

ATTACHMENT AD

2004 REVISED SIMPIL MODEL HALTON HILLS VERSION

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: London Hydro Inc.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2004	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
31	Rate Base (wires-only)			174,041,606	
33	Common Equity Ratio (CER)			45.00%	
35	1-CER			55.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.00%	
41	Market Adjusted Revenue Requirement			14,438,492	
43	1999 return from RUD Sheet #7			5,928,118	5,928,118
45	Total Incremental revenue			8,510,374	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			2,836,791	2,836,791
48	Amount allowed in 2002			2,836,791	2,836,791
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				11,601,700
56	Equity			78,318,723	
58	Return at target ROE			7,737,890	
60	Debt			95,722,883	
62	Deemed interest amount in 100% of MARR			6,700,602	
64	Phase-in of interest - Year 1 (2001)			4,067,611	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			5,384,106	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			5,384,106	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			6,700,602	
71					
72					

A	B	C	D	E	F	G	H	
1	ITEM	Initial		M of F	M of F	Tax		
2		Estimate		Filing	Filing	Returns		
3	TAX CALCULATIONS (TAXCALC)			Variance	Variance			
4	("Wirms-only" business - see Tab TAXREC)			K-C	Explanation			
5	0					Version 2009.1		
6	Utility Name: London Hydro Inc.							
7	Reporting period: 2004							
8								
9	Days in reporting period:	366	days			Column		
10	Total days in the calendar year:	366	days			Brought		
11						From		
12		\$		\$		TAXREC		
13						\$		
14	II CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income - REGINFO E53	1	11,601,700	5,109,300		16,711,000		
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	10,887,477	1,890,523		12,578,000		
21	Employee Benefit Plans - Accrued, Not Paid	3		0		0		
22	Tax reserves - beginning of year	4	1,720,831	-1,720,831		0		
23	Reserves from financial statements - end of year	4		0		0		
24	Regulatory Adjustments - increase in income	5	359,294	-359,294		0		
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6		0		0		
27	Other Additions (not "Material") "TAXREC"	6		25,600		25,600		
28	"Material" Items from "TAXREC 2" worksheet	6		0		0		
29	Other Additions (not "Material") "TAXREC 2"	6		0		0		
30	Items on which true-up does not apply "TAXREC 3"			2,858,705		2,858,705		
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	7,980,951	4,333,338		12,314,289		
34	Employee Benefit Plans - Paid Amounts	8		0		0		
35	Items Capitalized for Regulatory Purposes	9	0	0		0		
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0	0		0		
37	Interest Expense Doomed/ Incurred	11	5,384,106	-911,106		4,473,000		
38	Tax reserves - end of year	4	1,806,831	-1,806,831		0		
39	Reserves from financial statements - beginning of year	4		0		0		
40	Contributions to deferred income plans	3		0		0		
41	Contributions to pension plans	3		0		0		
42	Interest capitalized for accounting but deducted for tax	11		0		0		
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12		0		0		
45	Other Deductions (not "Material") "TAXREC"	12		19,013		19,013		
46	Material Items from "TAXREC 2" worksheet	12		0		0		
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0		
48	Items on which true-up does not apply "TAXREC 3"			6,498,000		6,498,000		
49								
50	TAXABLE INCOME/ (LOSS)		9,197,414	(328,411)		8,869,003		
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.62%	-2.5000%		36.12%		
54								
55	REGULATORY INCOME TAX		3,552,041	-357,804		Actual 3,194,237		
56								
57								
58	Miscellaneous Tax Credits	14		111,098		Actual 111,098		
59								
60	Total Regulatory Income Tax		3,552,041	-468,802		Actual 3,083,139		
61								
62								
63	III CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	174,041,606	49,027,394		223,069,000		
67	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	0		5,000,000		
68	Taxable Capital		169,041,606	49,027,394		218,069,000		
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%		
71								
72	Ontario Capital Tax		507,125	147,082		654,207		
73								
74	Federal Large Corporations Tax							
75	Base	18	174,041,606	28,284,394		202,326,000		
76	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	40,000,000		50,000,000		
77	Taxable Capital		164,041,606	68,284,394		152,326,000		
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	-0.0250%		0.2000%		
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		369,094	-64,442		304,652		
82	Less: Federal Surtax - 1.12% x Taxable Income	21	103,011	-3,678		99,333		
83								
84	Net LCT		266,083	-60,763		205,319		
85								
86	III INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross-up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	5,683,266			Actual 2004 3,083,139		
91	LCT (proxy tax is grossed-up)	23	425,732			Actual 2004 205,806		
92	Ontario Capital Tax (no gross-up since it is deductible)	24	507,125			Actual 2004 654,207		
93								
94								
95	Total PILs for Rate Adjustment - MUST AGREE WITH 2002	25	6,616,123			Actual 2004 3,942,952		
96	RAM DECISION							
97								
98								
99	IV FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance							
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3		0		0		
103	Tax reserves deducted in prior year	4		-1,720,831		0		
104	Reserves from financial statements-end of year	4		0		0		
105	Regulatory Adjustments	5		-359,294		0		
106	Other additions - "Material" Items TAXREC	6		0		0		
107	Other additions - "Material" Items TAXREC 2	6		0		0		
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8		0		0		
110	Items Capitalized for Regulatory Purposes	9		0		0		
111	Regulatory Adjustments	10		0		0		
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		0		0		
113	Tax reserves claimed in current year	4		-1,806,831		0		
114	Reserves from F/S beginning of year	4		0		0		
115	Contributions to deferred income plans	3		0		0		
116	Contributions to pension plans	3		0		0		
117	Other deductions - "Material" Items TAXREC	12		0		0		
118	Other deductions - "Material" Item TAXREC 2	12		0		0		
119								
120	Total TRUE-UPS before tax effect	26		-273,294				
121								
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x 36.12%				
123								

A	B	C	D	E	F	G	H
1 PILS TAXES	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS							
3 TAX CALCULATIONS (TAXCALC)							
4 ("Wires-only" business - see Tab TAXREC)							
5	0					Version 2009.1	
6 Utility Name: London Hydro Inc.							
7 Reporting period: 2004							
8						Column Brought From TAXREC	
9 Days in reporting period:	366	days					
10 Total days in the calendar year:	366	days					
11							
12		\$		\$		\$	
13							
124 Income Tax Effect on True-up adjustments			=	-98,714			
125							
126 Less: Miscellaneous Tax Credits	14			111,098			
127							
128 Total Income Tax on True-ups				-209,812			
129							
130 Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131							
132 TRUE-UP VARIANCE ADJUSTMENT				(322,787)			
133							
134 IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135							
136 REGULATORY TAXABLE INCOME (LOSSES) (as reported in the initial estimate column)			=	9,197,414			
137							
138 REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139							
140 REVISED REGULATORY INCOME TAX			=	3,322,106			
141							
142 Less: Revised Miscellaneous Tax Credits			-	111,098			
143							
144 Total Revised Regulatory Income Tax			=	3,211,008			
145							
146 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	3,552,041			
147							
148 Regulatory Income Tax Variance			=	(341,033)			
149							
150 Ontario Capital Tax							
151 Base			=	174,041,606			
152 Less: Exemption from lab Tax Rates, Table 2, cell C39			-	5,000,000			
153 Revised deemed taxable capital			=	169,041,606			
154							
155 Rate - Tab Tax Rates cell C54			x	0.3000%			
156							
157 Revised Ontario Capital Tax			=	507,125			
158 Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	507,125			
159 Regulatory Ontario Capital Tax Variance			=	0			
160							
161 Federal LCT							
162 Base			=	174,041,606			
163 Less: Exemption from lab Tax Rates, Table 2, cell C40			-	50,000,000			
164 Revised Federal LCT			=	124,041,606			
165							
166 Rate (as a result of legislative changes) lab Tax Rates cell C51			=	0.2000%			
167							
168 Gross Amount			=	248,083			
169 Less: Federal surtax			-	103,011			
170 Revised Net LCT			=	145,072			
171							
172 Less: Federal LCT reported in the initial estimate column (Cell C82)			-	266,083			
173 Regulatory Federal LCT Variance			=	(121,010)			
174							
175 Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176							
177 Income Tax (grossed-up)			+	(524,667)			
178 LCT (grossed-up)			+	(186,170)			
179 Ontario Capital Tax			+	0			
180							
181 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(710,837)			
182							
183 TRUE-UP VARIANCE (from cell I132)			+	(322,787)			
184							
185 Total Deferral Account Entry (Positive Entry = Debit)			=	(1,033,624)			
186 (Deferral Account Variance + True-up Variance)							
187							
188							
189							
190 V) INTEREST PORTION OF TRUE-UP							
191 Variance Caused By Phase-In of Deemed Debt							
192							
193 Total deemed interest (REGINFO)				6,700,602			
194 Interest phased-in (Cell C36)				5,384,106			
195							
196 Variance due to phase-in of debt component of MARR in rates according to the Board's decision				1,316,496			
197							
198							
199 Other Interest Variances (i.e. Borrowing Levels)							
200 Above Deemed Debt per Rate Handbook							
201 Interest deducted on MoF filing (Cell K36+K41)				4,473,000			
202 Actual Interest Paid							
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							
210							
211							

	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	
6	Section A: Identification:					
7	Utility Name: London Hydro Inc.					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	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				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	0			0
32	Distribution Revenue	+	40,015,000			40,015,000
33	Other Income	+	4,399,000	0		4,399,000
34	Miscellaneous Income	+	3,895,000			3,895,000
35	Recovery of Regulatory Amounts	+	6,498,000			6,498,000
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	0			0
40	Administration	-	17,033,000	0		17,033,000
41	Customer billing and collecting	-				0
42	Operations and maintenance	-	8,485,000			8,485,000
43	Amortization	-	12,578,000	0		12,578,000
44	Ontario Capital Tax	-	0			0
45	Recovery of regulatory assets - expense	-	0			0
46		-				0
47		-				0
48		-				0
49						
50	Net Income Before Interest & Income Taxes EBIT	=	16,711,000	0		16,711,000
51	Less: Interest expense for accounting purposes	-	4,473,000			4,473,000
52	Provision for payments in lieu of income taxes	-	4,130,000			4,130,000
53	Net Income (loss)	=	8,108,000	0		8,108,000
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	+	4,130,000	0		4,130,000
60	Federal large corporation tax	+	0			0
61	Depreciation & Amortization	+	12,578,000	0		12,578,000
62	Employee benefit plans-accrued, not paid	+	0	0		0
63	Tax reserves - beginning of year	+	0	0		0
64	Reserves from financial statements- end of year	+	0	0		0
65	Regulatory adjustments on which true-up may apply (see A66)	+				0
66	Items on which true-up does not apply "TAXREC 3"		2,858,705	0		2,858,705
67	Material addition items from TAXREC 2	+	0	0		0
68	Other addition items (not Material) from TAXREC 2	+	0	0		0
69						
70	Subtotal		19,566,705	0		19,566,705
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+				0
74	Non-deductible meals and entertainment expense	+	25,600			25,600
75	Capital items expensed	+				0
76		+	0			0
77		+				0
78		+				0
79		+				0
80	Total Other Additions	=	25,600	0		25,600
81						
82	Total Additions	=	19,592,305	0		19,592,305
83						
84	Recap Material Additions:					
85			0	0		0

	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)		25,600	0	25,600	
94	Total Other Additions		25,600	0	25,600	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	12,314,289		12,314,289	
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"		6,498,000	0	6,498,000	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	18,812,289	0	18,812,289	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-	19,013		19,013	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	19,013	0	19,013	
121						
122	Total Deductions	=	18,831,302	0	18,831,302	
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		19,013	0	19,013	
132	Total Other Deductions		19,013	0	19,013	
133						
134	TAXABLE INCOME	=	8,869,003	0	8,869,003	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	8,869,003	0	8,869,003	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	1,956,161	0	1,956,161	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,238,076	0	1,238,076	
144	Subtotal	=	3,194,237	0	3,194,237	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	111,098		111,098	
146	Total Income Tax	=	3,083,139	0	3,083,139	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	3,083,139	0	3,083,139	
157	Ontario Capital Tax	+	654,207		654,207	
158	Federal Large Corporations Tax	+	205,606		205,606	
159						
160	Total income and capital taxes	=	3,942,952	0	3,942,952	
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: 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	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: 2004					
10	Number of days in taxation year:		366			
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	Other Additions: (please explain in detail the nature of the item)	+				0
41		+				0
42		+				0
43		+				0
44		+				0
45		+				0
46	Total Additions	=	0	0		0
47						
48	Recap of Material Additions:					
49			0	0		0
50			0	0		0
51			0	0		0
52			0	0		0
53			0	0		0
54			0	0		0
55			0	0		0
56			0	0		0
57			0	0		0
58			0	0		0
59			0	0		0
60			0	0		0
61			0	0		0
62			0	0		0
63			0	0		0
64			0	0		0
65			0	0		0
66			0	0		0
67			0	0		0
68			0	0		0
69			0	0		0
70			0	0		0
71			0	0		0
72			0	0		0
73			0	0		0
74			0	0		0
75			0	0		0

	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: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		195,797			
12						
13						
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	0		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		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	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: 2004					
12	Number of days in taxation year:		366			
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	0		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	+	25,600			25,600
33	Non-deductible club dues	+	4,605			4,605
34	Non-deductible automobile costs	+				0
35	Donations - amount per books		0			0
36	Interest and penalties on unpaid taxes		1,700			1,700
37	Management bonuses unpaid after 180 days of year end					0
38	Ontario capital tax adjustments					0
39		+				0
40	Changes in Regulatory Asset balances	+	2,752,800			2,752,800
41	Imputed interest expense on Regulatory Assets	+				0
42		+				0
43	Other Additions: (please explain in detail the nature of the item)	+				0
44	Non-deductible company pension plans	+	74,000			74,000
45		+				0
46		+				0
47	Total Additions on which true-up does not apply	=	2,858,705	0		2,858,705
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			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			0
58	Income from joint ventures or partnerships	-				0
59		-				0
60	Ontario capital tax adjustments to current or prior year	-	0			0
61		-				0
62	Changes in Regulatory Asset balances	-	6,498,000			6,498,000
63		-				0
64	Assessment Notice	-	0			0
65		-				0
66		-				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	=	6,498,000	0		6,498,000
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: 2004									
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					
11		Year	200,000		700,000				>700000	
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 2004 and Capital Tax Exemptions for 2004									
27	Income Range		0		250,001		400,001			
28	Expected Rates		to		to		to			
29		Year	250,000		400,000		1,128,000		>1,128,000	
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)	2004	13.12%		22.12%		22.12%		22.12%	
33	Ontario	2004	5.50%		5.50%		9.75%		14.00%	
34	Blended rate	2004	18.62%		27.62%		31.87%		36.12%	
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
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 2004 Tax Returns									
45	Income Range		0		250,001		400,001			
46			to		to		to			
47		Year	250,000		400,000		1,128,000		>1,128,000	
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%		22.12%		22.29%		22.12%	22.12%
51	Ontario		5.50%		5.50%		13.77%		14.00%	0.00%
52	Blended rate		18.62%		27.62%		36.06%		36.12%	0.00%
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
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: 2004														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		2,293,976		7,153,404		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		1,413,007		27,622,927
13	PILs proxy from April 1, 2005 - Input 9/12 of amount										4,239,022				4,239,022
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			15,545										15,545
15	True-up Variance Adjustment (3)	+/-					-353,632		-203,990		-322,787		0		-880,409
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-							-287,858		-710,837		0		-998,695
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	12,305		222,441		148,530		121,283						504,559
20	PILs billed to (collected from) customers (8)		0		-6,216,185		-9,028,302		-6,692,050						-21,936,537
21															
22	Ending balance: # 1562		2,104,536		2,742,460		2,217,410		2,293,976		7,153,404		8,566,412		8,566,412
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															
62															
63	(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;														
64	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
65															
66	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.														
67															
68															
69															
70	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.														
71															
72															
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															