
ATTACHMENT V

2001 and 2002 SIMPILS RATE ADJUSTMENT MODEL

	A	B	C	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"			
2	REGULATORY INFORMATION (REGINFO)			
3				
4	Utility Name : London Hydro Inc.			Amount
5	Reporting period: Q4, 2001 and Year 2002			
6				
7	BACKGROUND			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate		Y/N	Y
10	tax (and therefore subject to PILs)?			
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	December 31st
16				
17	MARR NO TAX CALCULATIONS			
18	SHEET #7 FINAL RUD MODEL DATA			
19	(FROM 1999 FINANCIAL STATEMENTS)			
20	USE BOARD-APPROVED AMOUNTS			
21				
22	Rate base (wires-only)			174,041,606
23				
24	Common Equity Ratio (CER)			45.00%
25				
26	1-CER			55.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.00%
31				
32	Market Adjusted Revenue Requirement			14,436,492
33				
34	1999 return from RUD Sheet #7			5,928,118
35				
36	Total Incremental revenue			8,510,374
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			2,836,791
40	Amount allowed in 2002, Year 2			2,836,791
41	Amount allowed in 2003, Year 3			2,836,791
42				
43	Equity			78,318,723
44				
45	Return at target ROE			7,737,890
46				
47	Debt			95,722,883
48				
49	Deemed interest amount in EBIT			6,700,602
50				
51	Phase-in of interest - Year 1			4,067,611
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			5,384,106
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			6,700,602
56				

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
7	Utility Name : London Hydro Inc.					
8	Reporting period: Q4, 2001					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	I) CORPORATE INCOME TAXES					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1	2,490,000		2,490,000	
16	Other Income	2	2,052,000		2,052,000	
17	Expenses					
18	Administration	3	-3,265,000		-3,265,000	
19	Distribution	4			0	
20	Operations and Maintenance	5	-1,718,000		-1,718,000	
21	Depreciation and Amortization	6	-2,841,000		-2,841,000	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8	-128,000		-128,000	
24	Federal LCT	9	-102,000		-102,000	
25						
26	Net Income Before Interest & Income Taxes EBIT	10	-3,512,000	0	-3,512,000	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		2,841,000	0	2,841,000	2C
30	Federal Large Corporation Tax		102,000	0	102,000	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			2,943,000	0	2,943,000	
37	<i>Other Additions: (From T2 S1)</i>					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	Other Additions:				0	7C
83					0	
84	Total Other Additions		0	0	0	7C
85						
86	Total Additions		2,943,000	0	2,943,000	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance		-3,251,810		-3,251,810	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		-39,000		-39,000	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			-3,290,810	0	-3,290,810	
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		-1,014,000		-1,014,000	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				0	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		-1,014,000	0	-1,014,000	13C
134						
135	<i>Total Deductions</i>		-4,304,810	0	-4,304,810	
136						
137						
138	TAXABLE INCOME		-4,873,810	0	-4,873,810	
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		96,116,000		96,116,000	
149	Retained earnings (if deficit, deduct)		-1,169,000		-1,169,000	
150	Capital and other surplus excluding				0	
151	appraisal surplus				0	
152	Loans and advances		70,000,000		70,000,000	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payable				0	
157	Lien notes payable				0	
158	Deferred credits		7,163,000		7,163,000	
159	Contingent, investment, inventory and				0	
160	similar reserves				0	
161	Other reserves not allowed as deductions		24,265,793		24,265,793	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		196,375,793	0	196,375,793	
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		196,375,793	0	196,375,793	
172						
173	ELIGIBLE INVESTMENTS					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations				0	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related				0	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	Total Eligible Investments		0	0	0	
185						
186						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
187						
188	TOTAL ASSETS					
189						
190	Total assets per balance sheet		210,741,000		210,741,000	
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		210,741,000	0	210,741,000	
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		210,741,001	1	210,741,002	
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		196,375,793	0	196,375,793	
222	Subtract: Investment Allowance		0	0	0	
223					0	
224	Taxable Capital		196,375,793	0	196,375,793	
225						
226	Capital Tax Calculation					
227						
228	Taxable capital		196,375,793	0	196,375,793	16C
229						
230	Deduction from taxable capital up to \$5,000,000		-5,000,000		-5,000,000	17C
231						
232	Net Taxable Capital		191,375,793	0	191,375,793	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		92	92	92	
237	Divide days by 365		0.2521	0.2521	0.2521	
238						
239	Ontario Capital Tax		144,712	0	144,712	
240						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
241						
242						
243	LARGE CORPORATION TAX					
244						
245	CAPITAL					
246						
247	ADD:					
248	Reserves that have not been deducted in				0	
249	computing income for the year under Part I		7,775,000		7,775,000	
250	Capital stock		96,116,000		96,116,000	
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		77,163,000		77,163,000	
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		181,054,000	0	181,054,000	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity		-1,169,000		-1,169,000	
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		-1,169,000	0	-1,169,000	
275						
276	Capital for the year		179,885,000	0	179,885,000	
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 1.3				0	
288	Interest in a partnership				0	
289						
290	Investment Allowance		0	0	0	
291						

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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		179,885,000	0	179,885,000	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		179,885,000	0	179,885,000	19C
300						
301	Deduct: Capital Deduction \$10,000,000		-10,000,000		-10,000,000	20C
302						
303	Taxable Capital		169,885,000	0	169,885,000	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		92	92	92	
308	Divide days by 365		0.2521	0.2521	0.2521	
309						
310	Gross Part I.3 Tax LCT		96,346	0	96,346	
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		96,346	0	96,346	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

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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 : London Hydro Inc.					
8	Reporting period: Calendar Year 2002					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	I) CORPORATE INCOME TAXES					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1	39,705,000		39,705,000	
16	Other Income	2	1,594,000		1,594,000	
17	Expenses					
18	Administration	3	-12,960,000		-12,960,000	
19	Distribution	4	0		0	
20	Operations and Maintenance	5	-7,429,000		-7,429,000	
21	Depreciation and Amortization	6	-11,611,000		-11,611,000	
22	Municipal Property Taxes	7	-712,000		-712,000	
23	Ontario Capital Tax	8	-575,000		-575,000	
24	Federal LCT	9	-367,000		-367,000	
25						
26	Net Income Before Interest & Income Taxes EBIT	10	7,645,000	0	7,645,000	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		11,611,000	0	11,611,000	2C
30	Federal Large Corporation Tax		367,000	0	367,000	3C
31	Employee benefit plans-accrued, not paid		0		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			11,978,000	0	11,978,000	
37	<i>Other Additions:</i> (From T2 S1)					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	<i>Other Additions:</i>				0	7C
83					0	
84	<i>Total Other Additions</i>		0	0	0	7C
85						
86	Total Additions		11,978,000	0	11,978,000	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance		-15,568,818		-15,568,818	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		-608,000		-608,000	12C
94	Other deductions "Material" Item #1		-607,000		-607,000	13C
95	Other deductions "Material" Item #2				0	13C
96			-16,783,818	0	-16,783,818	
97	<i>Other deductions: (From T2 S1)</i>					
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		-299,000		-299,000	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				0	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		-299,000	0	-299,000	13C
134						
135	<i>Total Deductions</i>		-17,082,818	0	-17,082,818	
136						
137						
138	TAXABLE INCOME		2,540,182	0	2,540,182	
139						
140	ONTARIO CAPITAL TAX					
141						
142	PAID-UP CAPITAL					
143						
144	Paid-up capital stock		96,116,000		96,116,000	
145	Retained earnings (if deficit, deduct)		8,394,000		8,394,000	
146	Capital and other surplus excluding				0	
147	appraisal surplus				0	
148	Loans and advances		70,000,000		70,000,000	
149	Bank loans		9,750,000		9,750,000	
150	Bankers acceptances				0	
151	Bonds and debentures payable				0	
152	Mortgages payable				0	
153	Lien notes payable				0	
154	Deferred credits		10,304,000		10,304,000	
155	Contingent, investment, inventory and				0	
156	similar reserves				0	
157	Other reserves not allowed as deductions		19,568,975		19,568,975	
158	Share of partnership(s), joint venture(s)				0	
159	paid-up capital				0	
160	Sub-total		214,132,975	0	214,132,975	
161	Subtract:					
162	Amounts deducted for income tax				0	
163	purposes in excess of amounts booked				0	
164	Deductible R&D expenditures and ONTTI				0	
165	costs deferred for income tax				0	
166					0	
167	Total (Net) Paid-up Capital		214,132,975	0	214,132,975	
168						
169	ELIGIBLE INVESTMENTS					
170						
171	Bonds, lien notes, interest coupons				0	

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
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					0
176	corporations					0
177	Share of partnership(s) or joint venture(s)					0
178	eligible investments					0
179						
180	Total Eligible Investments		0	0	0	
181						
182						

	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						
183						
184	TOTAL ASSETS					
185						
186	Total assets per balance sheet		233,865,000		233,865,000	
187	Mortgages or other liabilities deducted from				0	
188	assets				0	
189	Share of partnership(s)/ joint venture(s) total				0	
190	assets				0	
191	Subtract: Investment in partnership(s)/joint				0	
192	venture(s)				0	
193						
194	Total assets as adjusted		233,865,000	0	233,865,000	
195						
196	Add: (if deducted from assets)					
197	Contingent, investment, inventory and				0	
198	similar reserves				0	
199	Other reserves not allowed as deductions				0	
200	Subtract:				0	
201	Amounts deducted for income tax				0	
202	purposes in excess of amounts booked				0	
203	Deductible R&D expenditures and ONTTI				0	
204	costs deferred for income tax				0	
205	Subtract: Appraisal surplus if booked				0	
206	Add or subtract: Other adjustments		1	1	2	
207						
208	Total Assets		233,865,001	1	233,865,002	
209						
210	Investment Allowance					
211						
212	(Total Eligible Investments / Total Assets) x					
213	Net paid-up capital		0	0	0	
214						
215	Taxable Capital					
216						
217	Net paid-up capital		214,132,975	0	214,132,975	
218	Subtract: Investment Allowance		0	0	0	
219					0	
220	Taxable Capital		214,132,975	0	214,132,975	
221						
222	Capital Tax Calculation					
223						
224	Taxable capital		214,132,975	0	214,132,975	16C
225						
226	Deduction from taxable capital up to \$5,000,000		-5,000,000		-5,000,000	17C
227						
228	Net Taxable Capital		209,132,975	0	209,132,975	
229						
230	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
231						
232	Days in taxation year		365	365	365	
233	Divide days by 365		1.0000	1.0000	1.0000	
234						
235	Ontario Capital Tax		627,399	0	627,399	
236						

	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						
237						
238						
239	LARGE CORPORATION TAX					
240						
241	CAPITAL					
242						
243	ADD:					
244	Reserves that have not been deducted in				0	
245	computing income for the year under Part I		7,048,000		7,048,000	
246	Capital stock		96,116,000		96,116,000	
247	Retained earnings		8,394,000		8,394,000	
248	Contributed surplus				0	
249	Any other surpluses				0	
250	Deferred unrealized foreign exchange gains				0	
251	All loans and advances to the corporation				0	
252	All indebtedness- bonds, debentures, notes,				0	
253	mortgages, bankers acceptances, or similar				0	
254	obligations				0	
255	Any dividends declared but not paid				0	
256	All other indebtedness outstanding for more				0	
257	than 365 days		90,963,000		90,963,000	
258						
259	Subtotal		202,521,000	0	202,521,000	
260						
261	DEDUCT:					
262	Deferred tax debit balance				0	
263	Any deficit deducted in computing				0	
264	shareholders' equity				0	
265	Any patronage dividends 135(1) deducted in				0	
266	computing income under Part I included in				0	
267	amounts above				0	
268	Deferred unrealized foreign exchange losses				0	
269						
270	Subtotal		0	0	0	
271						
272	Capital for the year		202,521,000	0	202,521,000	
273						
274	INVESTMENT ALLOWANCE					
275						
276	Shares in another corporation				0	
277	Loan or advance to another corporation				0	
278	Bond, debenture, note, mortgage, or				0	
279	similar obligation of another corporation				0	
280	Long term debt of financial institution				0	
281	Dividend receivable from another corporation				0	
282	Debts of corporate partnerships that were not				0	
283	exempt from tax under Part 1.3				0	
284	Interest in a partnership				0	
285						
286	Investment Allowance		0	0	0	
287						

	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						
288						
289	TAXABLE CAPITAL					
290						
291	Capital for the year		202,521,000	0	202,521,000	
292						
293	Deduct: Investment allowance		0	0	0	
294						
295	Taxable Capital for taxation year		202,521,000	0	202,521,000	19C
296						
297	Deduct: Capital Deduction \$10,000,000		-10,000,000		-10,000,000	20C
298						
299	Taxable Capital		192,521,000	0	192,521,000	
300						
301	Rate .225%		0.22500%	0.22500%	0.22500%	21C
302						
303	Days in year		365	365	365	
304	Divide days by 365		1.0000	1.0000	1.0000	
305						
306	Gross Part I.3 Tax LCT		433,172	0	433,172	
307						
308	Federal Surtax Rate		0.0000%	0.0000%	0.0000%	
309						
310	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
311						
312	Net Part I.3 Tax LCT Payable		433,172	0	433,172	
313	(If surtax is greater than Gross LCT, then zero)					
314						
315						
316						

Adjustments to Accounting Income

Item #	Description	2001	2002	5B 2001	5B 2002
5	Changes in Reserves				
	<u>Reserve for doubtful accounts</u>				
	Opening balance on January 1	1,497,570	2,332,748	0	2,332,748
	Net change in allowance for doubtful accounts	835,178	21,045	208,795	21,045
	Estimated closing balance at December 31	2,332,748	2,353,793	0	2,353,793
	<u>Reserve for inventory obsolescence</u>				
	Opening balance on January 1	483,190	178,447	0	178,447
	Net change in reserve for obsolescence	-304,743	-65,523	-76,186	-65,523
	Estimated closing balance at December 31	178,447	112,924	0	112,924
	Net change in tax reserves	530,435	-44,478	132,609	-44,478
6	<u>Regulatory Adjustments - added</u>				
	<u>Transitional Items</u>				
	Year 2000 CIS capital costs - amortization		76,711		20,817
	Year 2000 CIS capital costs - wip		64,200		17,422
	Year 2000 transitional operating costs		214,946		58,330
	Adjustments to 2001 income re: 2000 transitional costs		3,437		933
	Year 2001 interest on 2000 transitional costs		359,294		97,502
			0		0
			359,294		97,502
	<u>Z-Factor Costs</u>				
	Hydro Ontario Networks Distribution Charges		0		0
	Hydro Ontario Networks Low Voltage Service Charges		0		0
	Environmental Clean-up		0		0
			0		0
	Total		359,294		97,502
11	<u>Regulatory Adjustments - deducted</u>				
	<u>Transitional Items</u>				
	Year 2000 CIS capital costs - dereg		0		0
	<u>Z-Factor Costs</u>				
	Hydro Ontario Networks Distribution Charges		0		0
	Hydro Ontario Networks Low Voltage Service Charges		0		0
			0		0
	Total		0		0