

ATTACHMENT R

2002 SIMPIL RRR FILING - ORIGINAL

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											Version 2.3	
6			\$						\$		\$	
7	Utility Name: London Hydro Inc.											
8	Reporting period: January 1,2002 to December 31,2002											Column
9	Days in reporting period:	365	days									Brought
10	Total days in the calendar year:	365	days									From
11												TAXREC
12												
13												
14	II CORPORATE INCOME TAXES											
15	Regulatory Net Income	1	11,601,700						-3,589,700		8,012,000	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	10,687,477						923,523		11,611,000	
21	Employee Benefit Plans - Accrued, Not Paid	3	0						0		0	
22	Tax reserves deducted in prior year	4	0						0		0	
23	Reserves from financial statements-end of year	4	0						0		0	
24	Regulatory Adjustments	5	359,294						-359,294		0	
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Items from "TAXREC" worksheet	6	0						0		0	
27	Other Additions (not "Material") "TAXREC"	6	0						0		0	
28	"Material" Items from "TAXREC 2" worksheet	6	0						0		0	
29	Other Additions (not "Material") "TAXREC 2"	6	0						0		0	
30												
31	Deductions:											
32	Capital Cost Allowance and CEC	7	7,980,951						7,587,867		15,568,818	
33	Employee Benefit Plans - Paid Amounts	8	0						0		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments	10	0						0		0	
36	Interest Expense Deemed/ Incurred	11	5,384,106						-4,776,106		608,000	
37	Tax reserves claimed in current year	4	0						0		0	
38	Reserves from F/S beginning of year	4	86,000						-86,000		0	
39	Contributions to deferred income plans	3	0						0		0	
40	Contributions to pension plans	3	0						0		0	
41	Interest capitalized for accounting but deducted for tax	11	0						0		0	
42	Other Deductions (See Tab entitled "TAXREC")											
43	"Material" Items from "TAXREC" worksheet	12	0						0		0	
44	Other Deductions (not "Material") "TAXREC"	12	0						0		0	
45	Material Items from "TAXREC 2" worksheet	12	0						299,000		299,000	
46	Other Deductions (not "Material") "TAXREC 2"	12	0						0		0	
47												
48	REGULATORY TAXABLE INCOME/ (LOSSES)		9,197,414						(710)		3,147,182	
49												
50	CORPORATE INCOME TAX RATE											
51	Deemed %	13	38.62%						0.0000%		38.62%	
52												
53	REGULATORY INCOME TAX		3,552,041						-2,336,600		1,215,442	
54	Taxable Income x Rate											
55												
56	Miscellaneous Tax Credits	14	0						0		0	
57												
58	Total Regulatory Income Tax		3,552,041						-2,336,600		1,215,442	
59												
60	To determine the exemptions for capital tax and large corporations tax:											
61	Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%									
62												
63	II) CAPITAL TAXES											
64												
65	Ontario											
66	Base	15	174,041,666						40,091,309		214,132,975	
67	Less: Exemption	16	5,000,000						0		5,000,000	
68	Deemed Taxable Capital		169,041,666						40,091,309		209,132,975	
69												
70	Rate (.3%)	17	0.3000%						0.0000%		0.3000%	
71												
72	Net Amount (Taxable Capital x Rate)		507,125						120,274		627,399	
73												
74	Federal (LCT)											
75	Base	18	174,041,666						28,479,334		202,521,000	
76	Less: Exemption	19	10,000,000						0		10,000,000	
77	Deemed Taxable Capital		164,041,666						28,479,334		192,521,000	
78												
79	Rate (.225%)	20	0.2250%						0.0000%		0.2250%	
80												
81	Gross Amount (Taxable Capital x Rate)		369,094						64,079		433,172	
82	Less: Federal Surtax	21	103,011						-67,763		35,248	
83												
84	Net LCT		266,083						-3,684		397,924	
85												

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2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											Version 2.3	
6			\$						\$		\$	
86	III) INCLUSION IN RATES											
87												
88	Income Tax Rate used for gross-up (exclude surtax)		37.50%									
89												
90	Income Tax (grossed-up)	22	5,683,266									
91	LCT (grossed-up)	23	425,732									
92	Ontario Capital Tax	24	507,125									
93												
94												
95	Total S. 93 PILs Rate Adjustment	25	6,616,123									
96												
97												
98												
99	IV) FUTURE TRUE-UPS (post June 2002)											
100	IV a) Calculation of the True-up Variance								DR/(CR)			
101												
102	Employee Benefit Plans - Accrued, Not Paid	3							0			
103	Tax reserves deducted in prior year	4							0			
104	Reserves from financial statements-end of year	4							0			
105	Regulatory Adjustments	5							-359,294			
106	Other additions "Material" Items "TAXREC"	6							0			
107	Other additions "Material" Items "TAXREC 2"	6							0			
108												
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 I206)	11							0			
113	Tax reserves claimed in current year	4							0			
114	Reserves from F/S beginning of year	4							-86,000			
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							299,000			
119												
120	Total TRUE-UPS before tax effect	26						=	-572,294			
121												
122	Income Tax Rate (excluding surtax)							x	37.50%			
123												
124	Income Tax Effect on True-up adjustments							=	-214,610			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								-214,610			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
131												
132	TRUE-UP VARIANCE								(343,376)			
133												
134	IV b) Calculation of the Deferral Account Variance											
135												
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	9,197,414			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	38.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	3,552,041			
141												
142	Less: Revised Miscellaneous Tax Credits							-	0			
143												
144	Total Revised Regulatory Income Tax							=	3,552,041			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	3,552,041			
147												
148	Regulatory Income Tax Variance							=	0			
149												
150	Ontario Capital Tax											
151	Base							=	174,041,666			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	169,041,666			
154												
155	Rate (as a result of legislative changes)							x	0.3000%			
156												
157	Revised Ontario Capital Tax							=	507,125			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)							-	507,125			
159	Regulatory Ontario Capital Tax Variance							=	0			
160												
161	Federal LCT											
162	Base							=	174,041,666			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	164,041,666			
165												

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3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											Version 2.3	
6			\$						\$		\$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								369,094.			
169	Less: Federal surtax							-	103,011			
170	Revised Net LCT							=	266,083			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	266,083			
173	Regulatory Federal LCT Variance							=	0			
174												
175	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							=	0			
182												
183	TRUE-UP VARIANCE (from cell I132)							+	(343,376)			
184												
185	Deferral Account Entry (Positive Entry = Debit)							=	(343,376)			
186	(Deferral Account Variance + True-up Variance)											
187	To be included as deferral account in rate application)											
188												
189												
190	V) INTEREST PORTION OF TRUE-UP											
191	Variance Caused By Phase-in of Deemed Debt											
192												
193	Total deemed interest (REGINFO)								6,700,604			
194	Interest phased-in (Cell C36)								5,384,106			
195												
196	Variance due to phase-in of debt structure								1,316,498			
197	according to Rate Handbook											
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)								608,000			
202	Total deemed interest (REGINFO CELL D57)								6,700,604			
203												
204	Variance caused by excess debt								0			
205												
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)								0			
207												
208	Total Interest Variance								1,316,498			
209												