

ATTACHMENT AC

2003 REVISED SIMPIL MODEL HALTON HILLS VERSION

| | A | B | C | D | E | F |
|-----|--|-------------|------------------|---------------------|-----------------------|---|
| 1 | PILs TAXES | LINE | M of F | Non-wires | Wires-only | |
| 2 | TAX RETURN RECONCILIATION (TAXREC) | | Corporate | Eliminations | Tax | |
| 3 | (for "wires-only" business - see s. 72 OEB Act) | | Tax | | Return | |
| 4 | | 0 | Return | | | |
| 5 | | | | | Version 2009.1 | |
| 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 | - | 14,343,115 | | 14,343,115 | |
| 98 | Cumulative eligible capital deduction | - | 0 | | 0 | |
| 99 | Employee benefit plans-paid amounts | - | 0 | | 0 | |
| 100 | Items capitalized for regulatory purposes | - | | | 0 | |
| 101 | Regulatory adjustments : | | | | 0 | |
| 102 | CCA | - | | | 0 | |
| 103 | other deductions | - | | | 0 | |
| 104 | Tax reserves - end of year | - | 0 | 0 | 0 | |
| 105 | Reserves from financial statements- beginning of year | - | 0 | 0 | 0 | |
| 106 | Contributions to deferred income plans | - | | | 0 | |
| 107 | Contributions to pension plans | - | | | 0 | |
| 108 | Items on which true-up does not apply "TAXREC 3" | | 0 | 0 | 0 | |
| 109 | Interest capitalized for accounting deducted for tax | - | | | 0 | |
| 110 | Material deduction items from TAXREC 2 | - | 0 | 0 | 0 | |
| 111 | Other deduction items (not Material) from TAXREC 2 | - | 21,000 | 0 | 21,000 | |
| 112 | | | | | | |
| 113 | Subtotal | = | 14,364,115 | 0 | 14,364,115 | |
| 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 | = | 14,364,115 | 0 | 14,364,115 | |
| 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 | = | 5,035,885 | 0 | 5,035,885 | |
| 135 | DEDUCT: | | | | | |
| 136 | Non-capital loss applied positive number | - | 2,333,628 | | 2,333,628 | |
| 137 | Net capital loss applied positive number | - | | | 0 | |
| 138 | | | | | 0 | |
| 139 | NET TAXABLE INCOME | = | 2,702,257 | 0 | 2,702,257 | |
| 140 | | | | | | |
| 141 | FROM ACTUAL TAX RETURNS | | | | | |
| 142 | Net Federal Income Tax (Must agree with tax return) | + | 625,534 | | 625,534 | |
| 143 | Net Ontario Income Tax (Must agree with tax return) | + | 290,680 | | 290,680 | |
| 144 | Subtotal | = | 916,214 | 0 | 916,214 | |
| 145 | Less: Miscellaneous tax credits (Must agree with tax returns) | - | 0 | | 0 | |
| 146 | Total Income Tax | = | 916,214 | 0 | 916,214 | |
| 147 | | | | | | |
| 148 | FROM ACTUAL TAX RETURNS | | | | | |
| 149 | Net Federal Income Tax Rate (Must agree with tax return) | | 23.15% | | 23.15% | |
| 150 | Net Ontario Income Tax Rate (Must agree with tax return) | | 12.50% | | 12.50% | |
| 151 | Blended Income Tax Rate | | 35.65% | | 35.65% | |
| 152 | | | | | | |
| 153 | Section F: Income and Capital Taxes | | | | | |
| 154 | | | | | | |
| 155 | RECAP | | | | | |
| 156 | Total Income Taxes | + | 916,214 | 0 | 916,214 | |
| 157 | Ontario Capital Tax | + | 614,289 | | 614,289 | |
| 158 | Federal Large Corporations Tax | + | 396,060 | | 396,060 | |
| 159 | | | | | | |
| 160 | Total income and capital taxes | = | 1,926,563 | 0 | 1,926,563 | |
| 161 | | | | | | |

| | 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: London Hydro Inc. | | | | | |
| 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 | Other - Please describe | | | | | 0 |
| 48 | Other - Please describe | | | | | 0 |
| 49 | | | | | | 0 |
| 50 | Total (carry forward to the TAXREC worksheet) | | 0 | 0 | | 0 |
| 51 | | | | | | |
| 52 | End of Year: | | | | | |
| 53 | | | | | | 0 |
| 54 | | | | | | 0 |
| 55 | Environmental | | | | | 0 |
| 56 | Allowance for doubtful accounts | | | | | 0 |
| 57 | Inventory obsolescence | | | | | 0 |
| 58 | Property taxes | | | | | 0 |
| 59 | Other - Please describe | | | | | 0 |
| 60 | Other - Please describe | | | | | 0 |
| 61 | | | | | | 0 |
| 62 | Insert line above this line | | | | | |
| 63 | Total (carry forward to the TAXREC worksheet) | | 0 | 0 | | 0 |
| 64 | | | | | | |

| | A | B | C | D | E | F |
|----|---|------|-----------|--------------|----------------|---|
| 1 | | | | | | |
| 2 | PILs TAXES | LINE | M of F | Non-wires | Wires-only | |
| 3 | TAX RETURN RECONCILIATION (TAXREC 2) | | Corporate | Eliminations | Tax | |
| 4 | (for "wires-only" business - see s. 72 OEB Act) | | Tax | | Return | |
| 5 | RATEPAYERS ONLY | | Return | | | |
| 6 | Shareholder-only Items should be shown on TAXREC 3 | | | | Version 2009.1 | |
| 7 | | | | | | |
| 8 | Utility Name: London Hydro Inc. | | | | | |
| 9 | Reporting period: 2003 | | | | | |
| 10 | Number of days in taxation year: | | 365 | | | |
| 11 | Materiality Level: | | 195,797 | | | |
| 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 | | | 0 |
| 37 | | + | | | | 0 |
| 38 | | + | | | | 0 |
| 39 | | + | | | | 0 |
| 40 | <i>Other Additions: (please explain in detail the nature of the item)</i> | + | | | | 0 |
| 41 | | + | | | | 0 |
| 42 | | + | | | | 0 |
| 43 | | + | | | | 0 |
| 44 | | + | | | | 0 |
| 45 | | + | | | | 0 |
| 46 | Total Additions | = | 0 | 0 | | 0 |
| 47 | | | | | | |
| 48 | Recap of Material Additions: | | | | | |
| 49 | | | 0 | 0 | | 0 |
| 50 | | | 0 | 0 | | 0 |
| 51 | | | 0 | 0 | | 0 |
| 52 | | | 0 | 0 | | 0 |
| 53 | | | 0 | 0 | | 0 |
| 54 | | | 0 | 0 | | 0 |
| 55 | | | 0 | 0 | | 0 |
| 56 | | | 0 | 0 | | 0 |
| 57 | | | 0 | 0 | | 0 |
| 58 | | | 0 | 0 | | 0 |
| 59 | | | 0 | 0 | | 0 |
| 60 | | | 0 | 0 | | 0 |
| 61 | | | 0 | 0 | | 0 |
| 62 | | | 0 | 0 | | 0 |
| 63 | | | 0 | 0 | | 0 |
| 64 | | | 0 | 0 | | 0 |
| 65 | | | 0 | 0 | | 0 |
| 66 | | | 0 | 0 | | 0 |
| 67 | | | 0 | 0 | | 0 |
| 68 | | | 0 | 0 | | 0 |
| 69 | | | 0 | 0 | | 0 |
| 70 | | | 0 | 0 | | 0 |
| 71 | | | 0 | 0 | | 0 |
| 72 | | | 0 | 0 | | 0 |
| 73 | | | 0 | 0 | | 0 |
| 74 | | | 0 | 0 | | 0 |

| | 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: London Hydro Inc. | | | | | |
| 9 | Reporting period: 2003 | | | | | |
| 10 | Number of days in taxation year: | | 365 | | | |
| 11 | Materiality Level: | | 195,797 | | | |
| 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 | - | 21,000 | | 21,000 | |
| 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 | | 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 | <i>Other deductions: (Please explain in detail the nature of the item)</i> | - | | | 0 | |
| 96 | Non-taxable load transfers | - | 0 | | 0 | |
| 97 | | - | | | 0 | |
| 98 | | - | | | 0 | |
| 99 | Total Deductions | = | 21,000 | 0 | 21,000 | |
| 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 | | 21,000 | 0 | 21,000 | |
| 121 | Total Deductions | | 21,000 | 0 | 21,000 | |
| 122 | | | | | | |

| | A | B | C | D | E | F |
|----|---|------|-----------|--------------|----------------|---|
| 1 | | | | | | |
| 2 | PILs TAXES | | | | | |
| 3 | TAX RETURN RECONCILIATION (TAXREC 3) | | | | | |
| 4 | Shareholder-only Items should be shown on TAXREC 3 | LINE | M of F | Non-wires | Wires-only | |
| 5 | ITEMS ON WHICH TRUE-UP DOES NOT APPLY | | Corporate | Eliminations | Tax | |
| 6 | (for "wires-only" business - see s. 72 OEB Act) | | Tax | | Return | |
| 7 | | 0 | Return | | | |
| 8 | Utility Name: London Hydro Inc. | | | | Version 2009.1 | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | Reporting period: 2003 | | | | | |
| 12 | Number of days in taxation year: | | 365 | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | Section C: Reconciliation of accounting income to taxable income | | | | | |
| 17 | Add: | | | | | |
| 18 | | | | | | |
| 19 | Recapture of capital cost allowance | + | | | | 0 |
| 20 | CCA adjustments | + | | | | 0 |
| 21 | CEC adjustments | + | | | | 0 |
| 22 | Gain on sale of non-utility eligible capital property | + | | | | 0 |
| 23 | Gain on sale of utility eligible capital property | + | | | | 0 |
| 24 | Loss from joint ventures or partnerships | + | | | | 0 |
| 25 | Deemed dividend income | + | | | | 0 |
| 26 | Loss in equity of subsidiaries and affiliates | + | | | | 0 |
| 27 | Loss on disposal of utility assets | + | | | | 0 |
| 28 | Loss on disposal of non-utility assets | + | | | | 0 |
| 29 | Depreciation in inventory -end of year | + | | | | 0 |
| 30 | Depreciation and amortization adjustments | + | | | | 0 |
| 31 | Dividends credited to investment account | + | | | | 0 |
| 32 | Non-deductible meals | + | 0 | | | 0 |
| 33 | Non-deductible club dues | + | | | | 0 |
| 34 | Non-deductible automobile costs | + | | | | 0 |
| 35 | Donations - amount per books | | 0 | | | 0 |
| 36 | Interest and penalties on unpaid taxes | | 0 | | | 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 | | | 0 |
| 42 | | + | | | | 0 |
| 43 | Other Additions: (please explain in detail the nature of the item) | + | | | | 0 |
| 44 | Bad debts - pre-October 1, 2001 Denied | + | 0 | | | 0 |
| 45 | | + | | | | 0 |
| 46 | | + | | | | 0 |
| 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 amortization - considered to be interest expense for PILs | - | | | | 0 |
| 56 | Imputed interest income on Regulatory Assets | - | | | | 0 |
| 57 | Donations - amount deductible for tax purposes | - | | | | 0 |
| 58 | Income from joint ventures or partnerships | - | | | | 0 |
| 59 | | - | | | | 0 |
| 60 | | - | | | | 0 |
| 61 | | - | | | | 0 |
| 62 | | - | | | | 0 |
| 63 | | - | | | | 0 |
| 64 | Ontario capital tax adjustments to current or prior year | - | | | | 0 |
| 65 | | - | | | | 0 |
| 66 | Changes in Regulatory Asset balances | - | | | | 0 |
| 67 | | - | | | | 0 |
| 68 | Other deductions: (Please explain in detail the nature of the item) | - | | | | 0 |
| 69 | | - | | | | 0 |
| 70 | | - | | | | 0 |
| 71 | | - | | | | 0 |
| 72 | | - | | | | 0 |
| 73 | Total Deductions on which true-up does not apply | = | 0 | 0 | | 0 |
| 74 | | | | | | |
| 75 | | | | | | |

| | A | B | C | D | E | F | G | H | I | J |
|----|---|------------|------------|---|---------|-----------------------|--------|---|--------|----------|
| 1 | PILs TAXES | | | | | | | | | |
| 2 | Corporate Tax Rates | | | | | Version 2009.1 | | | | |
| 3 | Exemptions, Deductions, or Thresholds | | | | | | | | | |
| 4 | Utility Name: London Hydro Inc. | | | | | | | | | |
| 5 | Reporting period: 2003 | | | | | | | | | |
| 6 | | | | | | | | | | |
| 7 | Table 1 | | | | | | | | | |
| 8 | Rates Used in 2002 RAM PILs Applications for 2002 | | | | | | | | | |
| 9 | Income Range | | 0 | | 200,001 | | | | | |
| 10 | RAM 2002 | | to | | to | | | | | >700000 |
| 11 | | Year | 200,000 | | 700,000 | | | | | |
| 12 | Income Tax Rate | | | | | | | | | |
| 13 | Proxy Tax Year | 2002 | | | | | | | | |
| 14 | Federal (includes surtax) | | 13.12% | | 26.12% | | 26.12% | | | |
| 15 | and Ontario blended | | 6.00% | | 6.00% | | 12.50% | | | |
| 16 | Blended rate | | 19.12% | | 34.12% | | 38.62% | | | |
| 17 | | | | | | | | | | |
| 18 | Capital Tax Rate | | 0.300% | | | | | | | |
| 19 | LCT rate | | 0.225% | | | | | | | |
| 20 | Surtax | | 1.12% | | | | | | | |
| 21 | Ontario Capital Tax Exemption ** | MAX \$5MM | 5,000,000 | | | | | | | |
| 22 | Federal Large Corporations Tax Exemption ** | MAX \$10MM | 10,000,000 | | | | | | | |
| 23 | **Exemption amounts must agree with the Board-approved 2002 RAM PILs filing | | | | | | | | | |
| 24 | | | | | | | | | | |
| 25 | Table 2 | | | | | | | | | |
| 26 | Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003 | | | | | | | | | |
| 27 | Income Range | | 0 | | 200,001 | | | | | |
| 28 | Expected Rates | | to | | to | | | | | >700000 |
| 29 | | Year | 200,000 | | 700,000 | | | | | |
| 30 | Income Tax Rate | | | | | | | | | |
| 31 | Current year | 2003 | | | | | | | | |
| 32 | Federal (includes surtax) | 2003 | 13.12% | | | | 24.12% | | | |
| 33 | Ontario | 2003 | 6.00% | | | | 12.50% | | | |
| 34 | Blended rate | 2003 | 19.12% | | 34.12% | | 36.62% | | | |
| 35 | | | | | | | | | | |
| 36 | Capital Tax Rate | 2003 | 0.300% | | | | | | | |
| 37 | LCT rate | 2003 | 0.225% | | | | | | | |
| 38 | Surtax | 2003 | 1.12% | | | | | | | |
| 39 | Ontario Capital Tax Exemption *** 2003 | MAX \$5MM | 5,000,000 | | | | | | | |
| 40 | Federal Large Corporations Tax Exemption *** 2003 | MAX \$10MM | 10,000,000 | | | | | | | |
| 41 | ***Allocation of exemptions must comply with the Board's instructions regarding regulated activities. | | | | | | | | | |
| 42 | | | | | | | | | | |
| 43 | Table 3 | | | | | | | | | |
| 44 | Input Information from Utility's Actual 2003 Tax Returns | | | | | | | | | |
| 45 | Income Range | | 0 | | 200,001 | | | | | |
| 46 | | | to | | to | | | | | >700,000 |
| 47 | | Year | 200,000 | | 700,000 | | | | | |
| 48 | Income Tax Rate | | | | | | | | | |
| 49 | Current year | 2003 | | | | | | | | |
| 50 | Federal (includes surtax) | | 13.12% | | 0.00% | | 24.12% | | 24.12% | 0.00% |
| 51 | Ontario | | 6.00% | | 0.00% | | 12.50% | | 12.50% | 0.00% |
| 52 | Blended rate | | 19.12% | | 0.00% | | 36.62% | | 36.62% | 0.00% |
| 53 | | | | | | | | | | |
| 54 | Capital Tax Rate | | 0.300% | | | | | | | |
| 55 | LCT rate | | 0.225% | | | | | | | |
| 56 | Surtax | | 1.12% | | | | | | | |
| 57 | Ontario Capital Tax Exemption * | MAX \$5MM | 4,686,438 | | | | | | | |
| 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; federal T2 Schedule 36 | | | | | | | | | |
| 60 | | | | | | | | | | |
| 61 | | | | | | | | | | |

| | 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: London Hydro Inc. | | | | | | | | | | | | | | Version 2009.1 |
| 4 | Reporting period: 2003 | | | | | | | | | | | | | | 0 |
| 5 | Sign Convention: + for increase; - for decrease | | | | | | | | | | | | | | |
| 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 | | 2,104,536 | | 2,742,460 | | 2,217,410 | | 8,864,743 | | 10,518,774 | | 0 |
| 12 | Board-approved PILs tax proxy from Decisions (1) | +/- | 2,092,231 | | 6,616,123 | | 8,708,354 | | 7,139,181 | | 1,654,031 | | 0 | | 26,209,920 |
| 13 | PILs proxy from April 1, 2005 - Input 9/12 of amount | | | | | | | | | | | | | | 0 |
| 14 | True-up Variance Adjustment Q4, 2001 (2) | +/- | | | 15,545 | | | | | | | | | | 15,545 |
| 15 | True-up Variance Adjustment (3) | +/- | | | | | -353,632 | | -203,990 | | | | -203,990 | | -761,612 |
| 16 | Deferral Account Variance Adjustment Q4, 2001 (4) | | | | | | | | | | | | | | 0 |
| 17 | Deferral Account Variance Adjustment (5) | +/- | | | | | | | -287,858 | | | | -287,858 | | -575,716 |
| 18 | Adjustments to reported prior years' variances (6) | +/- | | | | | | | | | | | | | 0 |
| 19 | Carrying charges (7) | +/- | 12,305 | | 222,441 | | 148,530 | | | | | | | | 383,276 |
| 20 | PILs billed to (collected from) customers (8) | - | 0 | | -6,216,185 | | -9,028,302 | | | | | | | | -15,244,487 |
| 21 | | | | | | | | | | | | | | | |
| 22 | Ending balance: # 1562 | | 2,104,536 | | 2,742,460 | | 2,217,410 | | 8,864,743 | | 10,518,774 | | 10,026,926 | | 10,026,926 |
| 23 | | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | | |
| 26 | Uncollected PILs | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | |
| 28 | NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. | | | | | | | | | | | | | | |
| 29 | For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003. | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | | |
| 31 | Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER: Method 2 | | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | | |
| 33 | (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. | | | | | | | | | | | | | | |
| 34 | Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. | | | | | | | | | | | | | | |
| 35 | If the Board gave more than one decision in the year, calculate a weighted average proxy. | | | | | | | | | | | | | | |
| 36 | (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13. | | | | | | | | | | | | | | |
| 37 | (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy. | | | | | | | | | | | | | | |
| 38 | (iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained. | | | | | | | | | | | | | | |
| 39 | (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. | | | | | | | | | | | | | | |
| 40 | (vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006. | | | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | | | | |
| 42 | (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 trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation. | | | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | | | | |
| 44 | | | | | | | | | | | | | | | |
| 45 | (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. | | | | | | | | | | | | | | |
| 46 | The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005. | | | | | | | | | | | | | | |
| 47 | | | | | | | | | | | | | | | |
| 48 | (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 trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation. | | | | | | | | | | | | | | |
| 49 | | | | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | | | |
| 51 | (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. | | | | | | | | | | | | | | |
| 52 | The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005. | | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | | | |
| 54 | (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. | | | | | | | | | | | | | | |
| 55 | | | | | | | | | | | | | | | |
| 56 | (7) Carrying charges are calculated on a simple interest basis. | | | | | | | | | | | | | | |
| 57 | | | | | | | | | | | | | | | |
| 58 | (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, 2001 and 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. | | | | | | | | | | | | | | |
| 59 | The 2005 PILs tax proxy is being recovered on a volumetric basis by class. | | | | | | | | | | | | | | |
| 60 | | | | | | | | | | | | | | | |
| 61 | (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; | | | | | | | | | | | | | | |
| 62 | plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components. | | | | | | | | | | | | | | |
| 63 | 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. | | | | | | | | | | | | | | |
| 64 | | | | | | | | | | | | | | | |
| 65 | 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. | | | | | | | | | | | | | | |
| 66 | | | | | | | | | | | | | | | |
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| 73 | | | | | | | | | | | | | | | |
| 74 | (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. | | | | | | | | | | | | | | |
| 75 | | | | | | | | | | | | | | | |
| 76 | | | | | | | | | | | | | | | |
| 77 | | | | | | | | | | | | | | | |