

ATTACHMENT S

2003 SIMPIL RRR FILING - ORIGINAL

	A	B	C	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPL"			Version 2.3
2	REGULATORY INFORMATION (REGINFO)			
3	Utility Name: London Hydro Inc.			
4	Reporting period: January 1,2003 to December 31,2003			
5				
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 the utility is a non-profit corporation, please contact the Rates Manager at OEB)			
19				
20	Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?		Y/N	N
21	Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet.			
22				
23	Accounting Year End		Date	December 31
24				
25	MARR NO TAX CALCULATIONS			
26	SHEET #7 FINAL RUD MODEL DATA			
27	(FROM 1999 FINANCIAL STATEMENTS)			
28	USE BOARD-APPROVED AMOUNTS			
29				
30	Rate base (wires-only)			174,041,606
31				
32	Common Equity Ratio (CER)			45.00%
33				
34	1-CER			55.00%
35				
36	Target Return On Equity			9.88%
37				
38	Debt rate			7.00%
39				
40	Market Adjusted Revenue Requirement			14,438,492
41				
42	1999 return from RUD Sheet #7			5,928,118
43				
44	Total Incremental revenue			8,510,374
45	Input Board-approved dollar amounts phased-in			
46				
47	Amount allowed in 2001, Year 1			2,836,791
48	Amount allowed in 2002, Year 2			2,836,791
49	Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)			0
50				
51	Equity			78,318,723
52				
53	Return at target ROE			7,737,890
54				
55	Debt			95,722,883
56				
57	Deemed interest amount in EBIT			6,700,602
58				
59	Phase-in of interest - Year 1 (2001)			4,067,611
60	$((D38+D43)/D36)*D54$			
61	Phase-in of interest - Year 2 (2002)			5,384,106
62	$((D38+D43+D44)/D36)*D54$			
63	Phase-in of interest - Year 3 (2003) and forward			5,384,106
64	$((D38+D43+D44)/D36)*D54$ (due to Bill 210)			
65				
66				
67				

	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 1,2003 to December 31,2003											
9	Days in reporting period:	365	days									Column
10	Total days in the calendar year:	365	days									Brought
11												From
12												TAXREC
13												
14	II CORPORATE INCOME TAXES											
15	Regulatory Net Income	1	11,601,700						-1,630,700		9,971,000	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	10,687,477						1,445,523		12,133,000	
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						6,362,164		14,343,115	
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						-2,680,106		2,704,000	
37	Tax reserves claimed in current year	4	0						0		0	
38	Reserves from F/S beginning of year	4	0						0		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						0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12	0						21,000		21,000	
47												
48	REGULATORY TAXABLE INCOME/ (LOSSES)		9,283,414						3,158,587		5,035,885	
49												
50	CORPORATE INCOME TAX RATE											
51	Deemed %	13	38.62%						0.0000%		38.62%	
52												
53	REGULATORY INCOME TAX		3,585,254						-1,640,396		1,944,859	
54	Taxable Income x Rate											
55												
56	Miscellaneous Tax Credits	14	0						0		0	
57												
58	Total Regulatory Income Tax		3,585,254						-1,640,396		1,944,859	
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	III CAPITAL TAXES											
64												
65	Ontario											
66	Base	15	174,041,606						35,721,394		209,763,000	
67	Less: Exemption	16	5,000,000						0		5,000,000	
68	Deemed Taxable Capital		169,041,606						35,721,394		204,763,000	
69												
70	Rate (.3%)	17	0.3000%						0.0000%		0.3000%	
71												
72	Net Amount (Taxable Capital x Rate)		507,125						107,164		614,289	
73												
74	Federal (LCT)											
75	Base	18	174,041,606						25,436,394		199,478,000	
76	Less: Exemption	19	10,000,000						0		10,000,000	
77	Deemed Taxable Capital		164,041,606						25,436,394		189,478,000	
78												
79	Rate (.225%)	20	0.2250%						0.0000%		0.2250%	
80												
81	Gross Amount (Taxable Capital x Rate)		369,094						57,232		426,326	
82	Less: Federal Surtax	21	103,974						-47,572		56,402	
83												
84	Net LCT		265,119						9,660		369,924	
85												

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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			\$						\$		\$	
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	5,736,407									
91	LCT (grossed-up)	23	424,191									
92	Ontario Capital Tax	24	507,125									
93												
94												
95	Total S. 93 PILs Rate Adjustment	25	6,667,723									
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							0			
115	Contributions to deferred income plans	3							0			
116	Contributions to pension plans	3							0			
117	Other deductions "Material" Items "TAXREC"	12							0			
118	Other deductions "Material" Item "TAXREC 2"	12							0			
119												
120	Total TRUE-UPS before tax effect	26						=	-359,294			
121												
122	Income Tax Rate (excluding surtax)							x	37.50%			
123												
124	Income Tax Effect on True-up adjustments							=	-134,735			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								-134,735			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
131												
132	TRUE-UP VARIANCE								(215,576)			
133												
134	IV b) Calculation of the Deferral Account Variance											
135												
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	9,283,414			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	38.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	3,585,254			
141												
142	Less: Revised Miscellaneous Tax Credits							-	0			
143												
144	Total Revised Regulatory Income Tax							=	3,585,254			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	3,585,254			
147												
148	Regulatory Income Tax Variance							=	0			
149												
150	Ontario Capital Tax											
151	Base							=	174,041,606			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	169,041,606			
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							=	174,041,606			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	164,041,606			
165												

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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			\$						\$		\$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								369,094			
169	Less: Federal surtax								- 103,974			
170	Revised Net LCT								= 265,119			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)								- 265,119			
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)								+ (215,576)			
184												
185	Deferral Account Entry (Positive Entry = Debit)								= (215,576)			
186	<i>(Deferral Account Variance + True-up Variance)</i>											
187	<i>To be included as deferral account in rate application)</i>											
188												
189												
190	V) INTEREST PORTION OF TRUE-UP											
191	Variance Caused By Phase-in of Deemed Debt											
192												
193	Total deemed interest (REGINFO)								6,700,602			
194	Interest phased-in (Cell C36)								5,384,106			
195												
196	Variance due to phase-in of debt structure								1,316,496			
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)								2,704,000			
202	Total deemed interest (REGINFO CELL D57)								6,700,602			
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								1,316,496			
209												

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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			Return			
5					Version 2.3	
6	Section A: Identification:					
7	Utility Name: London Hydro Inc.					
8	Reporting period: January 1,2003 to December 31,2003					
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 : 195,797 < - 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-wire 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 positive number, the program automatically treat all amounts					
28	in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2.					
29	Description:					
30	Income:					
31	Distribution Revenue	+	39,840,000		39,840,000	
32	Other Income	+	3,850,000		3,850,000	
33	Miscellaneous income	+	3,945,000		3,945,000	
34		+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Expenses:					
39	Cost of energy purchased	-			0	
40	Administration	-	17,637,000		17,637,000	
41	Customer billing and collecting	-			0	
42	Amortization	-	12,133,000		12,133,000	
43	Operations and maintenance	-	7,894,000		7,894,000	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	9,971,000	0	9,971,000	
51	Less: Interest expense for accounting purposes	-	2,704,000		2,704,000	
52	Provision for payments in lieu of income taxes	-	2,336,000		2,336,000	
53	Net Income (loss)	=	4,931,000	0	4,931,000	
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	+	2,336,000	0	2,336,000	
60	Depreciation & Amortization	+	12,133,000	0	12,133,000	
61	Employee benefit plans-accrued, not paid	+	0	0	0	
62	Tax reserves deducted in prior year	+	0	0	0	
63	Reserves from financial statements- end of year	+			0	
64	Regulatory adjustments	+			0	
65	Material addition items from TAXREC 2	+	0	0	0	
66	Other addition items (not Material) from TAXREC 2	+	0	0	0	
67						
68	Subtotal		14,469,000	0	14,469,000	
69						
70	Other Additions: (Please explain the nature of the additions)					
71	Recapture of CCA	+			0	
72	Non-deductible meals and entertainment expense	+			0	
73	Capital items expensed	+			0	
74		+			0	
75		+			0	
76		+			0	
77		+			0	
78	Total Other Additions	=	0	0	0	
79						
80	Total Additions	=	14,469,000	0	14,469,000	
81						
82	Recap Material Additions:					
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90	Total Other additions >materiality level		0	0	0	
91	Other deductions (less than materiality level)		0	0	0	
92	Total Other Additions		0	0	0	
93						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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			Return			
5					Version 2.3	
94	BOOK TO TAX DEDUCTIONS:					
95	Capital cost allowance	-	14,343,115		14,343,115	
96	Cumulative eligible capital deduction	-			0	
97	Employee benefit plans-paid amounts	-			0	
98	Items capitalized for regulatory purposes	-			0	
99	Regulatory adjustments :	-			0	
100	CCA	-			0	
101	other deductions	-			0	
102	Tax reserves claimed in current year	-	0	0	0	
103	Reserves from F/S- beginning of year	-			0	
104	Contributions to deferred income plans	-			0	
105	Contributions to pension plans	-			0	
106	Interest capitalized for accounting deducted for tax	-			0	
107	Material deduction items from TAXREC 2	-	0	0	0	
108	Other deduction items (not Material) from TAXREC 2	-	21,000	0	21,000	
109						
110	Subtotal	=	14,364,115	0	14,364,115	
111	Other deductions (Please explain the nature of the deductions)					
112	Charitable donations - tax basis	-			0	
113	Gain on disposal of assets	-			0	
114		-			0	
115		-			0	
116		-			0	
117	Total Other Deductions	=	0	0	0	
118						
119	Total Deductions	=	14,364,115	0	14,364,115	
120						
121	Recap Material Deductions:					
122			0	0	0	
123			0	0	0	
124			0	0	0	
125			0	0	0	
126			0	0	0	
127	Total Other Deductions exceed materiality level		0	0	0	
128	Other Deductions less than materiality level		0	0	0	
129	Total Other Deductions		0	0	0	
130						
131	TAXABLE INCOME	=	5,035,885	0	5,035,885	
132	DEDUCT:					
133	Non-capital loss applied	-	2333628		2333628	
134	Net capital loss applied	-			0	
135	NET TAXABLE INCOME	=	2,702,257	0	2,702,257	
136						
137	Net Federal Income Tax	+	625,534		625,534	
138	Net Ontario Income Tax	+	290,680		290,680	
139	Subtotal	=	916,214	0	916,214	
140	Less: Miscellaneous tax credits	-			0	
141	Total Income Tax	=	916,214	0	916,214	
142						
143						
144	Section D: Detail calculation of the Ontario Capital Tax					
145	ONTARIO CAPITAL TAX					
146	(From Ontario CT23)					
147	PAID-UP CAPITAL					
148						
149	Paid-up capital stock	+	96,116,000		96,116,000	
150	Retained earnings (if deficit, deduct)	+/-	13,325,000		13,325,000	
151	Capital and other surplus excluding	+			0	
152	appraisal surplus	+			0	
153	Loans and advances	+	70,000,000		70,000,000	
154	Bank loans	+			0	
155	Bankers acceptances	+			0	
156	Bonds and debentures payable	+			0	
157	Mortgages payable	+			0	
158	Lien notes payable	+			0	
159	Deferred credits	+	12,860,000		12,860,000	
160	Contingent, investment, inventory and similar reserves	+			0	
161	Other reserves not allowed as deductions	+	17,462,000		17,462,000	
162	Share of partnership(s), joint venture(s) paid-up capital	+			0	
163	Sub-total	=	209,763,000	0	209,763,000	
164	Subtract:					
165	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
166	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
167	Total (Net) Paid-up Capital	=	209,763,000	0	209,763,000	
168						
169	ELIGIBLE INVESTMENTS					
170						
171	Bonds, lien notes, interest coupons	+			0	
172	Mortgages due from other corporations	+			0	
173	Shares in other corporations	+			0	
174	Loans and advances to unrelated corporations	+			0	
175	Eligible loans and advances to related corporations	+			0	
176	Share of partnership(s) or joint venture(s) eligible investments	+			0	
177						
178	Total Eligible Investments	=	0	0	0	
179						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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			Return			
5					Version 2.3	
180						
181	TOTAL ASSETS					
182						
183	Total assets per balance sheet	+	230,561,000		230,561,000	
184	Mortgages or other liabilities deducted from assets	+			0	
185	Share of partnership(s)/ joint venture(s) total assets	+			0	
186	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
187						
188	Total assets as adjusted	=	230,561,000	0	230,561,000	
189						
190	Add: (if deducted from assets)					
191	Contingent, investment, inventory and similar reserves	+			0	
192	Other reserves not allowed as deductions	+			0	
193	Subtract:				0	
194	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
195	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
196	Subtract: Appraisal surplus if booked	-			0	
197	Add or subtract: Other adjustments	+/-			0	
198						
199	Total Assets	=	230,561,000	0	230,561,000	
200						
201						
202	Investment Allowance			0	0	0
203						
204	Taxable Capital					
205						
206	Net paid-up capital	+	209,763,000	0	209,763,000	
207	Subtract: Investment Allowance	-	0	0	0	
208						
209	Taxable Capital	=	209,763,000	0	209,763,000	
210						
211	Capital Tax Calculation					
212	Deduction from taxable capital up to \$5,000,000		5,000,000		5,000,000	
213						
214	Net Taxable Capital		204,763,000	0	204,763,000	
215						
216	Rate 0.3%		0.3000%	0.3000%	0.3000%	
217						
218	Days in taxation year		365	365	365	
219	Divide days by 365		1.00	1.00	1.00	
220						
221	Ontario Capital Tax		614,289	0	614,289	
222						
223						
224	LARGE CORPORATION TAX					
225	(From Federal Schedule 33)					
226	CAPITAL					
227	ADD:					
228	Reserves that have not been deducted in computing income for the year under Part I	+	7,177,000		7,177,000	
229	Capital stock	+	96,116,000	0	96,116,000	
230	Retained earnings	+	13,325,000		13,325,000	
231	Contributed surplus	+			0	
232	Any other surpluses	+			0	
233	Deferred unrealized foreign exchange gains	+			0	
234	All loans and advances to the corporation	+			0	
235	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
236	Any dividends declared but not paid	+			0	
237	All other indebtedness outstanding for more than 365 days	+	82,860,000		82,860,000	
238						
239	Subtotal	=	199,478,000	0	199,478,000	
240						
241	DEDUCT:					
242	Deferred tax debit balance	-			0	
243	Any deficit deducted in computing shareholders' equity	-			0	
244	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
245	Deferred unrealized foreign exchange losses	-			0	
246						
247	Subtotal	=	0	0	0	
248						
249	Capital for the year		199,478,000	0	199,478,000	
250						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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			Return			
5					Version 2.3	
251	INVESTMENT ALLOWANCE					
252						
253	Shares in another corporation	+			0	
254	Loan or advance to another corporation	+			0	
255	Bond, debenture, note, mortgage, or	+			0	
256	similar obligation of another corporation	+			0	
257	Long term debt of financial institution	+			0	
258	Dividend receivable from another corporation	+			0	
259	Debts of corporate partnerships that were not exempt from tax under Part 1.3	+			0	
260	Interest in a partnership	+			0	
261						
262	Investment Allowance	=	0	0	0	
263						
264						
265	TAXABLE CAPITAL					
266						
267	Capital for the year	=	199,478,000	0	199,478,000	
268						
269	Deduct: Investment allowance	-	0	0	0	
270						
271	Taxable Capital for taxation year	=	199,478,000	0	199,478,000	
272						
273	Deduct: Capital Deduction \$10,000,000	-	10,000,000	0	10,000,000	
274						
275	Taxable Capital	=	189,478,000	0	189,478,000	
276						
277	Rate .225%		0.22500%	0.22500%	0.22500%	
278						
279	Days in year		365	365	365	
280	Divide days by 365		1.0000	1.0000	1.0000	
281						
282	Gross Part 1.3 Tax LCT	=	426,325.50	0.00	426,325.50	
283						
284	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
285						
286	Less: Federal Surtax = Taxable Income x Surtax Rate	-	30,265	0	30,265	
287						
288	Net Part 1.3 Tax LCT Payable	=	396,060	0	396,060	
289	(If surtax is greater than Gross LCT, then zero)					
290						
291	RECAP:					
292	Total Income Taxes	+	916,214	0	916,214	
293	Ontario Capital Tax	+	614,289	0	614,289	
294	Federal Large Corporations Tax	+	396,060	0	396,060	
295						
296	Total income and capital taxes	=	1,926,563	0	1,926,563	
297						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (Tax Reserves)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4			Return			
5					Version 2.3	
6						
7	Utility Name: London Hydro Inc.					
8	Reporting period: January 1,2003 to December 31,2003					
9						
10	TAX RESERVES					
11	<i>Opening balance:</i>					
12	Accrued contingent liability				0	
13					0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21	Total (carry forward to the TAXREC worksheet)		0	0	0	
22						
23	<i>Ending balances:</i>					
24	Accrued contingent liability				0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33	Insert line above this line				0	
34	Total (carry forward to the TAXREC worksheet)		0	0	0	
35						

	A	B	C	D	E	F
1						
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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			Return			
6					Version 2.3	
7						
8	Utility Name: London Hydro Inc.					
9	Reporting period: January 1,2003 to December 31,2003					
10	Number of days in taxation year:		365	days		
11	Materiality Level:		195,797			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+			0	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Book loss on joint ventures or partnerships	+			0	
31	Capital items expensed	+			0	
32	Debt issue expense	+			0	
33	Deemed dividend income	+			0	
34	Dividends credited to investment account	+			0	
35	Financing fees deducted in books	+			0	
36	Gain on settlement of debt	+			0	
37	Interest paid on income debentures	+			0	
38	Recapture of SR&ED expenditures	+			0	
39	Share issue expense	+			0	
40	Write down of capital property	+			0	
41	Amounts received in respect of qualifying environment trust	+			0	
42	Other Additions: (please explain in detail the nature of the item)	+			0	
43		+			0	
44		+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53	Total Additions	=	0	0	0	
54						
55	Recap of Material Additions:					
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			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	

	A	B	C	D	E	F
2	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	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			Return			
6					Version 2.3	
82			0	0	0	
83			0	0	0	
84			0	0	0	
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			0	0	0	
93						
94	Total Material additions		0	0	0	
95	Other additions less than materiality level		0	0	0	
96	Total Additions		0	0	0	
97						
98	Deduct:					
99	Gain on disposal of assets per f/s	-	21000		21000	
100	Dividends not taxable under section 83	-			0	
101	Terminal loss from Schedule 8	-			0	
102	Depreciation in inventory, end of prior year	-			0	
103	Scientific research expenses claimed in year from Form T661	-			0	
104	Bad debt	-			0	
105	Book income of joint venture or partnership	-			0	
106	Equity in income from subsidiary or affiliates	-			0	
107	Contributions to a qualifying environment trust	-			0	
108	Other income from financial statements	-			0	
109	Other deductions: (Please explain in detail the nature of the item)	-			0	
110		-			0	
111		-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	21000	0	21000	
122						
123	Recap of Material Deductions:					
124			0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145	Total Deductions exceed materiality level		0	0	0	
146	Other deductions less than materiality level		21000	0	21000	
147	Total Deductions		21000	0	21000	
148						

	A	B	C	D	E	F	G	H	I
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"								
2	Corporate Tax Rates								
3									
4	Income Range		0	200,001	>700,000				
5			to	to					
6		Year	200,000	700,000					
7	Income Tax Rate								
8	Current year	2002	19.12%	34.12%	38.62%				
9	Capital Tax Rate		0.30%						
10	LCT rate		0.225%						
11	Surtax		1.12%						
12	Ontario Capital Tax Exemption		5,000,000						
13	Federal Large Corporations Tax Exemption		10,000,000						
14									
15	Income Range		0	225,001	>700,000				
16			to	to					
17		Year	225,000	700,000					
18	Income Tax Rate								
19	Income Tax Rates used to gross up the deferral account allowance variance	2003	18.62%	32.12%	36.62%				
20									
21	Income Range		0	250,001	>700,000				
22			to	to					
23		Year	250,000	700,000					
24	Income Tax Rate								
25	Income Tax Rates used to gross up the true up variance	2004	18.62%	32.12%	36.62%				

	A	B	C	D	E	F	G
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"					Version 2.3
2		Filing Requirements related to the "SIMPIL" model					
3		Utility Name: London Hydro Inc.					
4		Reporting period: January 1,2003 to December 31,2003					
5							
6		Documents to be submitted to the Board when filing the Initial Estimate Column information:					
7		(Stage 1 filing: normally in January of the reporting period)					
8							
9	1)	REGINFO spreadsheet		<input type="checkbox"/>			
10							
11	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
12							
13	3)	CCA schedule prepared for regulatory purposes		<input type="checkbox"/>			
14							
15	4)	TAX RATES spreadsheet		<input type="checkbox"/>			
16							
17	5)	Checklist		<input type="checkbox"/>			
18							
19	6)	Electronic format of the SIMPIL spreadsheets		<input type="checkbox"/>			
20							
21		Documents to be submitted to the Board when filing the Deferral Account Allowance Column information:					
22		(Stage 2 filing: normally in December of the reporting period)					
23							
24	1)	REGINFO spreadsheet		<input type="checkbox"/>			
25							
26	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
27							
28	3)	Revised CCA schedule prepared for regulatory purposes if changes have been made		<input type="checkbox"/>			
29							
30	4)	TAX RATES spreadsheet		<input type="checkbox"/>			
31							
32	5)	Checklist		<input type="checkbox"/>			
33							
34	6)	Electronic format of the SIMPIL spreadsheets		<input type="checkbox"/>			
35							
36		Documents to be submitted to the Board when filing the Ministry of Finance Column information:					
37		(Stage 3 filing: normally in July of the year following the reporting period)					
38							
39	1)	REGINFO spreadsheet		<input checked="" type="checkbox"/>			
40							
41	2)	TAXCALC spreadsheet		<input checked="" type="checkbox"/>			
42							
43	3)	TAXREC, TAXREC 2 spreadsheets		<input checked="" type="checkbox"/>			
44							
45	4)	TAX RESERVES spreadsheet		<input checked="" type="checkbox"/>			
46							
47	5)	BACKGROUND QUESTIONNAIRE spreadsheet		<input checked="" type="checkbox"/>			
48							
49	6)	CONTINUITY SCHEDULE OF ACCOUNT # 1562		<input checked="" type="checkbox"/>			
50							
51	7)	Financial statements used to prepare tax returns if different from the audited financial statements previously submitted to the Board		<input checked="" type="checkbox"/>			
52							
53	8)	TAX RATES worksheet		<input checked="" type="checkbox"/>			
54							
55	9)	Checklist		<input checked="" type="checkbox"/>			
56							
57	10)	Electronic format of the SIMPIL worksheets		<input checked="" type="checkbox"/>			

	A	B	C	D	E	F	G	H
1		SECTION 93 PILs TAX GROSS-UP	"SIMPIL"					
2		QUESTIONNAIRE						
3		Utility Name: London Hydro Inc.						
4		Reporting period: January 1,2003 to December 31,2003						Version 2.3
5								
6	1	Does the company engage in non-regulated activities?						
7		Answer:						
8								
9								
10		If the answer to question 1 is "NO", please skip question 2 to 6.						
11	2	Please identify the types of non-wire operations carried on by the LDC.						
12		Answer: NO						
13								
14								
15								
16	3	Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?						
17		Answer: Not Applicable						
18								
19								
20								
21	4	Please identify the percentage and amount of gross revenues arising from non-wire operations.						
22		Answer: Not Applicable						
23								
24								
25	5	Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.						
26		Answer: Not Applicable						
27								
28								
29	6	Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining						
30		to non-wire operations.						
31		Answer: Not Applicable						
32								
33								
34	7	Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes? (P						
35		Answer: NO						
36								
37	8	Did the company have any reserve for accounting and tax purposes? (Please identify the amount.)						
38		Answer: NO						
39								
40								
41		OTHER PERTINENT INFORMATION:						
42	9	Did the LDC incur any transition costs?						
43		Answer: YES						
44								
45								
46		If the answer to question 9 is "NO", please skip question 10 and 11.						
47	10	Please identify the amount of transition costs recovery received from consumers during the reporting period.						
48		Answer: \$363,823						
49								
50								
51	11	Please identify the amount of transition costs deducted for accounting and tax purposes.						
52		Answer:						
53			Accounting		Tax			
54		Amortization/CCA claimed	\$0		\$0			
55		Other expensed	2,973,714		2,973,714			
56		Total	\$2,973,714		\$2,973,714			
57		Transition costs capitalized	\$6,621,222		\$6,621,222			
58		Incurring prior to October 1, 2001 & non-deductible for tax purposes	\$716,001		\$716,001			

	I	J	K
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34	Please identify the amount.)		
35			
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"														
2	Analysis of Account 1562:		Deferred Payment in lieu of Taxes												
3															
4															
5	Utility Name: London Hydro Inc.														
6	Reporting period: January 1,2003 to December 31,2003														
7															
8															
9	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
10	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		12/31/2006		Total
11															
12	Opening balance:	=			2,140,857		2,819,648		150,268		6,550,815		6,550,815		0
	Initial Estimate PILs Rate	+/-													
13	Adjustment(1)		0		6,616,123		6,616,123		6,616,123						19,848,369
	Deferral Account Variance	+/-													
14	PILs Rate Adjustment(2)		2,128,441		0		0		0						2,128,441
	Deferral Account Entry	+/-													
15	(True-up adjustments) (3)		0		52,250		(343,376)		(215,576)						(506,702)
16	Carrying charges	+/-	12,416		226,123		85,307								323,846
	PILs collected from customers	-	0		6,215,705		9,027,434		0						15,243,139
17															
18															
19	Ending balance:		2,140,857		2,819,648		150,268		6,550,815		6,550,815		6,550,815		6,550,815
20															
21															
22	Note:														
23	The purposes of this worksheet is to show the movement in Account 1562.														
24	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities														
25															
26	Please identify the accounting method used to account for the PILs recovery.														
27	Answer:														
28	Accounting and reporting of PILs and PILs recovery is in accordance with GAAP.														
29	PILs recovery when billed to customers is reported as distribution revenue on the income statement.														
30	PILs expense is reported as income and capital tax expense on the income statement when accrued or paid.														
31															
32															
33	(1) in the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														