**1,605**	11,662
	$ 13,378	$ 11,497

12. EMPLOYEE FUTURE BENEFITS

The Corporation pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-retirement costs in the period in which the employees rendered their services.

The benefits liability for the Corporation is being recorded in the accounts prospectively. Accordingly, the transitional obligation is being amortized over the average remaining service period of active employees of 11 years as determined by actuarial methodology.

The accrued benefit obligation for active employees and retirees as at December 31, 2005 is $8,734 and the expense for the period ended December 31, 2005 of $1,121 was based on actuarial valuation using a discount rate of 5.0%.

Payments for the period ended December 31, 2005 are estimated to be equal to the estimated claims for extended health, dental benefits and life insurance in respect of retirees, and the assumed expenses and taxes associated with their benefits.

A reconciliation of the funded status of the Corporation's post-retirement benefit plan to the amounts recorded in the financial statements is as follows:

	2005	2004
Accrued benefit obligation	**$ 8,734**	$ 8,027
Unamortized transitional obligation	**(1,097)**	(2,164)
Unamortized net acturial losses	**(2,343)**	(1,640)
Accrued benefit liability	**$ 5,294**	$ 4,223

POWERSTREAM INC.
Notes to the Financial Statements
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12. EMPLOYEE FUTURE BENEFITS (continued)

Details of the accrued benefit obligation are as follows:

	2005	2004
Accrued benefit obligation, beginning of the period	**$ 8,027**	$ 4,472
Benefit obligation on acquisition of Aurora Hydro	**139**	-
Current service cost	**241**	236
Interest cost on obligation	**414**	297
Benefit payments	**(153)**	(75)
Actuarial gain - plan curtailment	**(838)**	-
Actuarial loss on obligation	**904**	3,097
Accrued benefit obligation, end of the period	**$ 8,734**	$ 8,027

The plan expense for the year is determined as follows:

	2005	2004
Current service cost	**$ 241**	$ 236
Interest cost on obligation	**414**	297
Amortization of transitional obligation	**273**	187
Amortization of net actuarial loss	**193**	103
Plan expense	**$ 1,121**	$ 823

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligation are as follows:

Discount rate	**5.00%**
Rate of compensation increase	**3.10%**
Medical benefits costs escalation - hospitalization	**4.0%-10.0%**
Medical benefits costs escalation - extended health care	**4.0%-10.0%**
Dental benefits costs escalation	**4.0%-5.0%**

Sensitivity analysis

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects for 2005:

	Increase	Decrease
Total service and interest cost	$ 190	$ (44)
Accrued benefit obligation	$ 2,091	$ (470)

13. PENSION

The Corporation provides a pension plan for its employees through OMERS. OMERS is a multi-employer pension plan which provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. The Corporation incurred $1,626 of contribution expense during the 12 month period-ended December 31, 2005 (2004 - $919).

14. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Share Capital

The Corporation's authorized share capital is made up of an unlimited number of common shares. The issued share capital as at December 31 is as follows:

	2005	2004
1,035.0877 common shares (2004 - 1,000 common shares)	**$ 149,433**	$ 142,633

Of the total 1,035.0877 common shares issued, 590 (2004 – 590) common shares are registered under Vaughan Holdings Inc. (wholly owned by The Corporation of the City of Vaughan) and 445.0877 (2004 – 410) common shares are registered under Markham Enterprises Corporation (MEC) (wholly owned by The Corporation of the Town of Markham). In accordance with the June 1, 2004 shareholders' agreement, MEC exercised its option to purchase from treasury, an additional 2% of all the issued and outstanding shares after giving effect to the exercise of such an option. An additional 35.0877 common shares were purchased during the current year for cash consideration of $6,800.

In accordance with the related subscription agreement dated March 24, 2005, a special dividend was declared, payable to Vaughan Holdings Inc., in the amount of $6,800.

Contributed Surplus

Contributed surplus represents the difference between the total of the net assets contributed by The Corporation of the City of Vaughan and Markham Enterprises Corporation and the amount reported as stated capital in the financial statements of PowerStream Inc., upon amalgamation on June 1, 2004.

A closing adjustment was recorded in the current fiscal year resulting in a $1,706 payment to Markham Enterprises Corporation to fulfill the terms of the June 1, 2004 Amalgamation Agreement. This payment has been recorded as a reduction in contributed surplus.

POWERSTREAM INC.
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15. NOTES PAYABLE

	2005	2004
Promissory note issued to the City of Vaughan	**$ 78,236**	$ 78,236
Promissory note issued to the Town of Markham	**67,866**	67,866
	$ 146,102	$ 146,102

On June 1, 2004 an unsecured 20 year term promissory note was issued to The Corporation of the City of Vaughan ("City") in the amount of $78,236. Interest thereon commenced on June 1, 2004 at an annual rate of 5.58%.

On June 1, 2004 an unsecured 20 year term promissory note was issued to the Corporation to the Town of Markham ("Town") in the amount of $67,866. Interest thereon commenced on June 1, 2004 at an annual rate of 5.58%.

The two promissory notes are repayable 90 days following demand by the City or the Town. These notes have been classified as long term as it is not the intent of the City or the Town to demand repayment earlier than January 1, 2007.

16. COMMITMENTS

Shared services agreement

Pursuant to a shared services agreement between the former Vaughan Hydro-Electric Commission and the Corporation of the City of Vaughan ("City"), the Corporation charges the City, at agreed rates, for various administrative functions. In addition, the City performs certain shared services, which are charged to the Corporation. The Corporation also provides water billing services to the Town of Markham. The net charges for services under these agreements were $2,923.

Long-term operating leases

The Corporation rents buildings and facilities from the Corporation of the City of Vaughan and the Town of Markham under long-term operating leases. The Corporation has signed a long-term lease with the Town of Markham and has exercised its option to renew a lease on a monthly basis with the City of Vaughan. For the period from January 1 to December 31, 2005, the rental for the buildings and facilities was approximately $1,125. The cost of the rent including both the rent charged under the operating leases and rent not covered by operating leases aggregated $1,396.

17. CONTINGENCIES

(a) Legal claims

The Corporation has been named as a defendant in several actions. No provision has been recorded in the financial statements for these potential liabilities as the Corporation expects that these claims are adequately covered by its insurance.

(b) Other claims

A class action claiming $500,000 in restitution payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against the former Toronto Hydro-Electric Commission 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 was that late payment penalties resulted 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 Electricity Distributors 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.

(c) Other contingencies

The provision for income taxes reflects management's position that the treatment of regulatory assets and liabilities is the same for tax purposes as for accounting purposes. Primarily as a result of the recovery of revenues through standard provincial transmission rates, there may be additional taxes payable at December 31, 2005 in the amount of approximately $960. The Minister of Energy has approved the corporation's application for a rate change to address the over-recovery, reduce the rates and ultimately eliminate these amounts. As this is unique and a result of a timing issue and because the "payment-in-lieu of income taxes" regime is relatively new, with no specific precedent in tax assessing practices, it is not determinable whether or not a liability will materialize and no provision has been made for this amount in the financial statements. The above mentioned timing differences will eventually reverse.

(d) Environmental

Under the shareholders agreement, the Corporation is obligated to remediate all transformers and equipment with polychlorinated biphenyl (PCB) contamination in excess of 50 ppm on or before August 31, 2007. A program has been put in place in 2005 and work is underway to test relevant transformers and equipment. Initial results indicated that no PCB has been found. No provision for any contingency has been recorded in the financial statements.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives.

Fair value of financial assets and liabilities

The fair value of the Corporation's cash and cash equivalents, short term investments, accounts receivable, unbilled revenues, accounts payable and accrued liabilities and refundable customer deposits approximate their carrying amount because of the short maturity of these instruments.

The fair value amount of the debenture payable in the amount of $100,000 was $110,766 as at December 31, 2005 based on quoted market prices.

The fair value of the Corporation's note payable for the Corporation of the City of Vaughan, the Corporation of the Town of Markham and due to related parties is not determined due to their related party nature and variable terms.

The Corporation is not exposed to significant interest rate risk as a result of its fixed rate debt and the short-term maturity of its monetary current assets and current liabilities.

Financial assets held by the Corporation expose it to credit risk. As at December 31, 2005, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Corporation earns its revenue from a broad base of customers located in the City of Vaughan, the Town of Markham, the Town of Richmond Hill and the Town of Aurora. In the period ended December 31, 2005, the Corporation derived approximately 5.66% of its revenue from one customer. As at December 31, 2005, the one customer represented $2,247 of the outstanding accounts receivable balance.

Insurance

The Corporation maintains appropriate types and levels of insurance with major insurers. With respect to liability insurance, the Corporation is a member of the Municipal Electricity Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members.

Insurance premiums charged to each member consist of a levy per thousands of dollars of service revenue subject to a credit or surcharge based on each member's claims experience. Coverage is provided to a level of $20,000 per incident.

POWERSTREAM INC.
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19. CORPORATE INCOME TAXES

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

	2005	2004
Rate reconciliation		
Income from operations before PILs	**$ 24,496**	$ 12,793
Statutory Canadian federal and provincial income tax rate	**36.12%**	36.12%
Expected tax provision on income at statutory rates	**8,848**	4,621
Increase (decrease) in income taxes resulting from		
Large corporations tax net of surtax	**507**	378
Other timing differences non-benefited		
Amortization/CCA differences	**(563)**	117
Post employment benefits	**383**	279
Eligible capital expenditures	**(99)**	(45)
Other	**(138)**	(97)
Permanent differences	**42**	63
Other	**930**	(242)
Provision for PILs	**$ 9,910**	$ 5,074
Component of provision for PILs		
Large corporations tax net of surtax	**$ 507**	$ 378
Income tax expense	**9,403**	4,696
Provision for PILs	**$ 9,910**	$ 5,074

Future income taxes relating to the regulated business have not been recorded in the accounts as they are expected to be recovered through future electricity rate revenues. As at December 31, 2005, future income tax assets of $43,222 (consisted mostly of non-deductible reserves and the difference between the tax and book bases of capital assets), based on substantively enacted income tax rates, have not been recorded on the balance sheet.

POWERSTREAM INC.
Notes to the Financial Statements
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20. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	2005	2004
Accounts receivable	**$ 13,974**	$ (10,633)
Unbilled revenue	**(1,756)**	(4,916)
Income taxes recoverable	**4,616**	(7,936)
Income taxes payable	**279**	-
Inventory	**(410)**	3,417
Prepaid and other	**222**	331
Accounts payable and accrued liabilities	**14,260**	1,015
	$ 31,185	$ (18,722)

21. SUPPLEMENTAL CASH FLOW INFORMATION

	2005	2004
(a) Cash paid during the period for:		
Interest	**$ 16,526**	$ 7,493
Payments in lieu of taxes	**$ 6,115**	$ 7,398
(b) Non-cash financing activities:		
Share capital exchanged for unsecured debt (5.58% promissory note)	**$ -**	$ 33,236
Vaughan Holdings Inc, special dividend paid after December 31, 2005 (Note 9)	**$ 6,800**	$ -

22. GUARANTEES

In the normal course of business, the Corporation enters into agreements that meet the definition of a guarantee. The Corporation's primary guarantees subject to the disclosure requirements of AcG-14 are as follows:

(a) The Corporation has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Corporation agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

(b) Indemnity has been provided to all directors and/or officers of the Corporation for various items including, but not limited to, all costs to settle suits or actions due to association with the Corporation, subject to certain restrictions. The Corporation has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Corporation. The maximum amount of any potential future payment cannot be reasonably estimated.

22. GUARANTEES (continued)

(c) In the normal course of business, the Corporation has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Corporation to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Corporation from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Corporation has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

23. SUBSEQUENT EVENT

Subsequent to year end, the Corporation entered into agreements to purchase land in the City of Vaughan, Regional Municipality of York and to construct a new energy-efficient head office facility. The estimated date of completion is 2007 at an estimated cost of approximately $23,000.

Canada Revenue Agency / Agence du revenu du Canada

Amended

T2 CORPORATION INCOME TAX RETURN

20

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 corporation 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. For more information on how to complete 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 tax 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 85750 3346 RC0002

Corporation's name

002 POWERSTREAM 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 this address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

(If *Yes*, complete lines 011 to 018)

011 2800 RUTHERFORD ROAD

012

City: 015 VAUGHAN

Province, territory, or state: 016 ON

Country (other than Canada): 017

Postal code/Zip code: 018 L4K 2N9

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? 020 1 Yes ☐ 2 No ☒

(If *Yes*, complete lines 021 to 028)

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 ☒

(If *Yes*, complete lines 031 to 038)

031 2800 RUTHERFORD ROAD

032

City: 035 VAUGHAN

Province,territory, or state: 036 ON

Country (other than Canada): 037

Postal code/Zip code: 038 L4K 2N9

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 tax year, provide the effective date of the change 043 _____ YYYY MM DD

To which tax year does this return apply?

Tax year start 060 2005-11-01 YYYY MM DD

Tax year end 061 2005-12-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax 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 tax year? 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final tax 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

100

Canada

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	Schedul
the corporation related to any other corporations?	150		9
Is the corporation an associated Canadian-controlled private corporation?	160		23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders?	151		19
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	X	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
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
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
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	X	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
s the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
s 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	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	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		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 e members subject to gross Part VI tax?	250		39
ie 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	Schedu
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-/
Did the corporation have any controlled foreign affiliates?	258		T1134-I
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	ELECTRICITY DISTRIBUTION	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the tax 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		2,056,100	A
Deduct: Charitable donations from Schedule 2	311	17,385		
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 tax years from Schedule 4	331			
Net capital losses of preceding tax years from Schedule 4	332			
Restricted farm losses of preceding tax years from Schedule 4	333			
Farm losses of preceding tax years from Schedule 4	334			
Limited partnership losses of preceding tax 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		17,385	▶ 17,385	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			2,038,715	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		2,038,715	
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)			2,038,715	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7 ..... 400 2,056,100 A

Taxable income from line 360, **minus** 10/3 of the amount on line 632*, **minus** 3 times the amount on line 636**, and **minus** any amount that, because of federal law, is exempt form Part I tax ..... 405 2,038,715 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

250,000 x (Number of days in the tax year in 2004 / Number of days in the tax year) ____ / 61 = ____ 1

300,000 x (Number of days in the tax year in 2005 and in 2006 / Number of days in the tax year) 61 / 61 = 300,000 2

400,000 x (Number of days in the tax year after 2006 / Number of days in the tax year) ____ / 61 = ____ 3

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) ..... 410 50,137 C

Notes:

1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax 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 on line 410.

Business limit reduction:

Amount C 50,137 x 415 *** 1,183,773 D / 11,250 = ... 5,275,629 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") ..... 425 ____ F

Small business deduction

Whichever amount is the least A, B, C or F ..... ____ G

Amount G1 ____ x (Number of days in the tax year before 2008 / Number of days in the tax year) 61 / 61 x 16.00 % = ____ G1

Amount G1 ____ x (Number of days in the tax year in 2008 / Number of days in the tax year) ____ / 61 x 16.50 % = ____ G2

Amount G1 ____ x (Number of days in the tax year after 2008 / Number of days in the tax year) ____ / 61 x 17.00 % = ____ G4

Small business deduction – total of amounts G2, G3, and G4 ..... 430 ____ G

(enter amount G on line 9)

* 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 on line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporations**

- The amount to be entered at line 415 is the total taxable capital employed in Canada **minus** $10,000,000 x 0.225%, calculated on Schedule 33, *Part I.3 Tax On Large Corporations*, Schedule 34, *Part I.3 Tax On Financial Institutions* or Schedule 35, *Part I.3 Tax On Large Insurance Companies*.
- If the corporation is not associated with any corporations in both the current and the preceding tax years, use the applicable schedule for the **prior** year. (Amount **P** in Part 6 of Schedule 33; Amount **O** in Part 6 of Schedule 34; Amount **DD** in Part 6 of Schedule 35)
- If the corporation is not associated with any corporations in the current tax year, but was associated in the preceding tax year, use the applicable schedule for the **current** year.
- For corporations associated in the current tax 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 = _____

Net active business income (amount from line 400) * 2,056,100

Taxable income from line 360 **minus** 3 times the amount at line 636** on, and **minus** any amount that, because of federal law, is exempt from Part I Tax 2,038,715 C

Deduct:

Aggregate investment income (amount from line 440) _____ D

Amount C **minus** amount D (if negative, enter "0") 2,038,715 ▶ 2,038,715

Amount A, B, or E above, whichever is less _____

Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 = _____ G

Amount QQ from Part 13 of Schedule 27 _____ H

Taxable resource income (amount from line 435) _____ 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 _____ ▶ _____

Amount F **minus** amount L (if negative, enter "0") _____

Accelerated tax reduction – 7.00 % of amount M (enter amount N on line 637) _____

* 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 _____

Amount A _____ x Number of days in the tax year in 2004 / Number of days in the tax year = _____ / 61 x 2 % = _____

Amount A _____ x Number of days in the tax year in 2005 / Number of days in the tax year = 61 / 61 x 3 % = _____

Amount A _____ x Number of days in the tax year in 2006 / Number of days in the tax year = _____ / 61 x 5 % = _____

Amount A _____ x Number of days in the tax year after 2006 / Number of days in the tax year = _____ / 61 x 7 % = _____

Resource deduction – total of amounts B, C, D, and E (enter amount F on line 10) 438 _____

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 2,038,715

Amount Z1 from Part 9 of Schedule 27 _____ 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, whichever is the least _____ F

Aggregate investment income from line 440 _____ G

Amount used to calculate the accelerated tax reduction (amount M) _____ H

Total of amounts B, C, D, E, F, G, and H _____ ▶ _____

Amount A **minus** amount I (if negative, enter "0") 2,038,715

Amount J 2,038,715 x Number of days in the tax year before 2008 / Number of days in the tax year = 61 / 61 x 7 % = 142,710 I

Amount J 2,038,715 x Number of days in the tax year in 2008 / Number of days in the tax year = _____ / 61 x 7.5 % = _____ K

Amount J 2,038,715 x Number of days in the tax year in 2009 / Number of days in the tax year = _____ / 61 x 8 % = _____ K

Amount J 2,038,715 x Number of days in the tax year after 2009 / Number of days in the tax year = _____ / 61 x 9 % = _____ K

General tax reduction for Canadian-controlled private corporations – total of amounts K1, K2, K3, and K4 (enter amount K on line 638) 142,710

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate of 38% (eg. deposit insurance company).

Taxable income from line 360					L
Amount Z1 from Part 9 of Schedule 27					M
Amount QQ from Part 13 of Schedule 27					N
Taxable resource income from line 435 above					O
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)					P
Total of amounts M, N, O, and P				▶	Q
Amount L **minus** amount Q (if negative, enter "0")					R
Amount R	x Number of days in the tax year before 2008 / Number of days in the tax year	61 / 61	x 7 % =		S1
Amount R	x Number of days in the tax year in 2008 / Number of days in the tax year	/ 61	x 7.5 % =		S2
Amount R	x Number of days in the tax year in 2009 / Number of days in the tax year	/ 61	x 8 % =		S3
Amount R	x Number of days in the tax year after 2009 / Number of days in the tax year	/ 61	x 9 % =		S4
General tax reduction – total of amounts S1, S2, S3, and S4 (enter amount S on line 639)					S

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income (amount O from Part 1 of Schedule 7)	440	x 26 2 / 3 % =			A
Foreign non-business income tax credit from line 632					
Deduct:					
Foreign investment income (amount L from Part 2 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			2,038,715		
Deduct:					
Amount on line 400, 405, 410, or 425, whichever is the least					
Foreign non-business income tax credit from line 632		x 25 / 9 =			
Foreign business income tax credit from line 636		x 3 =		▶	
			2,038,715		
			x 26 2 / 3 % =	543,657	D
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780)			421,051		
Deduct: Corporate surtax from line 600			22,834		
Net amount			398,217	▶ 398,217	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 tax year	460		
Deduct: Dividend refund for the previous tax year	465		
		▶	
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	30,928	
		30,928 ▶	30,928
Refundable dividend tax on hand at the end of the tax year – Amount G **plus** amount H	485		30,928

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 of Schedule 3		× 1 / 3	
Refundable dividend tax on hand at the end of the tax year from line 485 above			30,928
Dividend refund – Amount I or J, whichever is less (enter this amount on line 784)			

Part I tax

Base amount of Part I tax – 38.00 % of taxable income (line 360 or amount Z, whichever applies) ..... 550 774,712 A

Corporate surtax calculation

Base amount from line A above	774,712	1
Deduct:		
10 % of taxable income (line 360 or amount Z, whichever applies)	203,872	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 tax year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360	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	203,872	7
Net amount (line 1 **minus** line 7)	570,840	8

Corporate surtax

line 8 570,840 x 4 % x (Number of days in the tax year before 2008 / Number of days in the tax year) 61/61 = 600 22,834 B

Recapture of investment tax credit from line OO in Part 17 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 tax year)

Aggregate investment income from line 440			i
Taxable income from line 360	2,038,715		
Deduct:			
Amount on line 400, 405, 410, or 425, whichever is the least	2,038,715	2,038,715	ii
Net amount			

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) 797,546 E

Deduct:			
Small business deduction from line 430			9
Federal tax abatement	608	203,872	
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	637		
Resource deduction from line 438			10
General tax reduction for CCPCs from amount K	638	142,710	
General tax reduction from amount S	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	29,913	
	Subtotal	376,495	376,495 F

Part I tax payable – Line E **minus** line F (enter amount G on line 700) ..... 421,051 G

POWERSTREAM
85750 3346 RC0

Summary of tax and credits

Federal tax

Part I tax payable	700	421,051
Part I.3 tax payable from Schedule 33, 34, or 35	704	105,611
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		526,662

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 Québec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	526,662

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund	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		
Tax instalments paid	840	519,281	
Total credits	890	519,281	519,281 B
Balance (line A **minus** line B)			7,381

Refund code 894 ____ Overpayment ____

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 7,381

Enclosed payment 898 7,381

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 tax 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 CINA Last name 951 TONY First name 954 DIRECTOR OF ACCOUNTING & TAX 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 tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 ____ Date (yyyy/mm/dd) ____ Signature of the authorized signing officer of the corporation

956 (905) 417-6941 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 EBRAHIM HOSSEINI Name

959 (905) 417-6928 Telephone number

Language of correspondence – Langue de correspondance

990 Indicate your language of correspondence by entering 1 for English or 2 for French.
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

1 English / Anglais ☒ 2 Français / French ☐

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Amended

Corporation's name	Business Number	Tax year end Year Month Day
POWERSTREAM INC.	85750 3346 RC0002	2005-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- 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*.

Net income (loss) after taxes and extraordinary items per financial statements			612,000 A
Add:			
Provision for income taxes – current	101	930,000	
Amortization of tangible assets	104	4,779,157	
Amortization of intangible assets	106	170,253	
Income or loss for tax purposes – joint ventures or partnerships	109	7,645	
Charitable donations from Schedule 2	112	17,385	
Scientific research expenditures deducted per financial statements	118	97,460	
Non-deductible club dues and fees	120	1,435	
Non-deductible meals and entertainment expenses	121	15,943	
Non-deductible automobile expenses	122	1,670	
Reserves from financial statements – balance at the end of the year	126	6,058,926	
Subtotal of additions		12,079,874 ▶	12,079,874
Other additions:			
Recapture of SR&ED expenditures – Form T661	231	80,130	
Miscellaneous other additions:			
[illegible] ADDBACK RE: 12(1)(x)	290	17,793,194	
[illegible] CAPITAL TAX BOOKED FOR ACCOUNTING	291	382,173	
603b Ontario Specified Tax Credits 3,060			
Total 3,060	293	3,060	
Subtotal of other additions	199	18,258,557 ▶	18,258,557
Total additions	500	30,338,431 ▶	30,338,431
Deduct:			
Gain on disposal of assets per financial statements	401	14,354	
Capital cost allowance from Schedule 8	403	4,247,290	
Cumulative eligible capital deduction from Schedule 10	405	126,258	
Reserves from financial statements – balance at the beginning of the year	414	6,268,316	
Subtotal of deductions		10,656,218 ▶	10,656,218
Other deductions:			
Miscellaneous other deductions:			
700 20(1)(e)	390	102,732	
701 S.13(7.4) ELECTION	391	17,793,194	
702 CAPITAL TAX PER CT 23	392	239,108	
703 RECOVERY OF CAPITAL ITEM PREVIOUSLY EXPENSED	393	8,416	
704 INTEREST CAPITALIZED FOR ACCOUNTING	394	94,663	
Subtotal of other deductions	499	18,238,113 ▶	18,238,113
Total deductions	510	28,894,331 ▶	28,894,331
Net income (loss) for income tax purposes – enter on line 300 of the T2 return			2,056,100

Ontario

Ministry of Finance
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2006 CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2003

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

Amended - FOR SRDC

CLIENT COPY

This form is a combined form for the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **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 MGS 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

MGS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No **Page 1 of 20**

Corporation's Legal Name *(including punctuation)*
POWERSTREAM INC.

Mailing Address
2800 RUTHERFORD ROAD
VAUGHAN
ON CA L4K 2N9

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of Change (year month day)

Registered/Head Office Address
2800 RUTHERFORD ROAD
VAUGHAN
ON CA L4K 2N9

Location of Books and Records
2800 RUTHERFORD ROAD
VAUGHAN
ON CA L4K 2N9

Name of person to contact regarding this CT23 Return: EBRAHIM HOSSEINI
Telephone No.: (905) 417-6928
Fax No.:

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MGS)
Ontario Canada

Former Corporation Name *(Extra-Provincial Corporations only)* ☒ *Not Applicable* (MGS)

Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). ▸ No. of Schedule(s):

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). ▸ ☒ No Change

Ontario Corporations Tax Account No. (MOF)
1800391

This Return covers the Taxation Year
Start: year month day 2005-11-01
End: year month day 2005-12-31

Date of Incorporation or Amalgamation
year month day 2005-11-01

Ontario Corporation No. (MGS): 1677786

Canada Revenue Agency Business No.
If applicable, enter: 85750 3346 RC0002

Jurisdiction Incorporated: Ontario

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day
Ceased: year month day
☒ *Not Applicable*

Preferred Language / *Langue de préférence*
☒ English *anglais* ☐ French *français*

Ministry Use

Certification (MGS)

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)*

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
POWERSTREAM INC.	1800391	2005-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

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-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, municipal electrical utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative corporation

23 [ ] Professional corporation (incorporated professionals only)

[X] This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)

[X] Amended Return

[ ] Taxation year end change – Canada Revenue Agency approval required

[ ] Final taxation year up to dissolution *(Note: for discontinued businesses, see guide.)*

[ ] Final taxation year before amalgamation

[ ] The corporation has a floating fiscal year end

[ ] There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year

If checked, date control was acquired year month day

[ ] The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)

[ ] First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)

[ ] Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes	No	
[ ]	[X]	Was the corporation inactive throughout the taxation year?
[X]	[ ]	Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

[ ]	[X]	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?

Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.)

Ontario Employer Health Tax Account no. (Use head office no.)

Specify major business activity

ELECTRICITY DISTRIB

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).

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* Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	1,878,510
Subtract: Charitable donations	–	1	17,385
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	
From 715 Net capital losses (page 16) _____ • x inclusion rate 50.000000 % =	–	714	
Farm losses	–	From 724	
Restricted farm losses	–	From 734	
Limited partnership losses	–	From 754	
Taxable Income (Non-capital loss)	=	10	1,861,125
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	1,861,125 •

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 1,861,125 • x 30 100.0000 % (Ontario Allocation) x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ____ ÷ Total Days 73 61) = + 29 _____

From 10 (or 20 if applicable) 1,861,125 • x 30 100.0000 % (Ontario Allocation) x 14 % x (Days after Dec. 31, 2003: 34 61 ÷ Total Days 73 61) = + 32 260,558

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 260,558

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

his 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	2,056,100 •
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	2,038,715 •	
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	_____ •	
	=	2,038,715 •	54 2,038,715 •

Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1) 55 50,137 •

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 61 ÷ ** 365) = + 47 66,849 •

Business Limit for Ontario purposes 46 + 47 = 44 66,849 • x (Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 100.0000 %) = 45 66,849 •

Income eligible for the IDSBC From 30 100.0000 % (***Ontario Allocation) x 56 66,849 • = 60 66,849 •
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

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

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] 61) = + [89]

8.5 % x (Days after Dec. 31, 2003 [34] 61 ÷ Total Days [73] 61) = + [90] 8.500

IDSBC Rate for Taxation Year [89] + [90] - = [78] 8.500

Claim - - - - - - - - - - - - - - - From [60] 66,849 . x From [78] 8.5000 % - - - = [70] 5,68

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] 11,136,24

If you are a member of an associated group (X) [81] ☐ (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
			+ [82]
			+ [83]
			+ [84]

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. - - - - - - - - - - - - - - - - = [85] 11,136,24

320,000 x (Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] ____ ÷ Total Days [73] 61) = + [115]

400,000 x (Days after Dec. 31, 2003 [34] 61 ÷ Total Days [73] 61) = + [116] 400,000 .

[115] + [116] = 400,000 . - - - - - - - - - - - - - - - - - - -

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 66,849

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 5,682 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121 66,849

*Ontario Allocation

Lesser of 56 or 121 - + 122 66,849

120 – 56 + 122 - = 130

Taxable Income - + From 10 1,861,125

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56 66,849

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - - - - + From 122 66,849

Subtract: Taxable Income 10 1,861,125 X Allocation % to jurisdictions outside Canada _____ % - - - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - - - - 141

– 56 + 122 – 140 – 141 - = 142 1,861,125

Claim

Number of Days in Taxation Year

143 _____ Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 1.5 % X (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ÷ Total Days 73 61) = + 154

143 _____ Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 2 % X (Days after Dec. 31, 2003: 34 61 ÷ Total Days 73 61) = + 156

M&P claim for taxation year 154 + 156 - = 160

** Note: Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - - - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule).* - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180 _____

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 - - - - = 190 260,558

continued on Page 7

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

DOLLARS O

Income Tax *continued from Page 6*

ecified 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 3,0

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)
lies 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 3,060

Specified Tax Credits *Applied to reduce Income Tax* = 225 3,060

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 257,498

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 + 240 575,205,118 • + 241 599,724,918 •

Total Revenue of the corporation

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.			= 249 575,205,118 •	
Aggregate Total Revenue 241 + 244 + 246 + 248 , etc.				= 250 599,724,918 •

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 1,542,000 • (If negative, enter zero) × From 30 100.0000 % (Ontario Allocation) × 4 % = 276 61,680 •

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)* – 277 •

Subtract: Income Tax – From 190 260,558 •

Net CMT Payable (If negative, enter Nil on Page 17.) = 280 -198,878 •

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 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 190 260,558 •

Gross CMT Payable + From 276 61,680 •

Subtract: Foreign Tax Credit for CMT purposes – From 277 •

If 276 – 277 is negative, enter NIL in 290 = 61,680 • – 290 61,680 •

Income Tax eligible for CMT Credit = 300 198,878 •

B. Income Tax (after deduction of specified credits) + From 230 257,498 •

Subtract: CMT credit used to reduce income taxes – 310 •

Income Tax = 320 257,498 •

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.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

Capital Tax *(Refer to Guide and Int.B. 3011R)*

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(2)(a) or 2(2)(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	149,433,0(
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	15,505,0(
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	14,324,0(
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	303,933,0(
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	5,962,33
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	45,92
Subtotal	=	370	489,203,25
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	–	371	4,774,18
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	484,429,07
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	484,429,074

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	23,664
Total Eligible Investments	=	410	23,664

continued on Page 10

Capital Tax *continued from Page 9*

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Total Assets (Int.B. 3015R)			
Total Assets per balance sheet	+	420	575,156,000
Mortgages or other liabilities deducted from assets	+	421	
ure of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	49,118
Subtract: Investment in partnership(s)/joint venture(s)	–	423	
Total Assets as adjusted	=	430	575,205,118
Amounts in 360 and 361 (if deducted from assets)	+	440	
Subtract: Amounts in 371, 372 and 381	–	441	4,774,182
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	570,430,936

Investment Allowance (410 ÷ 450) x 390 — Not to exceed 410	=	460	20,096
Taxable Capital 390 – 460	=	470	484,408,978

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)		480	100,228,000
Total Assets (as adjusted)	From 430		575,205,118

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: This version (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 2003.

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 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

5,000,000	x	Days before Jan. 1, 2005: 35 ÷ Total Days: 73	61	= +	500		•
7,500,000	x	Days after Dec. 31, 2004 and before Jan. 1, 2006: 36 61 ÷ Total Days: 73	61	= +	501	7,500,000	•
10,000,000	x	Days after Dec. 31, 2005 and before Jan. 1, 2007: 37 ÷ Total Days: 73	61	= +	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	484,408,978 •											
– From 503	7,500,000 •											
= 471	476,908,978 •	x	From 30	100.0000 %	x	0.3 %	x	Days in taxation year 555: 61 / 365 (366 if leap year)	= +	523	239,108 •
			Ontario Allocation					*If floating taxation year, refer to Guide.*			*Transfer to 543 on page 12 and complete the return from that poin*

continued on Page 11

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

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 Calcutation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 _____

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531
			+ 532
			+ 533
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. - - - - - - - - - - - - - - - - - -			= 540

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxatio year, is NIL.

Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 _____ • ÷ From 540 _____ • X From 503 _____ • = 541 _____

Transfer to 542 in Section E on page

Ss.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.* Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total **aggregate** Taxable Capital [540] on page 11 exceeds the TCD [503] on page 10.

Complete the following calculation and transfer the amount from [523] to [543], and complete the return from that point.

\+ From [470] _____
\- [542] _____
= [471] _____ x From [30] 100.0000 % Ontario Allocation x 0.3 % x Days in taxation year [555] 61 / 365 (366 if leap year) = + [523] _____ **Total Capital Tax for the taxation year**

Transfer to [543] *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

\+ From [470] _____ x From [30] 100.0000 % Ontario Allocation x 0.3 % = + [561] _____

\- Capital tax deduction from [995] relating to **your corporation's** Capital Tax deduction, on Schedule 591 - - = From [995] _____ = [562] _____

Total Capital Tax for the taxation year

Capital Tax - - - - - - - - [562] _____ x Days in taxation year [555] 61 / 365 (366 if leap year) = [563] _____

Transfer to [543] *and complete the return from that point*

ating taxation year, refer to Guide.

Capital Tax before application of specified credits - = [543] 239,108

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* - - - - - - - - - - - = [546] _____

Capital Tax [543] – [546] *(amount cannot be negative)* - - - - - - - - - - - - - - - - - - = [550] 239,108

Transfer to Page 17

continued on Page 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

DOLLARS

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 % (Ontario Allocation) x [555] 61 ÷ * 365 (366 if leap year) = + [569] _____

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

[570] _____ • x [571] _____ x From [30] 100.0000 % (Ontario Allocation) x [555] 61 ÷ * 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)*

Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) [569] + [574] = [575] _____

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 ONL

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 2,056,100
Transfer to Page

Add:

Federal capital cost allowance	+ 601	4,247,290
Federal cumulative eligible capital deduction	+ 602	126,258
Ontario taxable capital gain	+ 603	
Federal non-allowable reserves. Balance beginning of year	+ 604	6,268,316
Federal allowable reserves. Balance end of year	+ 605	
Ontario non-allowable reserves. Balance end of year	+ 606	6,058,926
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	
All 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 61) = + 633 _____

612 _____ x 5 / 14 x (Days after Dec. 31, 2003: 34 61 ÷ Total Days: 73 61) = + 634 _____

tal 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 = 16,700,790 ▶ 640 16,700,790
Transfer to Page 1

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	4,247,290
Ontario cumulative eligible capital deduction	+ 651	126,258
Federal taxable capital gain	+ 652	
Ontario non-allowable reserves. Balance beginning of year	+ 653	6,268,316
Ontario allowable reserves. Balance end of year	+ 654	
Federal non-allowable reserves. Balance end of year	+ 655	6,058,926
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	

Total of deductions for this page 650 to 659 + 661 + 675 681 16,700,790
Transfer to Page 15

continued on Page 15

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

DOLLARS (

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

ntinued from Page 14

Net income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - - - - - - - - - - - From ± 600 2,056,

Total of Additions on page 14 - From = 640 16,700,

Sub Total of deductions on page 14 - - - - - - - - - - - - - - - - - - - From = 681 16,700,790 .

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 97,460 .

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 80,130 .

Total of other deductions allowed by Ontario *(Attach schedule)* - - - - - - - - + 664 .

l of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 16,878,380 . ▶ 680 16,878,380

Net income (loss) for Ontario Purposes 600 + 640 − 680 - - - - - - - - - - - - - - - - - = 690 1,878,510

Transfer to Page

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 1998-05-31	817 (9)	860 (9)		850	870
8th preceding taxation year 1999-05-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 2000-05-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2001-05-31	820	830	840	853	873
804 5th preceding taxation year 2002-05-31	821	831	841	854	874
805 4th preceding taxation year 2003-05-31	822	832	842	855	875
806 3rd preceding taxation year 2004-05-31	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 2005-12-31	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.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

DOLLARS

Request for Loss Carry-Back (s.80(16))

plies to corporations requesting a reassessment of the return of one or more evious 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	2004-05-31	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	257,498 .
Corporate Minimum Tax	+	From 280	.
Capital Tax	+	From 550	239,108 .
Premium Tax	+	From 590	.
Total Tax Payable	=	950	496,606 .
Subtract: Payments	–	960	70,052 .
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	426,554 .
If payment due Enclosed *		990	426,554 .
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)*

TONY CINA

Title

DIRECTOR OF ACCOUNTING & TAX

Full Residence Address

Signature

Date

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Attached Schedule with Total

mounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)

Title TAX AMOUNT IN EXCESS OF ACCOUNTING

Description	Amount
CUMULATIVE	4,774,182 00
Total	4,774,182 00

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

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 612,(

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	930,000
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	= 930,000 ▶	+ 2116 930,00

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 1,542,000
** 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 1,542,000
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 1,542,000

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
POWERSTREAM INC.	1800391	2005-12-31

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 1998-05-31	2260	2280
2241	8th preceding taxation year 1999-05-31	2261	2281
2242	7th preceding taxation year 2000-05-31	2262	2282
2243	6th preceding taxation year 2001-05-31	2263	2283
2244	5th preceding taxation year 2002-05-31	2264	2284
2245	4th preceding taxation year 2003-05-31	2265	2285
2246	3rd preceding taxation year 2004-05-31	2266	2286
2247	2nd preceding taxation year 2004-12-31	2267	2287
[ ]	1st preceding taxation year 2005-10-31	2268	2288
2249	Current taxation year 2005-12-31	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
POWERSTREAM INC.	1800391	2005-12-31

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

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

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:

Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

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 1998-05-31	2360	2380
2341	8th preceding taxation year 1999-05-31	2361	2381
2342	7th preceding taxation year 2000-05-31	2362	2382
2343	6th preceding taxation year 2001-05-31	2363	2383
2344	5th preceding taxation year 2002-05-31	2364	2384
2345	4th preceding taxation year 2003-05-31	2365	2385
2346	3rd preceding taxation year 2004-05-31	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 2005-12-31	2369	2389
Totals		2370	2390

The sum of amounts 2370 + 2390 *must equal amount in* 2336.

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedul

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

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	1997-05-31					
9th Prior Year	1998-05-31					
8th Prior Year	1999-05-31					
7th Prior Year	2000-05-31					
6th Prior Year	2001-05-31					
5th Prior Year	2002-05-31					
4th Prior Year	2003-05-31					
3rd Prior Year	2004-05-31					
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
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
2001-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
2004-12-31						
2005-10-31						
Total						

Corporate Minimum Tax (CI

CT23 Schedule 101 – Supporting Schec

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

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 Balan
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
2001-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
2004-12-31						
2005-10-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedul

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

CMT Credit Carryovers Workchart

Filing Corporation

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1997-05-31					
9th Prior Year	1998-05-31					
8th Prior Year	1999-05-31					
7th Prior Year	2000-05-31					
6th Prior Year	2001-05-31					
5th Prior Year	2002-05-31					
4th Prior Year	2003-05-31					
3rd Prior Year	2004-05-31					
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
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
2001-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
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
1997-05-31						
1998-05-31						
1999-05-31						
2000-05-31						
2001-05-31						
2002-05-31						
2003-05-31						
2004-05-31						
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

Paid-Up Capital: Loans and Advan

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

DUE TO RELATED PARTIES	+	16,612,
CURRENT PORTION OF CUSTOMER'S DEPOSIT	+	1,605,
CONSTRUCTION DEPOSIT	+	8,067,
LIABILITY FOR SUBDIVISION DEVELOPTMENT	+	1,923,(
NOTES PAYABLE	+	146,102,(
DEBENTURES PAYABLE	+	100,000,(
REGULATORY LIABILITIES	+	15,315,(
CUSTOMER'S DEPOSITS	+	13,378,(
OTHER LIABILITIES	+	931,(
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
Total	=	303,933,00

Transfer to 353 *of the CT23*

Ontario

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Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Paid-Up Capital - Partnerships/Joint Venture

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Paid-up Capital	Corporation's Share of Partnership/Joint Venture Paid-up Capital
THE ENERCONNECT LIMITED PARTNERSHIP	4.0542 %	1,132,786	+ 45,925
	%		+
	%		+
	%		+

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Eligible Investments - Partnerships/Joint Ventu

ɔrporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Investments	Corporation's Sh of Partnership/Jc Venture Investments
THE ENERCONNECT LIMITED PARTNERSHIP	4.0542 %	583,700	+ 23,
	%		+
	%		+
	%		+

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Share of Total Assets - Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
POWERSTREAM INC.	1800391	2005-12-31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Total Assets	Corporation's Share of Partnership/Joint Venture Total Assets
THE ENERCONNECT LIMITED PARTNERSHIP	4.0542 %	1,211,523	+ 49,118
	%		+
	%		+
	%		+

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
1	EMPLOYEE FUTURE BENEFITS	5,126,831	42,115	125,176		5,294,122
2	ALLOWANCE FOR DOUBTFUL A	598,000				598,000
3	INVENTORY PROVISION	150,000				150,000
4	HOLDBACKS PAYABLE	351,370			334,566	16,804
	Reserves from Part 2 of Schedule 13					
	Totals	6,226,201	42,115	125,176	334,566	6,058,926

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 3

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
POWERSTREAM INC.	85750 3346 RC0002	2005-12-31

- 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) bankrupt [as defined by subsection 128(3)] at the end of the year;
  2) 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);
  3) exempt from tax under section 149 throughout the year on all of its taxable income;
  4) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  5) 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	5,962,331	
Capital stock (or members' contributions if incorporated without share capital)	103	149,433,000	
ined earnings	104	15,505,000	
ntributed surplus	105	14,324,000	
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	303,933,000	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	45,925	
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		489,203,256 ▶	489,203,256 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		489,203,256

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.
- mounts 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 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.

Canada

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	23,664
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	23,664

Notes:

1. Where the corporation has an interest in a partnership or in 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)		489,203,256 C
Deduct: Investment allowance for the year (line 490)		23,664 D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	489,179,592

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) 489,179,592 x (Taxable income earned in Canada 610 / Taxable income 2,038,715 / 2,038,715) = **Taxable capital employed in Canada** 690 489,179,592

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	

Note: 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)							489,179,592
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)						801	50,000,000
Excess of taxable capital employed in Canada over capital deduction						811	439,179,592
Line 811	439,179,592 x	Number of days in the taxation year in 2004 / Number of days in the taxation year		61 x	0.00200000 =		
Line 811	439,179,592 x	Number of days in the taxation year in 2005 / Number of days in the taxation year		61 x	0.00175000 =		768,564 G

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2005.

Subtotal (add amounts F and G) 768,564 H

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount H 768,564 x Number of days in the year (61) / 365 = 128,445 I

Gross Part I.3 tax (amount H or I, whichever applies) 820 128,445

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) 489,179,592 J

Deduct: Line 801 above 50,000,000 x 1/5 = 10,000,000 K

Excess (amount J minus amount K) (if negative, enter "0") 479,179,592 L

Amount L 479,179,592 x 0.00225 = 1,078,154 M

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 M 1,078,154 x Number of days in the year (61) / 365 = 180,185 N

Gross Part I.3 tax for purposes of the unused surtax credit (amount M or N, whichever applies) 821 180,185

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 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 O, whichever is less:

a) line 600 from the T2 return				a	
b) line 700 from the T2 return				b	O

In any other case, enter amount **c** or **d** at line P, whichever is less:

c) line 600 from the T2 return	22,834	x	line 690 of this schedule / line 500 of this schedule	489,179,592 / 489,179,592	= 22,834	c	
d) line 700 from the T2 return					421,051	d	22,834 P

Current-year surtax credit available (amount O or P, whichever applies) 830 22,834

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		22,834
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		180,185
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)			128,445 Q
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	22,834	
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862		
Subtotal (cannot be more than amount on line 820)		22,834 ▶	22,834 R
Net Part I.3 tax payable (amount Q minus amount R)	870		105,611

Enter this amount at line 704 of the T2 return.

POWERSTREAM I
85750 3346 RC0

Attached Schedule with Total

1 – All loans and advances to the corporation

Title Loans & Advances To Corporation

Description	Amount
DUE TO RELATED PARTIES	16,612,000 00
CURRENT PORTION OF CUSTOMER'S DEPOSIT	1,605,000 00
CONSTRUCTION DEPOSIT	8,067,000 00
LIABILITY FOR SUBDIVISION DEVELOPMENT	1,923,000 00
NOTES PAYABLE	146,102,000 00
DEBENTURES PAYABLE	100,000,000 00
REGULATORY LIABILITIES	15,315,000 00
CUSTOMERS' DEPOSIT	13,378,000 00
OTHER LIABILITIES	931,000 00
Total	303,933,000 00

Attached Schedule with Total

t 1 – 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 th

Title ENERCONNECT LIMITED PARTNERSHIP - LINE 111

Description		Amount
PARTNER'S EQUITY	$1,132,786	
INSTALMENT PAYABLE	50,000	
TOTAL	$1,132,786	
PARTNERSHIP %	4.0542%	45,925 0
	Total	45,925 0

Attached Schedule with Total

2 – A share of another corporation

Title Part 2 – A share of another corporation - LINE 401

Description		Amount
ENERCONNECT LIMITED PARTNERSHIP		
LONG-TERM INVESTMENT	$350,000	
NOTE RECEIVABLE - LT	180,780	
NOTE RECEIVABLE - ST	52,920	
TOTAL	$583,700	
PARTNERSHIP %	4.0542%	23,664 00
	Total	23,664 00

and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800377

35
PX5003

DWERSTREAM INC.
/O EBRAHIM HOSSEINI
800 RUTHERFORD RD

AUGHAN ON
4K 2N9

Remittance Advice - Payment-In-Lieu

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Keep this portion for your records.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/06/01 to 2004/12/31

Account No.	Assessment Date (year, month, day)	Page
1800377	2005/10/06	1 of 1

ERSTREAM INC.

SSMENT NO. 35

Tax: Federal and Provincial PIL		6,176,603.00
Assessment Interest		55,538.83CR
Total Assessment Liability		6,121,064.17

MARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

ents/Transfers	7,916,532.01CR	
Sub-Total		7,916,532.01CR
IT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,795,467.84CR

ordance with s.s.80(8) of the Corporations Tax Act, as made applicable 5 of the Electricity Act, 1998, notice is hereby given of the amount of enalty and interest for which you are assessed.

POW Maine from Ont. MoF on 04/02/07

tment to the computation of Total Tax payable. – $1,742,284 transferred to 2005/10/31 YIE.

tment to the computation of Capital Tax. – $53,183.84 transferred to 2005/10/31

tment to Pro-ration days - Capital Tax.

AMALGAMATION: Instalments based on grossed up/aggregate of predecessor anies.

Assessment Enquiries:

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708
• Toll-Free 1-800-262-0784 ext. 3036
• FAX (905) 433-5197

02 PX5003

0-4

tach and return this REMITTANCE FORM with your payment.

Remittance Advice
Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800377

35
PX5005

POWERSTREAM INC.
C/O EBRAHIM HOSSEINI
2800 RUTHERFORD RD

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Keep this portion for your records.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/06/01 to 2004/12/31

Account No.	Reassessment Date (year, month, day)	Page
1800377	2007/01/19	1 of 1

POWERSTREAM INC.

REASSESSMENT NO. 71 REPLACING ASSESSMENT DATED: 2005/10/06

Tax: Federal and Provincial PIL		6,134,064.00
Assessment Interest		57,860.56CR
Total Reassessment Liability		6,076,203.44

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	6,121,064.17CR	6,121,064.17CR
Sub-Total		44,860.73CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		

(A)

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of taxable income (non-capital loss).

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

(A) Per the Notice of Reassessment, the tax liability in 2004 decreased from 6,176,603 (per 0-4) to 6,134,064. = Δ 42,539. The remaining 0-8.

PPW Memo of MOF cr. balance of $2,322 is interest income.

On 04/05/07 = This reassessment is due to an amended return that was filed by the taxpayer. The reassessment was as follows:

Federal tax cr.	41,398
Ontario tax cr.	1,141
Interest cr.	2,322
	44,861

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5585

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708
• Toronto (416) 920-9048 ext. 3036
• Toll-Free 1-800-262-0784 ext. 3036
• FAX (905) 433-5197

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2004

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800377

35
PK5005

POWERSTREAM INC.
C/O GERI YIN,
161 CITYVIEW BLVD.

VAUGHAN
L4H 0A9 ON

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Keep this portion for your records.

Ontario

Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/06/01 to 2004/12/31

	Account No.	Reassessment Date (year, month, day)	Page
POWERSTREAM INC.	1800377	2009/10/02	1 of 2

REASSESSMENT NO. 105 REPLACING REASSESSMENT DATED: 2007/01/19

Tax: Federal and Provincial PIL		6,224,480.00
Assessment Interest		24,830.16CR
Total Reassessment Liability		6,199,649.84

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	6,076,203.44CR	
Sub-Total		6,076,203.44CR
TAXATION YEAR BALANCE DUE **		123,446.40

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Statement of Adjustments sent under separate cover.

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

Please note Annual Returns for tax years ending before Jan 1, 2006 must be received at MoR by Sep 30, 2009 to be processed by MoR.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0136986%.

Tax (Re)Assessment Enquiries:	• 1 866 ONT-TAXS (1 866 668-8297) ext. 21113 • FAX 416 218-3276	• TTY 1 800 263-7776 • ontario.ca/revenue	Account Billing Enquiries & Change of Address information:	• 1 866 ONT-TAXS (1 866 668-8297) • FAX 905 433-5197	

Ontario

PO Box 622
33 King St. West
Oshawa ON L1H 8H6

CP 622
33 rue King ouest
Oshawa ON L1H 8H6

Ministry of Revenue
Ministère du Revenu

Tax Compliance Branch
Direction de l'mposition des compagnies

Statement of Adjustments re Taxes Assessed
Relevé des redressements de cotisations

Name of Corporation / Raison sociale de la compagnie	Account No. / N° de compte	Taxation Year End / Fin de l'année d'imposition
Powerstream Inc.	**1800377**	**31 December 2004**

Income Tax	**Federal**	**Ontario**
Taxable income as amended	$13,883,481	$13,712,299
Add: Decrease in ECE deduction	91,460	91,460
Decrease in S. 20 (1) (e) deduction	113,315	113,315
Revised taxable income	$14,088,256	$13,917,074
Revised Federal Income Tax		
Part 1 tax @ 38%	$ 5,353,537	
Corporate surtax @ 4%	157,788	
Federal tax abatement @ 10%	(1,408,826)	
General tax reduction @ 7%	(978,409)	
ITC as amended	(73,935)	
Dividend refund as reported	(29,638)	
Federal income tax payable		$ 3,020,517
Revised Ontario Income Tax		
Tax thereon @ 14.0%		1,948,390
Specified tax credit as reported		(4,266)
Net Ontario income tax payable		1,944,124
Revised Federal Part 1.3 Tax		
As per schedule 1		371,776
Ontario Capital Tax		
As per schedule 2		888,063
Total Payments In Lieu Of Taxes		$6,224,480

Dennis K. Mah
MRK668

***"DESIGNATED ASSESSMENT"**
The items marked with an asterisk above are designated parts of this assess-ment. This description is authorized by section 92 of the Corporations Tax Act, for assessments which correspond to those issued by Revenue Canada under the Income Tax Act (Canada). It is not necessary to serve a Notice of Objection to those portions of the assessment. The Corporation and the Minister will be bound by the final disposition of a federal Notice of Objection or Appeal.

If you wish not to be bound by the disposition of the corresponding federal objection or appeal, you must serve a Notice of Objection on the prescribed form in accordance with section 84. See under "Notice of Objection" on the accompanying "Notice of Re-Assessment"

***"COTISATION DESIGNEE"**
Les postes ci-dessus marqués d'un astérisque sont les parties désignées de cette cotisation. Cette description est autorisée en vertu de l'article 92 de la Loi sur l'imposition des corporations, pour les cotisations qui correspondent à celles établies par Revenu Canada en vertu de la Loi de l'impôt sur le revenu (Canada). Il n'est pas nécessaire de signifier un Avis d'opposition pour ces parties des cotisations. La compagnie et le ministre seront liés par la décision finale relative à l'avis fédéral d'opposition ou d'appel.

Si vous désirez ne pas être lié par la décision relative à l'opposition ou à l'appel fédéral correspondant, vous pouvez signifier un avis d'opposition sur la formule prévue à cette fin conformément à l'article 84. Voir "Avis d'opposition" sur l'Avis de nouvelle cotisation ci-joint.

Schedule 1

Powerstream Inc.
Account No. 1800377

Fiscal year ended: 31 December, 2004

Revised Federal Part 1.3 Tax

Gross Part 1.3 tax as amended	$529,564
Less: Current year surtax credit applied as revised	157,788
Federal Part 1.3 tax payable	$371,776

Schedule 2

Powerstream Inc.
Account No. 1800377

Fiscal year ended 31 December. 2004

Revised Ontario Capital Tax

Net paid-up capital as reported	$495,736,721
Add: Cumulative amortization / CCA differences re FMV bump	14,866,780
Revised net paid-up capital	$510,603,501
Less: Investment allowance	
$790,850 / $570,442,131[(1)] x $510,603,501	707,891
Revised taxable capital	$509,895,610
Less: Capital tax exemption	5,000,000
Revised net taxable capital	$504,895,610
Capital tax thereon @ 0.3 % @ 214/365	$ 888,063

DRAFT

[(1)] Total assets as reported	$555,575,351
Less: Cumulative amortization / CCA differences re FMV bump	14,866,780
Revised total assets	$570,442,131

PowerStream Inc.
Tax Return Jun 1, 2004 to December 31, 2004 (214 days)

	As filed		NOA 2005.10.06		NORA 2007.01.19		NORA 2007.01.19	
Federal		Taxes		Taxes		Taxes		Taxes
Income for tax per S1	13,739,321				12,976,481			
Less donations	(12,000)				(12,000)			
Taxable Income	13,727,321				12,964,481		14,088,256	
part 1 tax		3,051,651				2,808,976		3,020,517
Taxable capital less exemption	451,833,370							
Net Part 1.3 tax		376,075				384,362		371,776
surtax applied	153,746							
Total Federal taxes		3,427,726				3,193,338		3,392,293
Ontario								
Income for tax	13,739,321				12,812,170			
donations	(12,000)				(12,000)			
Ontario political contributions	(6,871)				(6,871)			
Taxable Income	13,720,450				12,793,299		13,917,074	
Co-op tax credit	4,226				4,226			
Taxable capital	490,031,050				490,031,050			
Income tax		1,916,597				1,786,976		1,944,390
Capital tax		859,563				861,918		
Total Ontario taxes		2,776,160				2,648,894		1,944,390
Total Taxes		6,203,886		6,176,603		5,842,232		5,336,683
					PER NORA	6,134,064	PER NORA	6,134,064
Difference relative to return as filed				(27,283)		(361,654)		

Comments on NOA/NORA	Adjustment to computation of Total Tax payable Adjustment to computation of Capital Tax Adjustment to Pro-ration days - Capital tax	Adjustment to computation of taxable income	Statement of adjustments sent under separate cover
Comments	capital tax calculation and pro-ration looks OK on return	amended report info above, includes ITC of $73,935 handwritten note on NORA that this is due to amended return filed.	Starting Federal Taxable income of $13,883,481? Starting ONT Taxable income of $13,712,299?

Attach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800377

35
PX5003

POWERSTREAM INC.
C/O EBRAHIM HOSSEINI
2800 RUTHERFORD RD

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-In-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2005 1031

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON. L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/01/01 to 2005/10/31

Account No.	Assessment Date (year, month, day)	Page
1800377	2006/10/30	1 of 1

POWERSTREAM INC.

ASSESSMENT NO. 58

Tax: Federal and Provincial PIL	10,255,998.00 ✓
Assessment Interest	41,021.40CR
Total Assessment Liability	10,214,976.60

SUMMARY OF 2005/10/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	✓ 10,771,477.61CR	10,771,477.61CR
Sub-Total		556,501.01CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate ✓ assessed as filed

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

Credit was transferred to 12-31-05 taxation year to be applied against taxes owing in that year.

Tax (Re)Assessment Enquiries:

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036
• FAX (905) 433-5197

2 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PI

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800377

35
PX5005

POWERSTREAM INC.
C/O EBRAHIM HOSSEINI
2800 RUTHERFORD RD

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 5 1 0 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/01/01 **to** 2005/10/31

	Account No.	Reassessment Date (year, month, day)	Page
POWERSTREAM INC.	**1800377**	2007/09/26	1 of 1

REASSESSMENT NO. 80 REPLACING ASSESSMENT DATED: 2006/10/30

Tax: Federal and Provincial PIL	R+D Amended	10,078,408.00
Assessment Interest		44,460.44CR
Total Reassessment Liability		10,033,947.56

SUMMARY OF 2005/10/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	10,220,604.00CR	
Sub-Total		10,220,604.00CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		186,656.44CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies

Original 10,255,998 assessed as filed.

4595,119
5483289 - net of ITC's 177,590.
10078308

9066
186,656 Interest

Tax (Re)Assessment Enquiries:

Account Billing Enquiries & Change of Address Information.

PX5005

2005 OEB

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800377

35
PX5005

POWERSTREAM INC.
C/O GERI YIN,
161 CITYVIEW BLVD.

VAUGHAN
L4H 0A9 ON

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 5 1 0 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/01/01 to 2005/10/31

	Account No.	Reassessment Date (year, month, day)	Page
POWERSTREAM INC.	1800377	2009/10/02	2 of 2

REASSESSMENT NO. 110 REPLACING REASSESSMENT DATED: 2007/12/11

Tax: Federal and Provincial PIL	10,223,773.00
Penalty - Late Filing	18,149.43
Assessment Interest	30,989.95
Total Reassessment Liability	10,272,912.38

SUMMARY OF 2005/10/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	10,054,941.47CR	
Sub-Total		10,054,941.47CR
TAXATION YEAR BALANCE DUE **		217,970.91

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Statement of Adjustments sent under separate cover.

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

Please note Annual Returns for tax years ending before Jan 1, 2009 must be received at MoR by Sep 30, 2009 to be processed by MoR.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0136986%.

Tax (Re)Assessment Enquiries:	• 1 866 ONT-TAXS (1 866 668-8297) ext 21113 • FAX 416 216-3276	• TTY 1 800 263-7776 • ontario.ca/revenue	Account Billing Enquiries & Change of Address Information:	• 1 866 ONT-TAXS (1 866 668-8297) • FAX 905 433-5197	

Ontario

PO Box 622
33 King St. West
Oshawa ON L1H 8H6

CP 622
33 rue King ouest
Oshawa ON L1H 8H6

Ministry of Revenue
Ministère du Revenu

Tax Compliance Branch
Direction de l'imposition des compagnies

Statement of Adjustments re Taxes Assessed
Relevé des redressements de cotisations

Name of Corporation / Raison sociale de la compagnie	Account No. / N° de compte	Taxation Year End / Fin de l'année d'imposition
Powerstream Inc.	**1800377**	**31 October 2005**

Income Tax	**Federal**	**Ontario**
Taxable income as amended	$23,582,576	$23,502,172
Add: Decrease in ECE deduction	124,592	124,592
Decrease in S. 20 (1) (e) deduction	160,970	160,970
Revised taxable income	$23,868,138	$23,787,734
Revised Federal Income Tax		
Part 1 tax @ 38%	$ 9,069,892	
Corporate surtax @ 4%	267,323	
Federal tax abatement @ 10%	(2,386,814)	
General tax reduction @ 7%	(1,670,770)	
ITC as amended	(177,590)	
Federal income tax payable		$ 5,102,041
Revised Ontario Income Tax		
Tax thereon @ 14.0%		3,330,283
Specified tax credit as reported		(787)
Net Ontario income tax payable		3,329,496
Revised Federal Part 1.3 Tax		
As per schedule 1		441,215
Ontario Capital Tax		
As per schedule 2		1,351,021
Total Payments In Lieu Of Taxes		$10,223,773

Dennis K. Mah
MRK668

***"DESIGNATED ASSESSMENT"**
The items marked with an asterisk above are designated parts of this assess-ment. This description is authorized by section 92 of the Corporations Tax Act, for assessments which correspond to those issued by Revenue Canada under the Income Tax Act (Canada). It is not necessary to serve a Notice of Objection to those portions of the assessment. The Corporation and the Minister will be bound by the final disposition of a federal Notice of Objection or Appeal.

If you wish not to be bound by the disposition of the corresponding federal objection or appeal, you must serve a Notice of Objection on the prescribed form in accordance with section 84. See under "Notice of Objection" on the accompanying "Notice of Re-Assessment"

***"COTISATION DESIGNEE"**
Les postes ci-dessus marqués d'un astérisque sont les parties désignées de cette cotisation. Cette description est autorisée en vertu de l'article 92 de la Loi sur l'imposition des corporations, pour les cotisations qui correspondent à celles établies par Revenu Canada en vertu de la Loi de l'impôt sur le revenu (Canada). Il n'est pas nécessaire de signifier un Avis d'opposition pour ces parties des cotisations. La compagnie et le ministre seront liés par la décision finale relative à l'avis fédéral d'opposition ou d'appel.

Si vous désirez ne pas être lié par la décision relative à l'opposition ou à l'appel fédéral correspondant, vous pouvez signifier un avis d'opposition sur la formule prévue à cette fin conformément à l'article 84. Voir "Avis d'opposition" sur l'Avis de nouvelle cotisation ci-joint.

Schedule 1

Powerstream Inc.
Account No. 1800377

Fiscal year ended: 31 October, 2005

Revised Federal Part 1.3 Tax

Gross Part 1.3 tax as reported	$708,538
Less: Current year surtax credit applied as revised	267,323
Federal Part 1.3 tax payable	$441,215

Schedule 2

Powerstream Inc.
Account No. 1800377

Fiscal year ended 31 Octobber. 2005

Revised Ontario Capital Tax

Taxable paid-up capital as reported	$530,027,087
Add: Cumulative amortization / CCA differences re FMV bump	18,177,440
Revised taxable paid-up capital	$548,204,527
Less: Capital tax exemption	7,500,000
Revised net taxable capital	$540,704,527
Capital tax thereon @ 0.3 % @ 304/365	$ 1,351,021

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800391

35
PX5003

POWERSTREAM INC.
C/O EBRAHIM HOSSEINI
2800 RUTHERFORD RD

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-In-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2005 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/11/01 to 2005/12/31

Account No.	Assessment Date (year, month, day)	Page
1800391	2006/10/31	1 of 1

POWERSTREAM INC.

ASSESSMENT NO. 18

Tax: Federal and Provincial PIL	1,015,887.00 ✓
Penalty - Late Filing	39,859.18
Assessment Interest	30,324.34
Total Assessment Liability	1,086,070.52

SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,051,280.18CR	1,051,280.18CR
Sub-Total		34,790.34
TAXATION YEAR BALANCE DUE **		

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

✓ assessed as fiscal yr 12/31/05 T2

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0246575%.

Instalments per NOA above 1,051,280 ✓

Instalments per PyT2's:

Federal instalments	519,281	
Ontario instalments	70,052	
Ontario final payment	426,554	1,015,887
Difference		35,393 R1

∴ client paid amount away. Certified by Ebrahim

Amount was paid in 2006 as part of $1,461,464 payment.

O-2

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment in Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800377

35
PX5003

POWERSTREAM INC.
C/O ROBERT LYEW, CONTROLLER
2800 RUTHERFORD RD

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/06/01 **to** 2004/12/31

	Account No.	Assessment Date (year, month, day)	Page
POWERSTREAM INC.	**1800377**	2005/10/06	1 of 1

ASSESSMENT NO. 35

Tax: Federal and Provincial PIL		6,176,603.00
Assessment Interest		55,538.83CR
Total Assessment Liability		6,121,064.17

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	7,916,532.01CR	
Sub-Total		7,916,532.01CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,795,467.84CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Adjustment to Pro-ration days - Capital Tax.

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

002 PX5003

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800377

35
PX5003

POWERSTREAM INC.
C/O ROBERT LYEW, CONTROLLER
2800 RUTHERFORD RD

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2004 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/06/01 **to** 2004/12/31

	Account No.	Assessment Date (year, month, day)	Page
POWERSTREAM INC.	**1800377**	2005/10/06	1 of 1

ASSESSMENT NO. 35

Tax: Federal and Provincial PIL		6,176,603.00
Assessment Interest		55,538.83CR
Total Assessment Liability		6,121,064.17

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	7,916,532.01CR	
Sub-Total		7,916,532.01CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,795,467.84CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Adjustment to Pro-ration days - Capital Tax.

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

02 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800377

35
PX5003

POWERSTREAM INC.
C/O ROBERT LYEW, CONTROLLER
2800 RUTHERFORD RD

VAUGHAN ON
L4K 2N9

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2004 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/06/01 **to** 2004/12/31

	Account No.	Assessment Date (year, month, day)	Page
POWERSTREAM INC.	**1800377**	2005/10/06	1 of 1

ASSESSMENT NO. 35

Tax: Federal and Provincial PIL		6,176,603.00
Assessment Interest		55,538.83CR
Total Assessment Liability		6,121,064.17

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	7,916,532.01CR	
Sub-Total		7,916,532.01CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,795,467.84CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Adjustment to Pro-ration days - Capital Tax.

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

02 PX5003

REMITTANCE FORM with your payment

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800131

35
PX5005

MARKHAM HYDRO DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment Enclosed

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2004 05 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 **to** 2004/05/31

	Account No.	Reassessment Date (year, month, day)	Page
MARKHAM HYDRO DISTRIBUTION INC.	**1800131**	2005/04/28	1 of 1

REASSESSMENT NO. 70 REPLACING ASSESSMENT DATED: 2004/12/08

Tax: Federal and Provincial PIL		1,421,306.00
Assessment Interest		16,556.18CR
Total Reassessment Liability		1,404,749.82

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,416,259.59CR	
Sub-Total		1,416,259.59CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		11,509.77CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

As per amended return.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5005

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800131

35
PX5005

MARKHAM HYDRO DISTRIBUTION INC.
ROBERT LYEW, CONTROLLER
2800 RUTHERFORD DR

VAUGHAN ON
L4K 2N9

Remittance Advice - Payment-In-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 4 0 5 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 **to** 2004/05/31

	Account No.	Reassessment Date (year, month, day)	Page
MARKHAM HYDRO DISTRIBUTION INC.	**1800131**	2005/04/28	1 of 1

REASSESSMENT NO. 70 REPLACING ASSESSMENT DATED: 2004/12/08

Tax: Federal and Provincial PIL	1,421,306.00
Assessment Interest	16,556.18CR
Total Reassessment Liability	1,404,749.82

SUMMARY OF 2004/05/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,416,259.59CR	
Sub-Total		1,416,259.59CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		11,509.77CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

As per amended return.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5502

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

102 PX5005