### **Missing Information**

HH1. The 2001 SIMPIL filing to the Board, containing the 2001 tax return numbers, has not been provided. Please provide the missing documents.

Halton Hills Hydro Inc. ("HHHI") has included the 2001 SIMPIL updated with the 2001 tax return numbers in the electronic file folder titled HH2.

### **SIMPIL Excel Models**

HH2. Halton Hills has relied on Excel worksheets to create some of the information in the Deferred PILs account 1562 continuity schedule. Please provide the "live" unlocked Excel worksheets for each tax year 2001 through 2005.

HHHI has provided the "live" unlocked worksheets for each tax year 2001 through 2005 in the electronic file folder titled HH2.

### **Income Tax Rates**

HH3. Please confirm that the maximum and minimum tax rates shown in the table below are correct for the years shown. The gross-up rate does not include the surtax rate of 1.12% because the surtax can be offset against the Large Corporation Tax.

	Maximum Income Tax Rates in Percentages											
	2001 4 <sup>th</sup> Quarter	2002	2003	2004	2005	2006						
Federal	27.00	25.00	23.00	21.00	21.00	21.00						
Federal Surtax	1.12	1.12	1.12	1.12	1.12	1.12						
Ontario	12.50	12.50	12.50	14.00	14.00	14.00						
Combined Rate	40.62	38.62	36.62	36.12	36.12	36.12						
Gross-up Rate	39.50	37.50	35.50	35.00	35.00	35.00						

	Minimum Income Tax Rates in Percentages											
	2001 4 <sup>th</sup> Quarter	2002	2003	2004	2005	2006						
Federal	12.00	12.00	12.00	12.00	12.00	12.00						
Federal Surtax	1.12	1.12	1.12	1.12	1.12	1.12						
Ontario	6.00	6.00	5.5.0	5.50	5.50	5.50						
Combined Rate	19.12	19.12	18.62	18.62	18.62	18.62						
Gross-up Rate	18.00	18.00	17.50	17.50	17.50	17.50						

HHHI confirms that the maximum and minimum tax rates shown in the tables above are correct for the years shown.

### **2002 SIMPIL**

HH4. Please confirm that there is no adjustment for changes in regulatory assets in the 2002 SIMPIL reconciliation. Please explain the assumptions that Halton Hills made for its 2002 tax returns that resulted in no addition or deduction for regulatory assets.

HHHI confirms that there is no adjustment for changes in regulatory assets in the 2002 SIMPIL reconciliation. No addition or deduction of regulatory assets was made in the 2002 tax return as HHHI believed the regulatory assets would be collectible through future rate increases.

HH5. Halton Hills deducted a non-capital loss carry-forward of \$903,659 in its 2002 tax return and on TAXREC E133. What caused this loss in 2001? Does Halton Hills have an opinion regarding who owns the loss carry-forward – shareholder or ratepayers?

The 2001 loss resulted primarily from the excess of power costs over cost of power revenue in the 2001 stub period. HHHI does not have an opinion regarding who owns the loss carry-forward.

### **2003 SIMPIL**

HH6. In TAXCALC, cells I122 and I130 show an income tax rate of 37.50%. Please confirm that the correct income tax rate for Halton Hills in 2003 in this part of the model should be 35.50%.

HHHI confirms that the correct income tax rate in 2003 should be 35.50%

HH7. Please confirm that the true-up variance will change when the correct rate is used, and please update the SIMPIL model.

HHHI confirms that the true-up variance will change when the correct rate is used. The SIMPIL model has been updated and can be found in the electronic file folder titled 2003 SIMPIL – HH 6-13and the hardcopy is located in Appendix A.

HH8. In TAXCALC, cell I138 shows an income tax rate of 38.62%. Please confirm that the correct income tax rate for Halton Hills in 2003 should be 36.62%.

HHHI confirms that the correct rate to use in this cell is 36.62%.

HH9. Please confirm that an income tax true-up will result when the correct rate is used, and please update the SIMPIL model.

HHHI confirms that the true-up variance will change when the correct rate is used. The SIMPIL model has been updated and can be found in the electronic file folder titled 2003 SIMPIL – HH 6-13and the hardcopy is located in Appendix A.

HH10. In TAXCALC, cell I175 shows a rate of 37.50% for the gross-up calculation. Please confirm that the correct rate in 2003 for the gross-up calculation should be 35.50%.

HHHI confirms that the correct rate for the gross-up calculation in 2003 should be 35.50%. The SIMPIL model has been updated and can be found in the electronic file folder titled 2003 SIMPIL – HH 6-13and the hardcopy is located in Appendix A.

HH11. An excess interest true-up of -\$313,431 appears in the reconciliation in cell l112. Does Halton Hills agree that the true-up claw-back is valid?

HHHI does not agree with the true-up claw-back concept. In addition, HHHI also believes that deposit interest should be excluded from the claw-back calculation.

HH12. Please confirm that there is no adjustment for changes in regulatory assets in the 2003 SIMPIL reconciliation. Please explain the assumptions that Halton Hills made for its 2003 tax returns that resulted in no addition or deduction for regulatory assets.

HHHI confirms that there is no adjustment for changes in regulatory assets in the 2003 SIMPIL reconciliation. No addition or deduction of regulatory assets was made in the 2003 tax return as HHHI believed the regulatory assets would be collectible through future rate increases.

HH13. Please update the SIMPIL model to reflect the changes and provide the revised live unlocked Excel model.

HHHI has updated the SIMPIL model to reflect the changes and has provided the revised "live" unlocked model in the electronic file folder titled 2003 SIMPIL – HH 6-13and the hardcopy is located in Appendix A.

### **2004 SIMPIL**

HH14. In TAXCALC, cell I120 shows an income tax rate of 35.0%, and in cell I128 the income tax rate is 30.75%. Please confirm what the correct income tax rate for Halton Hills in 2004 should be.

HHHI confirms that the correct income tax rate for 2004 should be 35.0%.

HH15. In TAXCALC, cell I136 shows an income tax rate of 31.87%, and in cell I173 the income tax rate is 35.0%. Please confirm what the correct income tax rates for Halton Hills in 2004 in these parts of the model should be.

HHHI confirms that 36.12% should be the rate in cell I135 and 35.0% should be the rate in cell I173.

HH16. In TAXCALC cell I105 the number includes an addition of a donation of \$325,000. However, there is no corresponding deduction for a donation of \$325,000. In TAXREC cell E136 there is a deduction for \$325,000 that was not carried forward to TAXCALC. Please confirm that this was an error and that the true-up should be recalculated.

HHHI agrees that the true-up should be recalculated. Donations were included in TAXREC cell C136, however the amounts were not carried forward to TAXCALC. TAXREC 2 has been amended to include the donation amount in cell C112.

HH17. The LCT proxy in TAXCALC cell C89 is \$37,919. The threshold was increased to \$50 million and Halton Hills was no longer subject to LCT. Please confirm that the true-up amount in cell I176 should be -\$37,919.

HHHI agrees that, as a result of the threshold increase, LCT is no longer applicable. The true-up amount in cell I176 should be (\$37,919).

HH18. In the 2004 federal T2 return, Schedule 1, line 391, there is a deduction for \$441,387 related to regulatory asset amortization included in tangible asset amortization. Please explain why this deduction was made.

The deduction for regulatory asset amortization in the amount of \$441,387 was made to offset the regulatory asset funds collected through distribution rates. Instead of netting the recovery of regulatory assets against service revenue on the financial statements, the recoveries are presented separately. Therefore, a Schedule 1 adjustment is required to properly exclude the recovery of regulatory assets from net income.

HH19. Please explain how Halton Hills reflected this deduction of \$441,387 in #20 above in the 2004 SIMPIL model.

The \$441,387 deduction was included in the other expense line in cell C46 of TAXREC, but could have also been included in cell C32 as an offset to distribution revenue.

HH20. An excess interest true-up of -\$262,773 appears in the TAXCALC reconciliation in cell I110. Does Halton Hills agree that the true-up claw-back is valid?

HHHI does not agree with the true-up claw-back concept. In addition, HHHI also believes that deposit interest should be excluded from the claw-back calculation.

HH21. Please update the SIMPIL model to reflect the changes and provide the revised live unlocked Excel model.

HHHI has updated the SIMPIL model to reflect the changes and has provided the revised "live" unlocked model in the electronic file titled 2004 SIMPIL – HH14-21 and a hardcopy is located in Appendix B.

### **2005 SIMPIL**

HH22. On TAXREC cell E49, please confirm that the change in regulatory assets is an expense amount (deduction) of \$1,004,331.

HHHI denies that the \$1,004,331 is an expense amount resulting from the change in regulatory assets. The \$1,004,331 represents the approved regulatory asset funds recovered through distribution rates for the year and should be offset against the recoveries included in service revenue. Regulatory assets attained during 2005 are included on the balance sheet and outlined in Note 7 to the financial statements that they will be recovered through future rate increases. As such, the change in regulatory assets has been included as an asset on the balance sheet.

HH23. Was the amount of \$1,004,331 used in the true-up reconciliation in TAXCALC?

Please explain Halton Hills' choice of SIMPIL tax treatment for regulatory assets.

HHHI maintains that the \$1,004,331 should not be applied as a true-up reconciling item on TAXCALC. These funds are simply the approved amounts recovered through rates for regulatory assets during the year. The recoveries were included in TAXREC cell C32 distribution revenue and offset with an equivalent amount to remove the effect of the recovery of regulatory assets.

HH24. Charitable donations of \$325,000 were added back to income in TAXREC and TAXREC2 and TAXCALC. However, the deduction of \$325,000 which appears on TAXREC cell E141 was not brought forward to TAXCALC and has resulted in higher true-up amount. Please confirm that there should be a deduction of \$325,000 in the reconciliation. Please calculate the change in the true-up amount.

HHHI agrees that the true-up should be recalculated. Donations were included in TAXREC cell C141, however the amounts were not carried forward to TAXCALC. TAXREC 2 has been amended to include the donation amount in cell C115. The charitable donation amount is now appropriately brought forward to TAXCALC I48.

HH25. An excess interest true-up of -\$280,664 appears in the reconciliation. Does Halton Hills agree that the true-up claw-back is valid?

HHHI does not agree with the true-up claw-back concept. In addition, HHHI also believes that deposit interest should be excluded from the claw-back calculation.

HH26. Please update the SIMPIL model to reflect the changes and provide the revised live unlocked Excel model.

HHHI has updated the SIMPIL model to reflect the changes and has provided the revised "live" unlocked model in the electronic file folder 2005 SIMPIL – HH22-26 and a hardcopy is located in Appendix C.

### PILs Taxes Paid to the Ministry of Finance and/or OEFC from 2001 through 2008

HH27. Please provide a table that compares the PILs tax proxy amount used in the continuity schedule before gross-up, and after gross-up, that were included in rates with the amount paid to the Ministry of Finance or the OEFC for each tax year 2001 through 2008. Please calculate the differences in each year. Please total each column and cross-add the table to show the totals for the period 2001 through 2008. Notices of Reassessment should be incorporated into the year affected by the reassessments.

The purpose of this table is to demonstrate the impact of the regulatory asset treatment in the tax returns and in rates for the periods where costs were incurred through the four-year collection period ending in 2008.

Halton Hills has prepared the requested schedule. Please refer to Appendix D.

### **PILs Continuity Schedule**

### **Board-approved PILs Tax Proxy or Allowance**

HH28. Please provide the calculations to show how Halton Hills determined the Board-approved proxy amount for each year 2001 through 2006.

Please refer to Appendix E for the calculations.

HH29. Please provide the Board decisions that support the proxy amounts for each year.

Please refer to Appendix F for the Board Decisions, 2002-2005.

HH30. If the proxy amount used in the continuity schedule does not appear in the Board decision, please provide the PILs, RUD and/ or RAM models that generated the rate schedules which Halton Hills implemented.

The proxy amount used in the continuity schedule appears in the Board Decision.

### Fourth Quarter 2001 PILs Proxy Tax Allowance

HH31. Did Halton Hills include the 2001 proxy in the Board-approved proxy amount for each period through March 31, 2004?

HHHI confirms that the 2001 proxy was included for each period through March 31, 2004.

HH32. Did Halton Hills true-up the fourth quarter 2001 proxy in 2003 and in 2004? If not, does Halton Hills think there should be a true-up beyond 2002? Please explain.

HHHI has not trued-up the fourth quarter 2001 proxy in 2003 and 2004. HHHI does not believe that there should be a true-up beyond 2002. Approved rates were frozen during this period, which included the 2001 PILs proxy amount. The approved rates, as billed, therefore resulted in the appropriate amounts collected during this period.

The following table summarizes the reconciling items provided in the 1562 PILs Continuity table in the evidence.

2001 2002	2003	2004	2005	2006
-----------	------	------	------	------

	2001	2002	2003	2004	2005	2006
True-up		3,472	-149,011	-322,403	-22,843	51,331
Variance		3,472	-149,011	-322,403	-22,043	31,331
Deferral						
Account		43,705	0	0	-130,756	-47,812
Variance						
Adjustments						
to reported			90,863	141,372		
prior years'			90,003	141,372		
Variances						
Carrying		2 962	4 150	-4,242	11,951	-1,553
Charges		2,863	4,159	-4,242	11,951	-2,753

### Adjustments to Reported Prior Years' Variances shown in the table above

# HH33. Please provide the source documents and calculations that show how the amounts were calculated for adjustments to reported prior years' variances.

The intent of the adjustments to reported prior years' variances is to net out the effects of not reversing the prior years unbilled amounts included in the calculation of PILs collected from customers during the subsequent year.

2002 year-end unbilled amounts not reversed from 2003	238,889
2003 year-end unbilled amounts not included in 2003 2004 year-end unbilled amounts not reversed from 2004	(113,198) 105,713
Total year-end unbilled amounts to adjust Total net carrying charges applied	231,404
Total adjustments to prior year's variances	232,235

As part of this proceeding, HHHI has uncovered a formula difference in the calculation of the 2002 year-end unbilled amounts. As detailed in Interrogatory Response HH44, the 2002 unbilled calculation should be \$114,912.

This formula difference will be taken into account in determining the final account balance for settlement, Interrogatory Response HH45.

Unbilled calculations are detailed in Interrogatory Response HH44.

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

The prior year variance reported in the revised PILS continuity schedule recommended for disposition as per Interrogatory Question HH45 represents an adjustment to the 2002 True-up variance. This adjustment arises from a Schedule 1 adjustment relating to non-taxable load transfers from the non-taxable period. As such, this adjustment should be excluded from the true-up calculation, as follows:

 $170,052 \times 37.5\% / (1 - 37.5\%) = 102,031.$ 

### Four-month Period January 1 to April 30, 2006

HH34. Did Halton Hills calculate any true-up or deferral account variance adjustments for this four month period which ended the PILs regime that started under PBRI? If not, please explain why.

HHHI did not calculate any true-up or deferral account variance adjustments for the January 1 to April 30, 2006 period. HHHI did not contemplate that these adjustments should be made for the period.

### Tax Returns, Notices of Assessment, Notices of Reassessment

HH35. Did Halton Hills file amended tax returns for any years from 2001 through 2006?

HHHI did file amended returns for periods from 2002 through 2006. As well, Ministry audits further amended the 2002 through 2004 tax filings.

HH36. Did Halton Hills use the final tax returns, Notices of Assessment and Notices of Reassessment for each year in determining the balances in the continuity schedule? If not, how were the changes caused by assessments or reassessments reflected in this continuity schedule?

HHHI has applied the initial tax returns for each period, respectively, in determining the balances in the continuity schedules. Changes caused by assessments or reassessments were not reflected in the initial continuity schedule.

The revised continuity schedule presented for final disposition as per Interrogatory Response HH45 has taken into account the final tax returns, Notices of Assessment and Notices of Reassessment for each year. Appendix I includes the revised PILs spreadsheets for 2002-2005.

### **Carrying Charges**

### HH37. Please describe how Halton Hills determined the carrying charges.

HHHI has determined carrying charges based on the average of opening and closing account balances on a quarterly basis, excluding any accrued interest. The approved debt rate of 7.25% was applied to the principal balance, except where prescribed interest rates were introduced subsequent to quarter 1 of 2006. From quarter 2 of 2006, interest is applied at the prescribed rate in effect during the quarter.

For the revision of the account balance for disposition in Interrogatory Response HH45, carrying charges have been recalculated on the average of opening and closing account balances on an annual basis, excluding any accrued interest.

### HH38. Has Halton Hills used the Board's prescribed interest rate methodology?

HHHI has used the Board's prescribed interest rate methodology.

HH39. Recalculation of the balances in the continuity schedule is required because of the updates of the SIMPIL models. How will Halton Hills calculate the change in the carrying charges? For example, by month or an annual average?

HHHI would suggest calculating carrying charges on an annual average for purposes of expediency. HHHI believes the effect of using an annual average, rather than a monthly or quarterly average, has an immaterial impact on the carrying charge calculation.

### **Amount Billed to or Collected from Customers**

HH40. Please describe how Halton Hills calculated the amount shown for each year as PILs collected from customers.

HHHI determined the amounts of PILs collected from customers by:

- i) Calculating the proportion of monthly service charge and variable rates which related to PILs:
- ii) Multiplying the total monthly service charge and variable funds collected by the percentage determined in i).

# HH41. Did Halton Hills use the amount billed to customers to represent recoveries from customers? If not, how were the recoveries computed?

HHHI used the amounts billed to represent recoveries from customers.

# HH42. For each year please provide a calculation of recoveries using annual statistics for customer counts, kWhs and kWs to test the accuracy of the amount shown on the schedule.

HHHI has recalculated the PILs recoveries using annual statistics for customer counts, kWhs and kWs. These statistics include unbilled amounts in each period.

Per Appendix G, recoveries using this methodology amount to \$4,267,059, compared to \$4,119,558 calculated using the method described in Interrogatory Response HH40.

HHHI has used the annual statistics method to recalculate the final account balance for disposition.

# HH43. Please describe how Halton Hills extracted the PILs amounts from unbilled revenue during the period 2001 through December 31, 2006.

HHHI extracted unbilled PILs amounts on an annual basis at year-end. The unbilled monthly service charge and variable amounts determined at year-end were multiplied by the PILs proportion of rates, using the methodology described in Interrogatory Response HH40.

### HH44. Please provide the calculations of the PILs determined to be part of unbilled revenue.

HHHI has provided the unbilled PILs calculations per Appendix H.

### **Final Account Balance for Disposition**

# HH45. What are the principal and interest carrying charge amounts that Halton Hills requests the Board to approve for collection from, or repayment to, customers?

HHHI has revised the 1562 PILs continuity (as shown in Appendix I) based on revisions arising from this proceeding and is recommending the following final account balance for disposition:

Principal amounts to be recovered \$78,373 Carrying charges to be recovered \$29,341

Total amounts to be recovered \$107,714

### HH46. As of which date(s) were these amounts determined?

These amounts have been determined as of December 31, 2008.

HH47. Should interest carrying charges be forecast to a future date of disposition? If so, what date?

HHHI believes that interest carrying charges should be forecasted to the date of eventual disposal of the account.

HH48. Over what time period does Halton Hills expect to recover or to repay the balance?

HHHI believe that thresholds should be set from three to five years to recover or repay the balance, on a case-by-case basis by LDC.

HH49. What billing determinants does Halton Hills suggest be used to clear the amount?

HHHI suggests that projected kWh and kW by class be implemented as the billing determinants to clear the outstanding amounts.

HH50. Should the disposition of account 1562 be declared final in this proceeding, or should it be open to future tax reassessments for the period 2001 to 2005 (as per 2006 EDR Handbook)?

HHHI believes that the disposition of account 1562 should be declared final in this proceeding. Any adjustments that would have otherwise been attributed to this account should be allocated to OEB account 1592.

### Compliance with Guidance in Accounting Procedures Handbook (APH)

HH51. Has Halton Hills followed the guidance stated in the Board's April 2003 FAQ throughout the life of account 1562? If no, please explain.

HHHI has made best efforts to follow the guidance stated in the Board's April 2003 FAQ throughout the life of account 1562.

HH52. Has Halton Hills changed accounting methods outlined in the Board's April 2003 FAQ at any time during life of account 1562? If yes, please explain.

HHHI has not changed the accounting methods as outlined in the Board's April 2003 FAQ at any time during the life of account 1562.

HH53. How would Halton Hills suggest clearing the PILs contra account 1563, in conjunction with clearing the 1562 PILs control account?

HHHI suggests that the PILs contra account 1563 be cleared in conjunction with 1562. In the same manner in which the contra account was created, it should be cleared (ie. as per the Board's April 2003 FAQ).

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

# Appendix A

Revised, unlocked 2003 SIMPIL

**SECTION 93 PILs TAX GROSS-UP** "SIMPIL" **Version XX.xx REGULATORY INFORMATION (REGINFO)** Utility Name: HALTON HILLS HYDRO INC. Reporting period: DECEMBER 31, 2003 Days in reporting period: 365 days Total days in the calendar year: days **BACKGROUND** Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)? Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs? Y/N Is the utility a non-profit corporation? Y/N Ν (If the utility is a non-profit corporation, please contact the Rates Manager at OEB) Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate Y/N Ν group? Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet. Accounting Year End Date 31-Dec MARR NO TAX CALCULATIONS SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS) **USE BOARD-APPROVED AMOUNTS** Rate base (wires-only) 25,052,968 Common Equity Ratio (CER) 50.00% 1-CER 50.00%

Target Return On Equity	9.88%
Debt rate	7.25%
Market Adjusted Revenue Requirement	2,145,787
1999 return from RUD Sheet #7	0
Total Incremental revenue Input Board-approved dollar amounts phased-in	2,145,787
Amount allowed in 2001, Year 1 Amount allowed in 2002, Year 2 Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)	715,262 715,262 0
Equity	12,526,484
Return at target ROE	1,237,617
Debt	12,526,484
Deemed interest amount in EBIT	908,170
Phase-in of interest - Year 1 (2001)	302,723
((D38+D43)/D36)*D54  Phase-in of interest - Year 2 (2002)	605,447
((D38+D43+D44)/D36)*D54  Phase-in of interest - Year 3 (2003) and forward ((D38+D43+D44)/D36)*D54 (due to Bill 210)	605,447

SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial		M of F	M of F	M of F
DEFERRAL/VARIANCE ACCOUNTS		Estimate		Filing	Filing	Filing
TAX CALCULATIONS (TAXCALC)				Variance	Variance	9
("Wires-only" business - see Tab TAXREC)				K-C	Explanation	(June)
( VIII OO ONLY BUSINESS SOO TUB 17 VIII ES)				I C	Explanation	Version XX.xx
		\$		\$		\$
Utility Name: HALTON HILLS HYDRO INC.		Ψ		 Ψ		Ψ
Reporting period: DECEMBER 31, 2003						Column
	205					
Days in reporting period:	365	days				Brought
Total days in the calendar year:	365	days				From
						TAXREC
I) CORPORATE INCOME TAXES						
Regulatory Net Income	1	1,430,596		1,818,045		3,248,641
regulatory Net income	'	1,430,390		1,010,043		3,240,041
BOOK TO TAX ADJUSTMENTS						
BOOK TO TAX ADJUSTIMENTS						
Additions:	1					]
Depreciation & Amortization	2	1,460,685		335,174		1,795,859
Employee Benefit Plans - Accrued, Not Paid	3	1,400,000		333,174		1,790,009
	4	0		0		0
Tax reserves deducted in prior year		0		0		0
Reserves from financial statements-end of year	4	154 427		454 407		0
Regulatory Adjustments	5	151,437		-151,437		0
Other Additions (See Tab entitled "TAXREC")	_			0		-
"Material" Items from "TAXREC" worksheet	6	0		0		1.040
Other Additions (not "Material") "TAXREC"	6	0		4,319		4,319
"Material Items from "TAXREC 2" worksheet	6	0		52,983		52,983
Other Additions (not "Material") "TAXREC 2"	6	0		15,737		15,737
D. 1. 18						
Deductions:	_					
Capital Cost Allowance and CEC	7	1,072,272		490,295		1,562,567
Employee Benefit Plans - Paid Amounts	8	0		0		0
Items Capitalized for Regulatory Purposes	9	0		0		0
Regulatory Adjustments	10	55,617		-55,617		0
Interest Expense Deemed/ Incurred	11	605,477		616,124		1,221,601
Tax reserves claimed in current year	4	0		0		0
Reserves from F/S beginning of year	4	0		0		0
Contributions to deferred income plans	3	0		0		0
Contributions to pension plans	3	0		0		0
Interest capitalized for accounting but deducted for tax	11	0		0		0
Other Deductions (See Tab entitled "TAXREC")	1					
"Material" Items from "TAXREC" worksheet	12	0		0		0
Other Deductions (not "Material") "TAXREC"	12	0		0		0
Material Items from "TAXREC 2" worksheet	12	0		66,837		66,837
Other Deductions (not "Material") "TAXREC 2"	12	0		13,548		13,548
	1					
REGULATORY TAXABLE INCOME/ (LOSSES)	1	1,309,352		3,206,008		2,252,986
000000175 W0045 747 0475	1					]
CORPORATE INCOME TAX RATE	1					
Deemed %	13	38.62%		0.0000%		38.62%
DECUL ATORY INCOME TAY	1	505.070		204 (3)		070.100
REGULATORY INCOME TAX	1	505,672		 364,431		870,103
Taxable Income x Rate						
Missallanasus Tau Onadita	1					
Miscellaneous Tax Credits	14	0		0		0
Total Demolators Income Tou	1	505.070	_	004.404		070.400
Total Regulatory Income Tax	1	505,672		364,431		870,103
To Live when the constitution of the constitut	4					]
To determine the exemptions for capital tax and large corporations	1					]
tax:		1				1

DO NOT INPUT INTO AREA

exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%					
II) CAPITAL TAXES							
Ontario							
Base	15	25,052,968			7,586,603	32,639,570	
Less: Exemption	16	5,000,000			-313,562	4,686,438	
Deemed Taxable Capital		20,052,968			7,273,041	27,953,132	
Rate (.3%)	17	0.3000%			0.0000%	0.3000%	
Net Amount (Taxable Capital x Rate)		60,159			23,700	83,859	
Federal (LCT)							
Base	18	25,052,968			6,521,653	31,574,621	
Less: Exemption	19	10,000,000			0,021,000	10,000,000	
Deemed Taxable Capital		15,052,968			6,521,653	21,574,621	
·							
Rate (.225%)	20	0.2250%			0.0000%	0.2250%	
Gross Amount (Taxable Capital x Rate)		33,869			14,674	48,543	
Less: Federal Surtax	21	14,665		-	10,569	25,233	
Net LCT		19,204			25,242	23,309	
III) INCLUSION IN RATES							
Income Tax Rate used for gross- up (exclude surtax)		37.50%					
Income Tax (grossed-up)	22	809,075					
LCT (grossed-up)	23	30,727					
Ontario Capital Tax	24	60,159					
onano dapitar tax		55,155					
Total S. 93 PILs Rate Adjustment	25	899,961	Į.				
		899,961					
N/\ FUTURE TRUE URC (need tone 2000)		0					
IV) FUTURE TRUE-UPS (post June 2002)					DR/(CR)		
IV a) Calculation of the True-up Variance					DK/(CK)		
Employee Benefit Plans - Accrued, Not Paid	3	1			0		
Tax reserves deducted in prior year	4				0		
Reserves from financial statements-end of year	4				0		
Regulatory Adjustments	5				-151,437		
Other additions "Material" Items "TAXREC"	6				0		
Other additions "Material" Items "TAXREC 2"	6				52,983		
Employee Benefit Plans - Paid Amounts	8	1			0		
Items Capitalized for Regulatory Purposes	9				0		
Regulatory Adjustments	10				-55,617		
Interest Adjustment for tax purposes (See Below - cell I206)	11				313,431		
Tax reserves claimed in current year	4				0		
Reserves from F/S beginning of year	4				0		
Contributions to deferred income plans	3				0		
Contributions to pension plans	3				0		
Other deductions "Material" Items "TAXREC"	12				0		
	12	1	I		66,837		
Other deductions "Material" Item "TAXREC 2"	12				00,00.		
Other deductions "Material" Item "TAXREC 2"  Total TRUE-UPS before tax effect	26				-423,105		

1	ı	I	1		İ İ	ı	
Income Tax Rate (excluding surtax)				х	35.50%		
Income Tax Effect on True-up adjustments				=	-150,202		
Less: Miscellaneous Tax Credits	14				0		
Total Income Tax on True-ups					-150,202		
Income Tax Rate used for gross-up (exclude surtax)					35.50%		
TRUE-UP VARIANCE					-232,872		
IV b) Calculation of the Deferral Account Variance							
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)				=	1,309,352		
REVISED CORPORATE INCOME TAX RATE				х	36.62%		
REVISED REGULATORY INCOME TAX				=	479,485		
Less: Revised Miscellaneous Tax Credits				-	0		
Total Revised Regulatory Income Tax				=	479,485		
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)				-	505,672		
Regulatory Income Tax Variance				=	-26,187		
Ontario Capital Tax Base Less: Exemption Revised deemed taxable capital				= - =	25,052,968 5,000,000 20,052,968		
Rate (as a result of legislative changes)				х	0.3000%		
Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell C72) Regulatory Ontario Capital Tax Variance				= - =	60,159 60,159 0		
Federal LCT Base Less: Exemption Revised Federal LCT				-	25,052,968 10,000,000 15,052,968		
Rate (as a result of legislative changes)					0.2250%		
Gross Amount Less: Federal surtax Revised Net LCT				- =	33,869 14,665 19,204		
Less: Federal LCT reported in the initial estimate column (Cell C84) Regulatory Federal LCT Variance				- =	19,204 0		
Income Tax Rate used for gross-up (exclude surtax)					35.50%		
Income Tax (grossed-up) LCT (grossed-up) Ontario Capital Tax				+++++	-40,600 0 0		

DEFERRAL ACCOUNT VARIANCE  TRUE-UP VARIANCE (from cell I132)  Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance) To be included as deferral account in rate application)		= + =	-40,600 -232,872 -273,472		
V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt  Total deemed interest (REGINFO) Interest phased-in (Cell C36)  Variance due to phase-in of debt structure			908,170 605,477 302,693		
according to Rate Handbook  Other Interest Variances (i.e. Borrowing Levels  Above Deemed Debt per Rate Handbook)  Interest deducted on MoF filing (Cell K36+K41)  Total deemed interest (REGINFO CELL D57)			1,221,601 908,170		
Variance caused by excess debt  Interest Adjustment for Tax Purposes (carry forward to Cell I112)  Total Interest Variance			313,431 313,431 -10,738		

## SECTION 93 PILS TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC)

(for "wires-only" business - see s. 72 OEB Act)

LINE M of F Corporate Tax

Return

31,316

Non-wires Eliminations

< - enter materiality level

Wires-only Tax Return

Version XX.xx

### **Section A: Identification:**

Utility Name: HALTON HILLS HYDRO INC.
Reporting period: DECEMBER 31, 2003
Taxation Year's start date: JANUARY 1, 2003
Taxation Year's end date: DECEMBER 31, 2003

Number of days in taxation year:

365 days

Please enter the Materiality Level:

(0.25% x Rate Base x CER) (0.25% x Net Assets)

Y/N Y/N

Y/N

Or other measure (please provide the basis of the amount)

Does the utility carry on non-wire related operation?

(Please complete the questionnaire in the Background questionnaire worksheet.)

Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K

#### **Section B: Financial statements data:**

Input unconsolidated financial statement data submitted with tax returns.

The actual categories of the income statements should be used.

If required please change the descriptions except for amortization, interest expense and provision for income tax

Please enter the non-wire operation's amount as positive number, the program automatically treat all amounts in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2.

#### Description:

Inc	or	n	e:
	$\overline{}$		

Service Revenue	+	36,226,346	36,226,346
Other Income	+	1,136,036	1,136,036
Miscellaneous income	+		0
	+		0
	+		0

### Revenue should be entered above this line

### Expenses:

Ap 0.1.000.		
Cost of energy purchased	- 28,473,695	28,473,69
Salaries & benefits	- 3,004,752	3,004,7
Material costs	- 1,512,768	1,512,7
Amortization	- 1,795,859	1,795,8
Contract services	- 914,377	914,3

Ontario Capital Tax Property costs Other expenses Communication costs Allocated to capital	- - - -	133,080 498,472 440,309 186,462 -2,846,033		133,080 498,472 440,309 186,462 -2,846,033
Net Income Before Interest & Income Taxes EBIT  Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes  Net Income (loss)  (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.)	= - - =	3,248,641 1,221,601 856,051 1,170,989	0	3,248,641 1,221,601 856,051 1,170,989
Section C: Reconciliation of accounting income to taxable inco From T2 Schedule 1 BOOK TO TAX ADDITIONS:	me			
Provision for income tax	+	856,051	0	856,051
Depreciation & Amortization	+	1,795,859	0	1,795,859
Employee benefit plans-accrued, not paid	+	0	0	0
Tax reserves deducted in prior year	+	0	0	0
Reserves from financial statements- end of year	+			0
Regulatory adjustments				0
	+	F0.000		50,000
Material addition items from TAXREC 2	+	52,983	0	52,983
Other addition items (not Material) from TAXREC 2	+	15,737	0	15,737
Subtotal		2,720,630	0	2,720,630
Other Additions: (Please explain the nature of the additions)				
Recapture of CCA	+			0
Non-deductible meals and entertainment expense	+	4,319		4,319
Capital items expensed	+			0
·	+			0
	+			0
	+			0
	· .			0
Total Other Additions	- <u>:</u>	4,319	0	4,319
Total Strict Manierio	_	1,010		1,010
Total Additions	=	2,724,949	0	2,724,949
Recap Material Additions:				
		0	0	0
		0	0	0
		0	0	0
				-

		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Other additions >materiality level		0	0	0
Other deductions (less than materiality level)		4,319	0	4,319
Total Other Additions		4,319	0	4,319
BOOK TO TAX DEDUCTIONS:				
Capital cost allowance		1,485,543		1,485,543
Cumulative eligible capital deduction	-	77,024	_	77,024
· · · · · · · · · · · · · · · · · · ·	-	77,024		,
Employee benefit plans-paid amounts	-			0
Items capitalized for regulatory purposes	-			0
Regulatory adjustments :	-			0
CCA	-			0
other deductions	- ,			0
Tax reserves claimed in current year	-	<u>0</u>	0	0
Reserves from F/S- beginning of year	-			0
Contributions to deferred income plans	-			0
Contributions to pension plans	-			0
Interest capitalized for accounting deducted for tax	-			0
Material deduction items from TAXREC 2	-	66,837	0	66,837
Other deduction items (not Material) from TAXREC 2	-	13,548	0	13,548
	!	, l		
Subtotal	=	1,642,952	0	1,642,952
Other deductions (Please explain the nature of the deductions)		, , , , , ,	-	, - ,
Charitable donations - tax basis	_			0
Gain on disposal of assets	_			0
Cam on dioposar or doosto	_		_	0
				0
				0
Total Other Deductions	- 1	0	0	0
Total Other Deductions	=	U	U	U
Total Deductions	=	1,642,952	0	1,642,952
Decen Meterial Deductions				
Recap Material Deductions:		٥	٥١	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Other Deductions exceed materiality level		0	0	0
Other Deductions less than materiality level		0	0	0
Total Other Deductions		0	0	0

TAXABLE INCOME	=	2,252,986	0	2,252,986
DEDUCT:	-		-	
Non-capital loss applied	-			0
Net capital loss applied	-			0
NET TAXABLE INCOME	=	2,252,986	0	2,252,986
	_			
Net Federal Income Tax	+	543,420		543,420
Net Ontario Income Tax	+	282,602		282,602
Subtotal	=	826,022	0	826,022
Less: Miscellaneous tax credits	-			0
Total Income Tax	= [	826,022	0	826,022

# Section D: Detail calculation of the Ontario Capital Tax ONTARIO CAPITAL TAX

(From Ontario CT23)

### **PAID-UP CAPITAL**

Paid-up capital stock	+	16,161,663		16,161,663
Retained earnings (if deficit, deduct)	+/-	1,404,876		1,404,876
Capital and other surplus excluding	+			0
appraisal surplus	+			0
Loans and advances	+	16,572,997		16,572,997
Bank loans	+			0
Bankers acceptances	+			0
Bonds and debentures payable	+			0
Mortgages payable	+			0
Lien notes payable	+			0
Deferred credits	+			0
Contingent, investment, inventory and similar reserves	+			0
Other reserves not allowed as deductions	+			0
Share of partnership(s), joint venture(s) paid-up capital	+	19,921		19,921
Sub-total	=	34,159,457	0	34,159,457
Subtract:	•			
Amounts deducted for income tax purposes in excess of amounts	-			
booked				0
Deductible R&D expenditures and ONTTI costs deferred for income	-			
tax				0
Total (Net) Paid-up Capital	=	34,159,457	0	34,159,457

### **ELIGIBLE INVESTMENTS**

Mortgages due from other corporations Shares in other corporations Loans and advances to unrelated corporations Eligible loans and advances to related corporations Share of partnership(s) or joint venture(s) eligible investments  Total Eligible Investments	+ + + + +	924,617 865,551 30,926 1,821,094	0 924,617 0 865,551 30,926
	_		
TOTAL ASSETS			
Total assets per balance sheet	+	40,940,086	40,940,086
Mortgages or other liabilities deducted from assets	+	10,0 10,000	0
Share of partnership(s)/ joint venture(s) total assets	+	24,814	24,814
Subtract: Investment in partnership(s)/joint venture(s)	-	35,811	35,811
Total assets as adjusted	=	40,929,089	0 40,929,089
Add: (if deducted from assets)			
Contingent, investment, inventory and similar reserves	+		0
Other reserves not allowed as deductions	+		0
Subtract:			0
Amounts deducted for income tax purposes in excess of amounts	_		
booked			0
Deductible R&D expenditures and ONTTI costs deferred for income tax	-		U
Subtract: Appraisal surplus if booked	_		0
Add or subtract: Other adjustments	+/-		0
Total Assets	=	40,929,089	0 40,929,089
Investment Allewanes	_	1 510 007	0 4 540 997
Investment Allowance	<u>_</u>	1,519,887	0 1,519,887
Taxable Capital			
Net paid-up capital	+	34,159,457	0 34,159,457
Subtract: Investment Allowance	-	1,519,887	0 1,519,887
Taxable Capital	=	32,639,570	0 32,639,570
Capital Tax Calculation			

N. T		07.050.400		07.050.400
Net Taxable Capital		27,953,132	0	27,953,132
Rate 0.3%		0.3000%	0.3000%	0.3000%
Days in taxation year		365	365	365
Divide days by 365		1.00	1.00	1.00
Ontario Capital Tax		83,859	0	83,859
LARGE GORDONATION TAY				
LARGE CORPORATION TAX (From Fodoral Schodule 33)				
(From Federal Schedule 33) CAPITAL				
ADD:				
Reserves that have not been deducted in computing income for the			Г	
year under Part I	+			0
Capital stock	+	16,161,663	0	16,161,663
Retained earnings	+	1,404,876	Ŭ	1,404,876
Contributed surplus	+	1, 10 1,010	-	0
Any other surpluses	+			0
Deferred unrealized foreign exchange gains	+			0
All loans and advances to the corporation	+	16,147,787		16,147,787
All indebtedness- bonds, debentures, notes, mortgages, bankers				, ,
acceptances, or similar obligations	+			0
Any dividends declared but not paid	+			0
All other indebtedness outstanding for more than 365 days	+	431,027		431,027
Subtotal	=	34,145,353	0	34,145,353
DEDUCT:				
Deferred tax debit balance	-			0
Any deficit deducted in computing shareholders' equity	-			0
Any patronage dividends 135(1) deducted in computing income	-			
under Part I included in amounts above				0
Deferred unrealized foreign exchange losses	-		_	0
Subtotal	=	0	0	0
Capital for the year		34,145,353	0	34,145,353
INVESTMENT ALLOWANCE				
Shares in another corporation	+	865,552		865,552
Loan or advance to another corporation	+	803,818		803,818
•		, -	<u> </u>	

Bond, debenture, note, mortgage, or similar obligation of another corporation	+	865,551		865,551
Long term debt of financial institution  Dividend receivable from another corporation	+			0
Debts of corporate partnerships that were not exempt from tax under	т			0
Part I.3	+			0
Interest in a partnership	+	35,811		35,811
Investment Allowance	=	2,570,732	0	2,570,732
TAXABLE CAPITAL				
Capital for the year	=	34,145,353	0	34,145,353
Deduct: Investment allowance	-	2,570,732	0	2,570,732
Taxable Capital for taxation year	=	31,574,621	0	31,574,621
Deduct: Capital Deduction \$10,000,000	-	10,000,000	0	10,000,000
Taxable Capital	=	21,574,621	0	21,574,621
Rate .225%		0.22500%	0.22500%	0.22500%
Days in year		365	365	365
Divide days by 365		1.0000	1.0000	1.0000
Gross Part I.3 Tax LCT	=	48,542.90	0.00	48,542.90
Federal Surtax Rate		1.1200%	1.1200%	1.1200%
Less: Federal Surtax = Taxable Income x Surtax Rate	-	25,233	0	25,233
Net Part I.3 Tax LCT Payable	=	23,309	0	23,309
(If surtax is greater than Gross LCT, then zero)				
RECAP:				
Total Income Taxes	+	826,022	0	826,022
Ontario Capital Tax	+	83,859	0	83,859
Federal Large Corporations Tax	+	23,309	U	23,309
Total income and capital taxes	=	933,191	0	933,191

SECTION 93 PILs TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (Tax Reserves) (for "wires-only" business - see s. 72 OEB Act)	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return Version XX.xx
Utility Name: HALTON HILLS HYDRO INC.				
Reporting period: DECEMBER 31, 2003				
TAX RESERVES				
Opening balance:				
Accrued contingent liability				0
				0
				0
				0
				0
				0
				0
				0
Total (carry forward to the TAXREC worksheet)		0	0	0
Ending balances:	1		<u> </u>	0
Accrued contingent liability	1			0
				0
				0
				0
				0
				0
				0
				0
Insert line above this line	Γ			0
<b>Total (</b> carry forward to the TAXREC worksheet)		0	0	0

# SECTION 93 PILS TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC 2)

(for "wires-only" business - see s. 72 OEB Act)

LINE M of F Corporate Tax Non-wires Eliminations Wires-only Tax Return

Version XX.xx

Utility Name: HALTON HILLS HYDRO INC. Reporting period: DECEMBER 31, 2003

Number of days in taxation year:

**Materiality Level:** 

365 31,316

Return

days

### Section C: Reconciliation of accounting income to taxable income

Λ	A	A	
_	u	u	•

Add:		
Recapture of capital cost allowance	+	
Gain on sale of eligible capital property	+	
Income or loss for tax purposes- joint ventures or partnerships	+	
Loss in equity of subsidiaries and affiliates	+	
Loss on disposal of assets	+	
Charitable donations	+	
Taxable capital gains	+	
Depreciation in inventory -end of year	+	
Scientific research expenditures deducted	+	
per financial statements	+	
Capitalized interest	+	
Non-deductible club dues and fees	+	
Non-deductible automobile expenses	+	
Non-deductible life insurance premiums	+	
Soft costs on construction and renovation of buildings	+	
Book loss on joint ventures or partnerships	+	
Capital items expensed	+	
Debt issue expense	+	
Deemed dividend income	+	
Dividends credited to investment account	+	
Financing fees deducted in books	+	
Gain on settlement of debt	+	
Interest paid on income debentures	+	
Recapture of SR&ED expenditures	+	
Share issue expense	+	
Write down of capital property	+	
Amounts received in respect of qualifying environment trust	+	
Other Additions: (please explain in detail the nature of the item)	+	

	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0

Employee future benefit costs	s accrued	+	15448		15448
Provision for bad debts		+	52983		52983
Interest & penalties		+	289		289
		+			0
		+			0
		+			0
		+			0
		+			0
		+			0
		+			
	Total Additions	=	68720	0	68720

Recap of Material Additions:

Necap of Material Additions.			
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0

Provision for bad debts		52983	0	52983
FTOVISION TO DAU GEDIS		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Material additions		52983	0	52983
Other additions less than materiality level		15737	0	15737
Total Additions		68720	0	68720
	•			
Deduct:				
Gain on disposal of assets per f/s	_			0
Dividends not taxable under section 83	_			0
Terminal loss from Schedule 8	_			0
	-			0
Depreciation in inventory, end of prior year	-			0
Scientific research expenses claimed in year from Form T661	-	00007		0
Bad debt	-	66837		66837
Book income of joint venture or partnership	-			0
Equity in income from subsidiary or affiliates	-			0
Contributions to a qualifying environment trust	-			0
Other income from financial statements	-			0
Other deductions: (Please explain in detail the nature of the item)	-			
Employee future benefits paid	-	13548		13548
	-			0
	_			0
	_			0
	_			0
	_			0
	_			0
	-			
	-			0
	-			0
	-			0
	-			0
Total Deductions	=	80385	0	80385
Recap of Material Deductions:				
Necaρ οι Material Deductions.		0	0	0
		0	0	0
		0	0	0
		U	U	U

	_			1
		0	0	0
		0	0	0
Bad debt		66837	0	66837
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Deductions exceed materiality level		66837	0	66837
Other deductions less than materiality level		13548	0	13548
Total Deductions		80385	0	80385

# SECTION 93 PILs TAX GROSS-UP "SIMPIL" Corporate Tax Rates

Income Range		0	200,001	>700,000
		to	to	
	Year	200,000	700,000	
Income Tax Rate				
Current year	2003	19.12%	34.12%	38.62%
Capital Tax Rate		0.30%		
LCT rate		0.225%		
Surtax		1.12%		
Ontario Capital Tax Exemption		5,000,000		
Federal Large Corporations Tax Exemption		10,000,000		
Exciliption				
Income Range		0	225,001	>700,000
J		to	to	Í
	Year	225,000	700,000	
Income Tax Rate			·	
Income Tax Rates	2004	18.62%	32.12%	36.62%
used to gross up				
the deferral				
account allowance				
variance				
Income Range		0	250,001	>700,000
		to	to	
	Year	250,000	700,000	
Income Tax Rate				
Income Tax Rates	2005	18.62%	32.12%	36.62%
used to gross up				
the true up				

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

# Appendix B

Revised, unlocked 2004 SIMPIL

	A	В	С	D	E
1		D	U	U	
					Version 2004.1
	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
	Utility Name: HALTON HILLS HYDRO INC.				
5	Reporting period: 2004				
	Dave in reporting paried	266	dovo		
	Days in reporting period: Total days in the calendar year:	366 366	days		
	Total days in the calendar year:	300	days		
8	DAOKODOLIND				
	BACKGROUND Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate		Y/N	V	
12	tax (and therefore subject to PILs)?		Y/IN	Υ	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
10			> (0.1		
	Is the utility a non-profit corporation?		Y/N	N	
10	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Υ	
20	shared among the corporate group?	LCT	Y/N	Υ	- for 2004 only
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	,
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
ZS	·		_		
24	Accounting Year End		Date	12-31-2004	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30					
	Rate Base (wires-only)			25,052,968	
υZ					
33	Common Equity Ratio (CER)			50.00%	
	1-CER			50.00%	
90				0.000/	
	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
ŦΖ				2,140,707	
43	1999 return from RUD Sheet #7			0	0
	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in			_, ,	
47	Amount allowed in 2001			715,298	715,298
48	Amount allowed in 2002			715,298	
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					0
52					0
53	Total Regulatory Income				1,430,596
54					,,
	Equity			12,526,484	
56	• •			, ,	
	Return at target ROE			1,237,617	
58	·			,,	
	Debt			12,526,484	
60				, ,	
	Deemed interest amount in 100% of MARR			908,170	
62					
	Phase-in of interest - Year 1 (2001)			302,738	
64	((D43+D47)/D41)*D61				
	Phase-in of interest - Year 2 (2002)			605,477	
66	((D43+D47+D48)/D41)*D61			300,177	
	Phase-in of interest - Year 3 (2003) and forward			605,477	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)			000,777	
69	(1- 13 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
70					
71					
<u> </u>					

	A	В	С	D	Е	F (	G H		.I	К	_
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	ITEM	Initial	U		Г	э п	M of F	M of F	M of F	느
	DEFERRAL/VARIANCE ACCOUNTS	I I LIVI	Estimate					Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)		201111010					Variance	Variance	9	-
	("Wires-only" business - see Tab TAXREC)							K-C	Explanation	(June)	
	RRR # 2.1.8								·	Version 2004.1	
6			\$					\$		\$	
_	Utility Name: HALTON HILLS HYDRO INC.										
	Reporting period: 2004									Column	
	Days in reporting period:	366	days							Brought	
	Total days in the calendar year:	366	days							From	
11 12										TAXREC	
	I) CORPORATE INCOME TAXES										-
14	IJ GOKI OKATE INCOME TAXES										-
	Regulatory Net Income REGINFO E53	1	1,430,596					1,077,432		2,508,028	
16			, ,					, , ,		, , .	
17	BOOK TO TAX ADJUSTMENTS										
18											
	Additions:										
	Depreciation & Amortization	2	1,460,685					351,780		1,812,465	
	Employee Benefit Plans - Accrued, Not Paid	3						40,768		40,768	_
	Tax reserves - beginning of year  Reserves from financial statements - end of year	4					+	0		0	$\dashv$
	Regulatory Adjustments - increase in income	5	151,437				-	-151,437		0	$\dashv$
	Other Additions (See Tab entitled "TAXREC")	-	131,437		- †		+	-101,407		U	$\dashv$
26	"Material" Items from "TAXREC" worksheet	6						0		0	$\dashv$
27	Other Additions (not "Material") "TAXREC"	6			t			0		0	
28	"Material Items from "TAXREC 2" worksheet	6						363,593		363,593	
29	Other Additions (not "Material") "TAXREC 2"	6						5,414		5,414	
30											
	Deductions: Input positive numbers	1									
32	Capital Cost Allowance and CEC	7	1,072,272					-515,254		1,587,526	
	Employee Benefit Plans - Paid Amounts	8					+	-20,269		20,269	$\dashv$
	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	9 10	0 55 617				-	0 55.047		0	$\dashv$
	Interest Expense Deemed/ Incurred	11	55,617 605,477		+			55,617 -565,466		1,170,943	$\dashv$
	Tax reserves - end of year	4	003,477					-303,400		1,170,943	-
	Reserves from financial statements - beginning of year	4						0		0	=
	Contributions to deferred income plans	3						0		0	
	Contributions to pension plans	3						0		0	
41	Interest capitalized for accounting but deducted for tax	11						0		0	
42	Other Deductions (See Tab entitled "TAXREC")							0			
43	"Material" Items from "TAXREC" worksheet	12						0		0	
44	Other Deductions (not "Material") "TAXREC"	12						0		0	
45	Material Items from "TAXREC 2" worksheet	12						-325,000		325,000	
46 47	Other Deductions (not "Material") "TAXREC 2"	12						-27,699		27,699	
48	TAXABLE INCOME/ (LOSS)		1,309,352					289,479	Before loss C/F	1,598,831	
49	TAXABLE INCOME/ (E033)		1,309,332	-		-		209,479	Delote loss C/I	1,390,031	-
	BLENDED INCOME TAX RATE										-
	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%					-2.5600%		36.06%	
52	·										
53	REGULATORY INCOME TAX		505,672					70,983	Actual	576,655	
54											
55											
	Miscellaneous Tax Credits	14					$\perp$	0	Actual	0	
57	Total Bandatana haanna T		55				+			576	_
58	Total Regulatory Income Tax	1	505,672				+	70,983	Actual	576,655	_
59							+				
60	II) CAPITAL TAXES	1					+			-	-
62	III ON TINE TAKES				+						$\dashv$
	Ontario				- 1		+				-
	Base	15	25,052,968					9,419,216		34,472,184	$\dashv$
65	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000					-315,157		4,684,843	
66	Taxable Capital		20,052,968					9,104,059		29,787,341	
67											
	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		[			0.0000%		0.3000%	
69	0.4.1.0.11.17	1					$\perp$				
70	Ontario Capital Tax		60,159				+	29,203		89,362	
71	Fodoral Largo Cornorations Toy						-				
	Federal Large Corporations Tax Base	10	25,052,968				+	7 546 540		32,569,480	$\dashv$
	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	10,000,000				+	7,516,512 35,995,000		45,995,000	-
	Taxable Capital	13	15,052,968		+		$\dashv$	43,511,512		45,995,000	$\dashv$
76		-	10,002,000		-	-	$\top$	70,011,012		J	$\dashv$
	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%					-0.0250%		0.2000%	
78											
	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869					-33,869		0	
	Less: Federal Surtax 1.12% x Taxable Income	21	14,665			$ \mathbb{I}^{-}$		-14,665		0	
81	N. C. O.T.					_	$\perp$				
	Net LCT		19,204			_	+	-48,534		0	—
83											

	A	В	С	D	Е	F	G	Н		J	К	
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial		_	Ė	0		M of F	M of F	M of F	一
	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)								Variance	Variance	· ·	
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
	RRR # 2.1.8										Version 2004.1	
6			\$						\$		\$	ш
	III) INCLUSION IN RATES											$\vdash$
85	Income Tay Date your few areas you (evaluate evitery)		37.50%									-
87	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
_	Income Tax (proxy tax is grossed-up)	22	809,075							Actual 2004	576,655	$\Box$
	LCT (proxy tax is grossed-up)	23	30,727							Actual 2004	0.0,000	
	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159							Actual 2004	89,362	
91												
92												
	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	899,961							Actual 2004	666,017	-
94	RAM DECISION		202.004									-
95			899,961									-
96	IV) FUTURE TRUE-UPS		0									
	IV a) Calculation of the True-up Variance								DR/(CR)			$\overline{}$
	In Additions:								Dia(Oit)			$\overline{}$
	Employee Benefit Plans - Accrued, Not Paid	3							40,768			-
	Tax reserves deducted in prior year	4							0			$\neg$
	Reserves from financial statements-end of year	4							0			
	Regulatory Adjustments	5							-151,437			口
	Other additions "Material" Items TAXREC	6							0			ш
	Other additions "Material" Items TAXREC 2	6							363,593			$\vdash$
	In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	8							-20,269			$\dashv$
	Items Capitalized for Regulatory Purposes	9							-20,209			$\vdash$
	Regulatory Adjustments	10							55,617			$\Box$
	Interest Adjustment for tax purposes (See Below - cell I204)	11							262,773			
111	Tax reserves claimed in current year	4							0			
	Reserves from F/S beginning of year	4							0			$\Box$
	Contributions to deferred income plans	3							0			
	Contributions to pension plans	3							0			$\vdash$
	Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12 12							-325,000			-
117	Other deductions imaterial item TAXINEG 2	12							-323,000			
	Total TRUE-UPS before tax effect	26						_	279,803			
119									-,			
120	Income Tax Rate (excluding surtax) from 2004 Utility's tax return							Х	35.00%			
121												
	Income Tax Effect on True-up adjustments							=	97,931			$\vdash$
123	Land Mindelland and Tay One dite	4.4							0			$\vdash$
124	Less: Miscellaneous Tax Credits	14							0			-
	Total Income Tax on True-ups								97,931			$\overline{}$
127	Total moonie Tax on Tao apo								01,001			
	Income Tax Rate used for gross-up (exclude surtax)								35.00%			
129	*											
	TRUE-UP VARIANCE ADJUSTMENT								150,663			
131												$\vdash$
	IV b) Calculation of the Deferral Account Variance caused by											
	changes in legislation											
133	DECLIFATORY TAYARIE IN COLUMN (1) COLUMN (1)											Ш
101	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial								4 000 050			ı I
134	estimate column)							=	1,309,352			$\vdash$
	REVISED CORPORATE INCOME TAX RATE							х	36.12%			$\vdash$
137								^	30.1270			$\Box$
	REVISED REGULATORY INCOME TAX							=	472,938			
139										-		口
	Less: Revised Miscellaneous Tax Credits							-	0			$\blacksquare$
141	Total Davisad Davidatory Income Terr								/=0.000			$\blacksquare$
142 143	Total Revised Regulatory Income Tax							=	472,938			$\dashv$
143	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell											-
144	C58)							-	505,672			, 1
145	,								300,012			$\neg$
146	Regulatory Income Tax Variance							=	-32,734			
147												Ш
	Ontario Capital Tax								05.050.000			$\blacksquare$
	Base Loss: Examption from tab Tax Patos, Table 2, cell C20							=	25,052,968			$\vdash$
	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital							-	5,000,000 20,052,968			$\vdash$
152	полоса асенеа калаше сарка							-	20,002,300			-1
	Rate - Tab Tax Rates cell C54							Х	0.3000%			$\Box$
154	·											
	Revised Ontario Capital Tax							=	60,159			
١	Less: Ontario Capital Tax reported in the initial estimate column (Cell											ı T
	C70)							-	60,159			Ш
	Regulatory Ontario Capital Tax Variance							=	0			-
158	Federal LCT											$\vdash$
	Base								25,052,968			$\dashv$
	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
162	Revised Federal LCT							=	-24,947,032			
163			-									ᅟᄀ

	A	В	С	D	Е	F	G	Н	ı l	J	К	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial	+-	Ė	Ė	Ť		M of F	M of F	M of F	_
	DEFERRAL/VARIANCE ACCOUNTS	11-11	Estimate	1					Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)	-		1					Variance	Variance	9	
	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
	RRR # 2.1.8									Explanation	Version 2004.1	
6			\$						\$		\$	
_	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51								0.2000%		Ť	
165	Take (as a result of legislative shariges) tab Tax Nates son So I								0.200070			
	Gross Amount								0			
	Less: Federal surtax	-		1				-	0			
	Revised Net LCT							=	0			
169									-			
	Less: Federal LCT reported in the initial estimate column (Cell C82)							-	19,204			
171	Regulatory Federal LCT Variance							=	-19.204			
172	,								·			
	Actual Income Tax Rate used for gross-up (exclude surtax)								35.00%			
174												
175	Income Tax (grossed-up)							+	-50,360			
176	LCT (grossed-up)							+	-30,727			
	Ontario Capital Tax							+	0			
178												
179	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT							=	-81,087			
180												
	TRUE-UP VARIANCE (from cell I130)							+	150,663			
182												
183	Total Deferral Account Entry (Positive Entry = Debit)							=	69,576			
184	(Deferral Account Variance + True-up Variance)											
185												
186												
187												
	V) INTEREST PORTION OF TRUE-UP											
	Variance Caused By Phase-in of Deemed Debt											
190												
	Total deemed interest (REGINFO)								908,170			
	Interest phased-in (Cell C36)			1					605,477			
193				1								
	Variance due to phase-in of debt component of MARR in rates								302,693			
195	according to the Board's decision											
196												
	Other Interest Variances (i.e. Borrowing Levels											
198				1								
199	Interest deducted on MoF filing (Cell K36+K41)			1					1,170,943			
	Total deemed interest (REGINFO CELL D61)			1					908,170			
201	Veriance served by everes debt			1					000 770			
202	Variance caused by excess debt	<b> </b>		1					262,773			
	Interest Adjustment for Tay Durnages (source formula 1 - 0-11440)	<b> </b>		1					262 772			$\vdash$
204	Interest Adjustment for Tax Purposes (carry forward to Cell I110)	-		1					262,773		-	
	Total Interest Variance			1					39,920			
207	TOTAL INTEREST VALIANCE			+					39,920		1	H
207				1								

	٨	В	С	D		-
-	A SECTION 93 PILs TAX GROSS-UP "SIMPIL"				E Wines and	F
1		LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RRR # 2.1.8		Return			
5					Version 2004.1	
	Section A: Identification:					
_	Utility Name: HALTON HILLS HYDRO INC.					
	Reporting period: 2004					
	Taxation Year's start date: JANUARY 1, 2004					
	Taxation Year's end date: DECEMBER 31, 2004					
11	Number of days in taxation year:		366	days		
12						
13	Please enter the Materiality Level :		31,316	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
	Does the utility carry on non-wires related operation?	Y/N	Y			
	(Please complete the questionnaire in the Background question		vorksheet.)			
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 re	turns				
24	The actual categories of the income statements should be used.	tarrio.				
25	If required please change the descriptions except for amortization, in	torost a	ovnance and provisi	on for income tay		
26	in required please change the descriptions except for amortization, in	lieresi e	Expense and provisi	on for income tax		
	Places enter the new wire eneration's emount as a positive number	the pro	arom outomotically	trooto all amaunta		
	Please enter the non-wire operation's amount as a positive number, in the "pop wires elimination column" as positive valves in TAXPEC			u vato ali alliUUIIIS		
28	in the "non-wires elimination column" as negative values in TAXREC	and n	ANTEUZ.			
29	Incomo					
	Income:		00.000.00		00.000.00	
31	Energy Sales	+	30,683,803		30,683,803	
32	Distribution Revenue	+	8,073,276		8,073,276	
33	Other Income	+	1,146,428	104,433	1,041,995	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
	Costs and Expenses:					
39	Cost of energy purchased	-	30,683,803		30,683,803	
40	Salaries and benefits	-	3,250,453		3,250,453	
41	Material costs	-	1,763,694		1,763,694	
42	Amortization	-	1,814,270		1,814,270	
43	Contract services	-	1,231,776		1,231,776	
44	Ontario Capital Tax	-	80,169		80,169	
45	Property costs	-	491,253		491,253	
46	Other expenses	-	1,133,849	39,050	1,094,799	
47	Communication costs	-	233,744	33,030	233,744	
48						
_	Allocated to capital	-	-3,352,915		-3,352,915	
49						
	Net Income Before Interest & Income Taxes EBIT	=	2,573,411	65,383	2,508,028	
	Less: Interest expense for accounting purposes	-	1,170,943		1,170,943	
52	Provision for payments in lieu of income taxes	-	412,562		412,562	
53	Net Income (loss)	=	989,906	65,383	924,523	
	(The Net Income (loss) on the MoF column should equal to the net income					
l	(loss) per financial statements on Schedule 1 of the tax return.)					
54						
55						
56	Section C: Reconciliation of accounting income to taxable incor	me_				
57	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	412,562	0	412,562	
	Federal large corporation tax	+			0	
	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments	+			0	
	Material addition items from TAXREC 2	+	363,593	0	363,593	
67	Other addition items (not Material) from TAXREC 2	+	26,145	20,731	5,414	
68						
69	Subtotal		2,657,338	22,536	2,634,802	
70						
71	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
74	Capital items expensed	+			0	
75		+			0	
76		+			0	
77		+			0	
78		+			0	
79	Total Other Additions	=	0	0	0	
80	, 5.0. 50.0, 100.000		0	U	U	
81	Total Additions	=	2,657,338	22,536	2,634,802	
82	i otal Auditions	_	2,007,038	22,330	2,034,002	
_	Pocan Material Additions					
	Recap Material Additions:		^		0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91	Total Other additions >materiality level		0	0	0	
	Other deductions (less than materiality level)		0	0	0	
	Total Other Additions		0	0	0	
94						
			·			

	A	В	С	D	Е	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2		LIIVE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Limitations	Return	
4			Return		recturii	
5	THE TELLIO		rtotum		Version 2004.1	
	BOOK TO TAX DEDUCTIONS:				VC151011 2004.1	
96	Capital cost allowance	-	1,518,927	3,033	1,515,894	
97		-	71,632	0,000	71,632	
98		-	20,269		20,269	
_	Items capitalized for regulatory purposes	-	20,200		0	
	Regulatory adjustments :	-			0	
101	CCA	-			0	
102		-			0	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
106	Contributions to pension plans	-			0	
107	Interest capitalized for accounting deducted for tax	-			0	
108	Material deduction items from TAXREC 2	-	325,000	0	325,000	
109	Other deduction items (not Material) from TAXREC 2	-	69,161	41,462	27,699	
110						
111	Subtotal	=	2,004,989	44,495	1,960,494	
112						
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets	-			0	
115		-			0	
116					0	
117	Total Other Darkerters	-			0	
118	Total Other Deductions	=	0	0	0	
119	Total Deductions		2.004.000	44.405	1,000,404	
120 121	i diai Deductions	=	2,004,989	44,495	1,960,494	
121	Recap Material Deductions:					
122	Naterial Deductions:		0	0	0	
123			0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
	Total Other Deductions exceed materiality level		0	0	0	
129			0	0	0	
	Total Other Deductions		0	0	0	
131	Total Othor Boddonone		· ·		J	
	TAXABLE INCOME	=	1,642,255	43,424	1,598,831	
133			, , , , , , , , , , , , , , , , , , , ,		,,	
134		-			0	
135	Net capital loss applied positive number	-			0	
136					0	
137	NET TAXABLE INCOME	=	1,642,255	43,424	1,598,831	
138						
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax (Must agree with tax return)	+	366,099	9,679	356,420	
	Net Ontario Income Tax (Must agree with tax return)	+	226,214	5,979	220,235	
142	Subtotal	=	592,313	15,658	576,655	
143		-			0	
144	Total Income Tax	=	592,313	15,658	576,655	
145						
	FROM ACTUAL TAX RETURNS		00.000/		22.222	
147			22.29%		22.29%	
149	Net Ontario Income Tax Rate (Must agree with tax return)  Blended Income Tax Rate		13.77% 36.06%		13.77% 36.06%	
150	Bierided iricollie Tax Kale		30.00%		30.00%	
151	Section D: Detailed calculation of Ontario Capital Tax					
152	Section D. Detaned calculation of Oficario Capital Tax					
	ONTARIO CAPITAL TAX					
	(From Ontario CT23)					
	PAID-UP CAPITAL					
156						
	Paid-up capital stock	+	16,161,663		16,161,663	
	Retained earnings (if deficit, deduct)	+/-	2,394,782	27,766	2,367,016	
	Capital and other surplus excluding	+			0	
160	appraisal surplus	+			0	
161	Loans and advances	+	16,911,276		16,911,276	
	Bank loans	+			0	
	Bankers acceptances	+			0	
	Bonds and debentures payable	+			0	
	Mortgages payable	+			0	
	Lien notes payable	+			0	
	Deferred credits	+			0	
	Contingent, investment, inventory and similar reserves	+			0	
	Other reserves not allowed as deductions	+			0	
	Share of partnership(s), joint venture(s) paid-up capital	+	18,916		18,916	
171	Sub-total Sub-total	=	35,486,637	27,766	35,458,871	
172		-				
170	Amounts deducted for income tax purposes in excess of amounts	-	470.405		470 405	
1/3	booked  Deductible R&D expenditures and ONTTL costs deferred for income		-478,125		-478,125	
174	Deductible R&D expenditures and ONTTI costs deferred for income	-			0	
174			25 004 700	07.700	35,036,006	
175	Total (Net) Paid-up Capital	=	35,964,762	27,766	35,936,996	
176	ELICIPI E INVESTMENTS					
	ELIGIBLE INVESTMENTS					
178					0	
	Bonds, lien notes, interest coupons  Mortgages due from other corporations	+			0	
	Shares in other corporations	+	906,070		906,070	
	Loans and advances to unrelated corporations	+	500,070		900,070	
	Eligible loans and advances to related corporations	+	865,551		865,551	
	Share of partnership(s) or joint venture(s) eligible investments	+	500,001		000,001	
185					Ŭ	

	A	В	С	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.1	
186	Total Eligible Investments	=	1,771,621	0	1,771,621	
187						

	A	В	С	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.1	
188						
	TOTAL ASSETS					
_	TOTAL ASSETS					
190						
191	Total assets per balance sheet	+	43,032,481	138,812	42,893,669	
192	Mortgages or other liabilities deducted from assets	+			0	
	Share of partnership(s)/ joint venture(s) total assets	+	27,604		27,604	
194		-	40,518		40,518	
195	oubtract. Investment in partiership(s)/joint venture(s)	_	40,510		40,510	
_			10.010.507	100.010	10.000 755	
	Total assets as adjusted	=	43,019,567	138,812	42,880,755	
197						
198	Add: (if deducted from assets)					
199	Contingent, investment, inventory and similar reserves	+			0	
200		+			0	
_	Subtract:				0	
201					U	
	Amounts deducted for income tax purposes in excess of amounts	-				
202	booked		-478,125		-478,125	
	Deductible R&D expenditures and ONTTI costs deferred	-			0	
203	for income tax					
	Subtract: Appraisal surplus if booked	-			0	
205	Add or subtract: Other adjustments	+/-			0	
_	nuu oi suotiaut. Ottiei aujustitietits	/-			U	
206			45		46	
207	Total Assets	=	43,497,692	138,812	43,358,880	
208						
209						
_	Investment Allowance		1,464,812	0	1,468,367	
211			.,, 512		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	Tourish Assistant					
	Taxable Capital					
213						
214	Net paid-up capital	+	35,964,762	27,766	35,936,996	
215	Subtract: Investment Allowance	-	1,464,812	0	1,464,812	
216						
217	Taxable Capital	=	34,499,950	27,766	34,472,184	
218	Taxable Capital	_	34,433,330	21,100	34,472,104	
_	0 1:1= 0.1 1.1					
219	Capital Tax Calculation					
220	Deduction from taxable capital up to maximum of \$5,000,000		4,684,843	0	4,684,843	
221	(Input in tab Tax Rates)					
222	Net Taxable Capital		29,815,107	27,766	29,787,341	
223			-,, -	,	-, - ,-	
224	Rate		0.3000%	0.3000%	0.3000%	
	Ivate		0.500076	0.3000 /0	0.500076	
225						
	Days in taxation year		366	366	366	
227	Divide days by 366		1.00	1.00	1.00	
228						
229	Ontario Capital Tax (Must agree with CT23 return)		89,445	83	89,362	
230	,				,	
	Section E: Detailed calculation of Large Corporation Tax					
	Section L. Detailed Calculation of Large Corporation Tax					
232	1 ADDE GODDON ATION					
233						
	(From Federal Schedule 33)					
235	CAPITAL					
	ADD:					
1	Reserves that have not been deducted in computing income for the					
227	. •	+	16 161 600		16 161 600	
237			16,161,663	.=	16,161,663	
238	Capital stock	+	2,394,782	27,766	2,367,016	
	Retained earnings	+			0	
240	Contributed surplus	+			0	
	Any other surpluses	+			0	
	Deferred unrealized foreign exchange gains	+			0	
			16 146 274		16,146,274	
243	All loans and advances to the corporation	+	16,146,274		10,140,274	
L	All indebtedness- bonds, debentures, notes, mortgages, bankers	+				
	acceptances, or similar obligations				0	
245	Any dividends declared but not paid	+			0	_
246		+	765,002		765,002	
247	<b>y</b>				,	
248	Subtotal	-	35,467,721	27,766	35,439,955	
	Oublotui	_	33,401,121	21,100	55,455,355	
249	DEDUCT					
	DEDUCT:					
	Deferred tax debit balance	-			0	
252	Any deficit deducted in computing shareholders' equity	-			0	
	Any patronage dividends 135(1) deducted in computing income	-				
252	under Part I included in amounts above				0	
254	Deferred unrealized foreign exchange losses	-			0	
255						
256	Subtotal	=	0	0	0	
257						
_	Capital for the year		35,467,721	27,766	35,439,955	
259			00,701,121	21,100	00,700,000	
209						

SECTION 93 PILS TAX GROSS-UP "SIMPIL"   LINE		A	В	С	D	E I	F
Tax   Corporate   Eliminations   Tax   T	1						-
3	_		LIINL				
Return     Return	_				Liiiiiiiations		
Sellon						rtotum	
260		Hitti # Zillo		rtotuiii		Version 2004 1	
282   Shares in another corporation	_	INVESTMENT ALLOWANCE				VC151011 2004.1	
282 Shares in another corporation		INVESTMENT ALLOWANCE					
283 Loan or advance to another corporation		Shares in another corporation	_	865 552		865 552	
284 Band, debenture, note, mortgage, or   +							
285 similar obligation of another corporation				1,090,004		1,090,034	
266   Long term debt of financial institution				865 551		865 551	
267   Dividend receivable from another corporation   +     0				000,001			
Debts of corporate partnerships that were not exempt from tax							
1	201		т .			0	
269   Interest in a partnership   +   40,518   40,518   70   70   70   70   70   70   70   7	268		+			0	
270			+	40.518		40.518	
Investment Allowance						,	
272		Investment Allowance	=	2,870,475	0	2,870,475	
273							
275   276   277   27.766   35,439,955   277   27.766   35,439,955   277   278   Deduct: Investment allowance   -   2,870,475   0   2,870,475   279   280   Taxable Capital for taxation year   =   32,597,246   27,766   32,569,480   281							
275   276   277   27.766   35,439,955   277   27.766   35,439,955   277   278   Deduct: Investment allowance   -   2,870,475   0   2,870,475   279   280   Taxable Capital for taxation year   =   32,597,246   27,766   32,569,480   281	274	TAXABLE CAPITAL					
276   Capital for the year   =   35,467,721   27,766   35,439,955							
278   Deduct: Investment allowance		Capital for the year	=	35,467,721	27,766	35,439,955	
279	277						
280   Taxable Capital for taxation year   =   32,597,246   27,766   32,569,480     281   282   Deduct: Capital Deduction - maximum of \$50,000,000   -   45,995,000     283   (Input in tab 'Tax Rates')	278	Deduct: Investment allowance	-	2,870,475	0	2,870,475	
281	279						
Deduct: Capital Deduction - maximum of \$50,000,000	280	Taxable Capital for taxation year	=	32,597,246	27,766	32,569,480	
283	281						
284   Taxable Capital	282	Deduct: Capital Deduction - maximum of \$50,000,000	-	45,995,000	0	45,995,000	
285							
286       Rate 0.225% in 2002 and 2003; 0.200% in 2004       0.20000%       0.20000%       0.20000%         287       366       366       366       366         289       Divide days by 366       1.0000       1.0000       1.0000         290       56       0       0         291       Gross Part I.3 Tax LCT (Must agree with tax return)       =       0       56       0         292       1       1.1200%       1.1200%       1.1200%         293       Federal Surtax Rate       1.1200%       1.1200%       1.1200%         294       1       0       0       0         295       Less: Federal Surtax = Actual Surtax from tax return       -       0       0         296       1       0       0       0       0       0         297       Net Part I.3 Tax - LCT Payable (Must agree with tax return)       =       0       56       0 <td></td> <td>Taxable Capital</td> <td>=</td> <td>0</td> <td>27,766</td> <td>0</td> <td></td>		Taxable Capital	=	0	27,766	0	
287   288   Days in year   366   3							
288   Days in year   366   366   366   366   289   Divide days by 366   1.0000   1.0000   1.0000   1.0000   290   291   Gross Part I.3 Tax   LCT (Must agree with tax return)   =		Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.20000%	0.20000%	0.20000%	
289   Divide days by 366   1.0000   1							
290   291   Gross Part I.3 Tax LCT (Must agree with tax return)   =							
291   Gross Part I.3 Tax   LCT   (Must agree with tax return)   =   0   56   0     292                     293   Federal Surtax Rate                   294                 295   Less: Federal Surtax = Actual Surtax from tax return   -             296                   297   Net Part I.3 Tax - LCT   Payable   (Must agree with tax return)   =             298   (If surtax is greater than Gross LCT, then zero)         299                 300   Section F: Income and Capital Taxes         301               302   RECAP FROM ABOVE:       303   Total Income Taxes   +           304                 305   Federal Large Corporations Tax   +             306                   307                       308                         309                           300                               301                                 302                                   303		Divide days by 366		1.0000	1.0000	1.0000	
292   293   Federal Surtax Rate							
293   Federal Surtax Rate		Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	56	0	
294		F 1 10 1 0 1	ļ	4.405	4.405	4.405.55	
295   Less: Federal Surtax = Actual Surtax from tax return   -		rederal Surtax Rate		1.1200%	1.1200%	1.1200%	
296		Lance Fordered Comban. Actual Comban from toward	<u> </u>			0	
297   Net Part I.3 Tax - LCT Payable (Must agree with tax return)   =   0   56   0     298   (If surtax is greater than Gross LCT, then zero)           299                 300               301               302               303               304               305               305               306               307             308               309               300             301             302             303             304             305               306             307             308             309             309             300           301           302           303           304           305             306           307         308         309         309         309         300		Less: rederal Sultax = Actual Sultax from tax return	-			0	
298 (If surtax is greater than Gross LCT, then zero)       99         300 Section F: Income and Capital Taxes       90         301 301 (Section F: Income and Capital Taxes)       90         302 RECAP FROM ABOVE:       90         303 Total Income Taxes       1         304 Ontario Capital Tax       1         305 Federal Large Corporations Tax       1         306 (Section F: Income and Capital Taxes)       1         307 (Section F: Income and Capital Taxes)       1         308 (Section F: Income and Capital Taxes)       1         309 (Section F: Income and Capital Taxes)       1         300 (Section F: Income and Capital Taxes)       1         301 (Section F: Income and Capital Taxes)       1         302 (RECAP FROM ABOVE:       1         303 (Total Income Taxes)       1         4       89,445         83 (Recapital Taxes)       89,362         305 (Federal Large Corporations Taxes)       1         4       1         5       0         6       0         7       1         8       1         9       1         9       1         10       1         10       1 <td< td=""><td></td><td>Not Port 12 Toy   CT Poyoble (Must agree with toy return)</td><td>-</td><td>0</td><td>FC</td><td>0</td><td></td></td<>		Not Port 12 Toy   CT Poyoble (Must agree with toy return)	-	0	FC	0	
299			=	U	56	0	
300   Section F: Income and Capital Taxes		(11 SULLAX 15 GIGGLET LITATI GIUSS LOT, LITETI ZETU)					
301		Section F: Income and Canital Tayes					
302     RECAP FROM ABOVE:       303 Total Income Taxes     +     592,313     15,658     576,655       304 Ontario Capital Tax     +     89,445     83     89,362       305 Federal Large Corporations Tax     +     0     56     0       306     -     0     56     0		Social I . moonie and Capital Taxes	1				
303     Total Income Taxes     +     592,313     15,658     576,655       304     Ontario Capital Tax     +     89,445     83     89,362       305     Federal Large Corporations Tax     +     0     56     0       306     -     -     56     0		RECAP FROM ABOVE:					
304 Ontario Capital Tax     +     89,445     83     89,362       305 Federal Large Corporations Tax     +     0     56     0       306     -     0     0			+	592 313	15 658	576 655	
305         Federal Large Corporations Tax         +         0         56         0           306         -							
306							
		g	· ·	Ŭ	00	- O	
		Total income and capital taxes	=	681,758	15,797	666,017	
308		•	ļ	,		,	

	A	В	С	D	Е	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	-
	Tax and Accounting Reserves	LIIVE	Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax	Liiiiiiiations	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		Return	
5	RRR # 2.1.8		rtotum		Version 2004.1	
6	11111				70101011 200 111	
7	Utility Name: HALTON HILLS HYDRO INC.					
	Reporting period: 2004					
9	responding portion. 2001					
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other				0	
	Other	1			0	
20					0	
21	Total /acomy famous discrete TAVDEO	1			0	
	Total (carry forward to the TAXREC worksheet)	1	0	0	0	
23	End of Year:	+				
25	Ella di Tear.				0	
	Reserve for doubtful accounts ss. 20(1)(l)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other				0	
	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:					
41					0	
42	Far in a second of	1			0	
43	Environmental	1			0	
	Allowance for doubtful accounts Inventory obsolescence				0	
	Property taxes	1			0	
	Other	+			0	
	Other	+			0	
49					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	(130)			Ü		
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other				0	
	Other				0	
61					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)	1	0	0	0	
64						

SECTION 33 PILE TAX GROSS-UP "SIMPIL"		A	В	С	D	E	F
3   TAX RETURN RECONCULATION (TAXREC 2)	1	· ·					
Fig.   Service only   Instruments - spans - 72 OFER Act)   Fature   Return   Fature   Fatur			LINE	-			
Return					Eliminations		
1						Return	
		NIII # 2.1.0		Retuin		Version 2004.1	
Reporting period: 2004							
10   Number of days in taxation year:     366							
11   Materiality Level:				200			
12							
13  Section C: Reconciliation of accounting income to taxable incomes   16  Recognitive of capital cost allowance   +		materiality Level.		31,310			
15   Recapture of capital cost allowance	13						
16   Gain on sale of eligible capital property							
17   Income or loss for fax purposes; climit ventures or partnerships							
18   Loss in equally of subsidiaries and affiliates			_				
20   Chartelele donations			_				
21   Taxable capital gains			+		20,731		
22   Depreciation in inventory -end of year				325,000		·	
23   Selentific research expenditures deducted			-				
24   per financial statements							
26   Non-deductible club dues and fees			<u> </u>				
27 Non-deductible automobile expenses			+			_	
28   Non-deductible life insurance premiums							
28   Soft costs on construction and renovation of buildings	_	,	_				
30   Non-deductible meals and enterlainment							
132   Spital items expensed		· · · · · · · · · · · · · · · · · · ·					
33   Oeb tissue expense			+				
34   Deemed dividend income			-				
35   Dividends credited to investment account			_				
36   Financing fees deducted in books			-				
38   Interest paid on income debentures			+				
38   Recapture of SR&ED expenditures   +   0   0			-				
40   Share issue expense			_				
Mile down of capital property							
AZ   Amounts received in respect of qualifying environment trust			-				
44   Debt financing expenses   +		Amounts received in respect of qualifying environment trust	+				
Mon-deductible meals & entertainment expenses	43	Other Additions: (please explain in detail the nature of the item)					
Forvision for bad debts			_	E 44.4			
Head			_	, ,		,	
49		Trovision for bad debts	-	30,330		·	
Fig. 20	48		+			0	
51         +         0         0           52         +         0         0           53         Total Additions         =         389,738         20,731         369,007           55         S         0         0         0         0           56         Recap of Material Additions:         0         0         0         0         0           57         0<			-			_	
Fig. 20   Fig.							
Total Additions							
55         Recap of Material Additions:         0         0         0           56         Recap of Material Additions:         0         0         0           57         0         0         0         0           58         0         0         0         0           59         0         0         0         0           60         0         0         0         0           61         0         0         0         0           62         Charitable donations         325,000         0         325,000           63         0         0         0         0         0           64         0         0         0         0         0         0         0           65         0			_			Ü	
56 Recap of Material Additions:         0 <t< td=""><td></td><td>Total Additions</td><td>=</td><td>389,738</td><td>20,731</td><td>369,007</td><td></td></t<>		Total Additions	=	389,738	20,731	369,007	
57         0		D. MARCHAIRE					
58         0		Recap of Material Additions:		0	0	0	
59         0							
61         0         0         0         0         0         0         325,000         0         325,000         0	59			0	0	0	
62       Charitable donations       325,000       0       325,000         63       0       0       0       0         64       0       0       0       0         65       0       0       0       0         66       0       0       0       0         68       0       0       0       0         69       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         78       0       0       0       0         80       0       0       0       0         80       0       0       0       0         80       0       0       0       0         80       0       0       0       0         80       0       0       0       0							
63       0	_	Charitable donations					
64       0       0       0         65       0       0       0         66       0       0       0         67       0       0       0         68       0       0       0         69       0       0       0         70       0       0       0         71       0       0       0         72       0       0       0         73       0       0       0         74       0       0       0         75       0       0       0         76       0       0       0         77       0       0       0         78       0       0       0         80       0       0       0         80       0       0       0         81       0       0       0	_	Onaniabie uunaliuns					
65       0	_						
67       0	65			0	0	0	
68       0       0       0       0         69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         79       0       0       0       0         80       0       0       0       0         81       0       0       0       0							
69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         80       0       0       0       0         80       0       0       0       0         81       0       0       0       0							
70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         80       0       0       0       0         80       0       0       0       0         81       0       0       0       0	_						
72     0     0     0     0       73     0     0     0     0       74     0     0     0     0       75     0     0     0     0       76     0     0     0     0       77     0     0     0     0       78     0     0     0     0       79     0     0     0     0       80     0     0     0     0       81     0     0     0     0	70			0	0	0	
73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         79       0       0       0       0         80       0       0       0       0         81       0       0       0       0							
74     0     0     0       75     0     0     0     0       76     0     0     0     0       77     0     0     0     0       78     0     0     0     0       79     0     0     0     0       80     0     0     0     0       81     0     0     0     0							
75     0     0     0       76     0     0     0       77     0     0     0     0       78     0     0     0     0       79     0     0     0     0       80     0     0     0     0       81     0     0     0     0							
76     0     0     0       77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0							
78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0	76			0	0	0	
79     0     0     0       80     0     0     0       81     0     0     0	77						
80 0 0 0 81 0 0 0							
81 0 0 0	_						

					_	_
_	A A SECTION OF THE TAX OF COLUMN HOUSE	В	С	D	E	F
	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RRR # 2.1.8		Return		V	
6					Version 2004.1	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86	Dravision for had dakta			0		
87 88	Provision for bad debts		38,593 0	0	38,593 0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94			Ü		Ü	
	Total Material additions		363,593	0	363,593	
	Other additions less than materiality level		26,145	20,731	5,414	
	Total Additions		389,738	20,731	369,007	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-	44,467	41,462	3,005	
101	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	24,694		24,694	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
	Other deductions: (Please explain in detail the nature of the item)	-				
	Imputed interest on Reg Assets	-			0	
112	Charitable donations	-	325,000		325,000	
113		-			0	
114		-			0	
115		-			0	
116 117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
	Total Deductions	=	394,161	41,462	352,699	
123				,	00=,000	
	Recap of Material Deductions:					
125	•		0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137	Charitable donations		325,000	0	325,000	
138			0	0	0	
139			0	0	0	
140 141			0	0	0	
141			0		0	
142			0	0	0	
144			0	0	0	
144			0	0	0	
	Total Deductions exceed materiality level		325,000	0	325,000	
	Other deductions less than materiality level		69,161	41,462	27,699	
	Total Deductions		394,161	41,462	352,699	
149	Total Doddollono		334,101	71,702	332,033	

1									
	A SECTION 93 PILs TAX GRO	B NSS-IIP "S	C IMPII "	D	Е	F	G	Н	- 1
2	Corporate Tax Rates	)33-UP 3	IIVIPIL		V	ersion 2004	.1		
3	Exemptions, Deductions, o					RRR # 2.1.8			
4	Utility Name: HALTON HI	LLS HYDR	O INC.						
5 6	Reporting period: 2004								
7	-					Table 1			
8	Rates Used in 2002 RAM PI	ILs Applica	tions				_		
9	Income Range		0		200,001				
10 11	RAM 2002	V	to		to	>700,000			
	Income Tax Rate	Year	200,000		700,000				
	Proxy Tax Year	2002							
	Federal (Includes surtax)		0.00%						
15	and Ontario blended		19.12%		34.12%	38.62%	,		
16	Blended rate		19.12%	0.00%	34.12%	38.62%			
17			0.0000/						
	Capital Tax Rate  LCT rate		0.300% 0.225%						
20	Surtax		1.12%						
	Ontario Capital Tax	MAX							
21	Exemption **	\$5MM	5,000,000						
	Federal Large	MAX							
22	Corporations Tax	\$10MM	10,000,000						
23	Exemption **  **Exemption amounts must	t agree with	the Board-a	nnroyed 200	2 PAM PII s	filing			
23 24		. agree will	i ine boaru-a	ippioved 200	Z IVANI FILS	······y			
25						Table 2			
	Expected Rates and Exemp	otions for 2	4	_			•		
	Income Range		0	250,001	400,001	. 4 400 000			
28	Expected Rates 2004	Year	to 250,000	to 400,000	to 1,128,000	>1,128,000			
	Income Tax Rate	i cai	230,000	400,000	1,120,000				
31	Current year	2004							
32	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%			
	Ontario		5.50%	5.50%	9.75%	14.00%			
34	Blended rate		18.62%	27.62%	31.87%	36.12%			
35	Canital Tay Data		0.300%						
	Capital Tax Rate  LCT rate		0.300%						
	Surtax		1.12%						
	Ontario Capital Tax	MAX	5,000,000						
39	Exemption ***	\$5MM	5,000,000						
	Federal Large	MAX	50 000 000						
40	Corporations Tax Exemption ***	\$50MM	50,000,000						
41	***Allocation of exemptions	s must com	ply with the	Board's instr	uctions reg	arding			
42	regulated activities.				_	_			
43						Table 3			
	Input Information from Utili Income Range	ity's Actual	2004 Tax Re	turns 250,001	400,001		ľ		
	<u> </u>		to	250,001 to	400,001 to	>1,128,000			
46			••						
46 47		Year	250,000	400,000	1,128,000				
47 48	Income Tax Rate		250,000	400,000					
47 48 49	Income Tax Rate  Current year	Year 2004	·		1,128,000				
47 48 49 50	Income Tax Rate Current year Federal (Includes surtax)		13.12%	22.12%	<b>1,128,000</b> 22.12%	22.12%			
47 48 49 50 51	Income Tax Rate Current year Federal (Includes surtax) Ontario		13.12% 5.50%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate		13.12%	22.12%	<b>1,128,000</b> 22.12%				
47 48 49 50 51 52 53	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate		13.12% 5.50%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate		13.12% 5.50% 18.62%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax	2004	13.12% 5.50% 18.62%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax	2004 MAX	13.12% 5.50% 18.62% 0.300% 0.200%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption *	2004	13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large	MAX \$5MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	2004 2004 MAX \$5MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actuontario CT23 page 11; federal corporations CT23	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actuontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			

# Appendix C

Revised, unlocked 2005 SIMPIL

	A	В	С	D	E
1	SIMPIL RRR FILING		U	В	Version 2005.1
	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
	Utility Name: HALTON HILLS HYDRO INC.			Colour Code	1X1X # 2.1.0
	Reporting period: 2005			Input Cell	
5	Reporting period. 2003			Formula in Cell	
	Days in reporting period:	365	days	i orinida ili Celi	
	Total days in the calendar year:	365	days		
8	Total days in the calendar year.	303	uays		
	BACKGROUND				
	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	Υ	
13	tax (and therefore subject to FILS)!		1/11	1	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
10			>//>		
	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)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Υ	
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%	
	Cells C68 & C77 in the TAXCALC spreadsheet.	LCT		100%	
ZS			_		
24	Accounting Year End		Date	12-31-2005	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				moonic
	USE BOARD-APPROVED AMOUNTS				
30	OCE BOARD ATTROVED AMOUNTO				
	Rate Base (wires-only)			25,052,968	
υZ					
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
77					
	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in Year 1 - 2001			715,262	
48	Amount allowed in Year 2 - 2002			715,262	715,262
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210;			_	
50	unless authorized by the Minister and the Board)			_ 0	0
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM pl	an)		715,262	
52	Other adjustments approved by the Board			108,654	108,654
53 54	Total Regulatory Income				2,254,440
55	Total Regulatory income				2,254,440
	Equity			12,526,484	
57	Equity			12,320,404	
	Return at target ROE			1,237,617	
59	Netuin at target NOL			1,237,017	
	Debt			12,526,484	
61				12,020,704	
	Deemed interest amount in 100% of MARR			908,170	
63		·			
64 65	Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D62			302,723	
	Phase-in of interest - Years 2, 3 & 4 (2002, 2003,2004)			605,447	
67	((D43+D47+D48)/D41)*D62 (Due to Bill 210)			· ·	
	Phase-in of interest - Year 3 (2005) and forward	-		908,170	
69					
70					
71					
72					

	A	В	С	D	Е	F	G	Н	1	J	K	П
1	SIMPIL RRR FILING	ITEM	Initial			-+	-		M of F	M of F	M of F	ᆣ
	DEFERRAL/VARIANCE ACCOUNTS	IILIVI	Estimate			- 1	<b>-</b>		Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)		Estillate						Variance	Variance	rillig	├─
_									K-C	Explanation	(June)	├─
	("Wires-only" business - see Tab TAXREC)								N-C	Explanation		-
5 6	RRR # 2.1.8		œ.					_	œ.		Version 2005.1	<del> </del>
	THE TAX TON THE CONTROL INC		\$			-	_		\$		\$	<u> </u>
_	Utility Name: HALTON HILLS HYDRO INC.											<u> </u>
	Reporting period: 2005										Column	<u> </u>
	Days in reporting period:	365	days								Brought	
10	Total days in the calendar year:	365	days								From	
11											TAXREC	
12												
13	I) CORPORATE INCOME TAXES											
14												
	Regulatory Net Income REGINFO E54	1	2,254,440						211,668		2,466,108	
16			_,,,,,,,						,		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	BOOK TO TAX ADJUSTMENTS						- 1					
18	BOOK TO TAX ABSOCIALENTO					- 1	<b>-</b>					
_	Additions:					- 1	<b>-</b>					
	Depreciation & Amortization	2	1 004 104						270.042		1 004 100	-
			1,604,164						279,942		1,884,106	<b>-</b>
	Employee Benefit Plans - Accrued, Not Paid	3	15,448						13,772		29,220	
22	Tax reserves - beginning of year	4						_	0		0	
	Reserves from financial statements - end of year	4	52,983						50,554		103,537	4
	Regulatory Adjustments - increase in income	5							0		0	4
	Regulatory Assets - to balance to tax return								0		0	4
	Other Additions (See Tab entitled "TAXREC")											
27	"Material" Items from "TAXREC" worksheet	6				[	ſ	1	0		0	
28	Other Additions (not "Material") "TAXREC"	6							7,084		7,084	L
29	"Material Items from "TAXREC 2" worksheet	6							325,000		325,000	
30	Other Additions (not "Material") "TAXREC 2"	6							0		0	
31											Ü	1
	Deductions: Input positive numbers						-					t -
	Capital Cost Allowance and CEC	7	1,562,567		-+	-+	-	-	91,111		1,653,678	<b>_</b>
_												
	Employee Benefit Plans - Paid Amounts	8	13,548						3,172		16,720	
	Items Capitalized for Regulatory Purposes	9							0		0	
	Regulatory Adjustments - deduction for tax purposes in Item 5	10							0		0	_
	Regulatory Assets - to balance to tax return								0		0	
	Interest Expense Deemed/ Incurred	11	908,170						280,664		1,188,834	
39	Tax reserves - end of year	4							0		0	
40	Reserves from financial statements - beginning of year	4	66,837						3,163		70,000	1
41	Contributions to deferred income plans	3							0		0	
42	Contributions to pension plans	3							0		0	
	Interest capitalized for accounting but deducted for tax	11							0		0	
44	Other Deductions (See Tab entitled "TAXREC")											
45	CDM 2005 incremental OM&A expenses per 2005 PILs model	12					— t		0		0	
46	"Material" Items from "TAXREC" worksheet	12							0		0	
47	Other Deductions (not "Material") "TAXREC"	12							25,444		25,444	
48	Material Items from "TAXREC 2" worksheet	12							325,000		325.000	
49									325,000		325,000	-
	Other Deductions (not "Material") "TAXREC 2"	12							U		U	—
50							_					<u> </u>
51	TAXABLE INCOME/ (LOSS)		1,375,913						159,466	Before loss C/F	1,535,379	<u> </u>
52												
	BLENDED INCOME TAX RATE											
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%						-2.3400%	Formula	33.78%	
55												
56	REGULATORY INCOME TAX		496,980			$\Box I$			21,356	Actual	518,336	
57						T	T	_ 7				L
58												
	Miscellaneous Tax Credits	14							0	Actual	0	
60												
61	Total Regulatory Income Tax		496,980		$\dashv$	一十	7		21,356	Actual	518,336	1
62	· • · · · · · · · · · · · · · · · · · ·		. 30,000		-	$\dashv$	<del>-</del> t		2.,000	, totadi	2,0,000	<b>†</b>
63												t
	II) CAPITAL TAXES						$-\dagger$					$\vdash$
65	II) ONLITAL TAKES						$-\dagger$					<del> </del>
	Ontario					-+	-					$\vdash$
		15	05.050.065		-+	-+	<del> -</del>	-	0.007.007		05 050 051	<del>                                     </del>
	Base	15	25,052,968		+	+		_	9,997,986		35,050,954	
	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000						-544,467		6,955,533	4
69	Taxable Capital		17,552,968		$\perp \perp$				9,453,519		28,095,421	4
70												<b>_</b>
	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.3000%		0.3000%	4
72												
73	Ontario Capital Tax		52,659						31,626		84,285	4
74					$\Box$ T	T	T	1				$\bot$
75	Federal Large Corporations Tax					T	T					1
76	Base	18	25,052,968						-25,052,968	-	0	
	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000						-50,000,000		0	
78	Taxable Capital	-	0						-75,052,968		0	
79	*4 **		0			$\dashv$	T		. 2,302,000		Ü	
	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		-	-	<del>-  </del>	-	0.0000%		0.1750%	
81			0.170070			$\dashv$	$\dashv$		0.0000 /6		0.170078	1
	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		-+	$\dashv$	-+	-	0		0	
		24	0		-+	-+	-+	-	0		0	_
	Less: Federal Surtax 1.12% x Taxable Income	21	0				-+	-	0		0	1
84	Next CT				-+	-+	<del> -</del>	-			_	1
	Net LCT	l	0				_		0		0	Ļ—
85 86												

	A	В	С	D	Е	F	G	Н	ı	J	K	
1	SIMPIL RRR FILING	ITEM	Initial		-	-	U		M of F	M of F	M of F	_
	DEFERRAL/VARIANCE ACCOUNTS	1121	Estimate						Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)		Lotimate						Variance	Variance	g	
	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
	RRR # 2.1.8									Explanation	Version 2005.1	
6			\$						\$		\$	
	III) INCLUSION IN RATES		·						·		·	
88												
	Income Tax Rate used for gross- up		36.12%									
90	ý i											
91	Income Tax (proxy tax is grossed-up)	22	777,990							Actual 2005	518,336	
92	LCT (proxy tax is grossed-up)	23	0							Actual 2005	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	52,659							Actual 2005	84,285	
94												
95												
	Total PILs for Rate Adjustment MUST AGREE WITH 2005	25	830,648							Actual 2005	602,621	
97	RAM DECISION											
98												
99												
	IV) FUTURE TRUE-UPS											
	IV a) Calculation of the True-up Variance								DR/(CR)			
	In Additions:											
	Employee Benefit Plans - Accrued, Not Paid	3							13,772			
	Tax reserves deducted in prior year	4							0		<del>                                     </del>	
	Reserves from financial statements-end of year	4							50,554		<del>                                     </del>	
	Regulatory Adjustments	5			-				0		<del>                                     </del>	-
	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			-	-	-		325,000		<del> </del>	
	Other additions "Material" items TAXREC 2  In Deductions - positive numbers	υ							325,000		<del>                                     </del>	
	Employee Benefit Plans - Paid Amounts	8				<b> </b>			3,172			
	Items Capitalized for Regulatory Purposes	9							3,172			
	Regulatory Adjustments	10							0			
	Interest Adjustment for tax purposes (See Below - cell I207)	11							280,664			
	Tax reserves claimed in current year	4							0			
	Reserves from F/S beginning of year	4							3,163			
	Contributions to deferred income plans	3							0			
117	Contributions to pension plans	3							0			
	Other deductions "Material" Items TAXREC	12							0			
	Other deductions "Material" Item TAXREC 2	12							325,000			
120												
	Total TRUE-UPS before tax effect	26						=	-222,673			
122												
	Income Tax Rate from 2005 Utility's tax return							х	33.78%			
124	T 5" . T								75.040			
	Income Tax Effect on True-up adjustments							=	-75,219			
126	Less: Miscellaneous Tax Credits	14							0			
128	Less: Miscellaneous Tax Credits	14							U			
	Total Income Tax on True-ups								-75,219			
130	Total income Tax off True-ups								-70,210			
	Income Tax Rate used for gross-up								32.66%			
132	moonie Tax Tax dood for glood up								02.0070			
	TRUE-UP VARIANCE ADJUSTMENT								-111,700			
134									·			
	IV b) Calculation of the Deferral Account Variance caused by											
	changes in legislation										1	
136	- · ·											
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial											
	estimate column)							=	1,375,913		1	
138												
139	REVISED CORPORATE INCOME TAX RATE							Х	33.78%			
140			-							-		
	REVISED REGULATORY INCOME TAX							=	464,783			
142												
	Less: Revised Miscellaneous Tax Credits							-	0			
144	Total Davised Decidatory Income Tour								/01755			
	Total Revised Regulatory Income Tax							=	464,783			
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell						-					$\vdash$
147									496,980		1	
148	OO1)								430,300	1		
	Regulatory Income Tax Variance							=	-32,196	1		
150	g, moonto tan tandino							-	-02,190			
	Ontario Capital Tax											
	Base							=	25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	7,500,000			
	Revised deemed taxable capital							=	17,552,968		<u> </u>	
155												
	Rate - Tab Tax Rates cell C54							Х	0.3000%			
157												
	Revised Ontario Capital Tax							=	52,659			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell								<b>50.6</b>		1	l
	C73)							-	52,659			ļ
160	Regulatory Ontario Capital Tax Variance							=	0		1 1	1

	A	В	С	D	Е	F	G	Н	I	J	K	L
1	SIMPIL RRR FILING	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2005.1	
6			\$						\$		\$	
161			•						·		·	$\Box$
	Federal LCT											
	Base								25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
	Revised Federal LCT							=	-24,947,032			
166				-				_	24,047,002			
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C55	1		+					0.1750%			1
168				-					0.170070			
	Gross Amount	1		+					0			1
	Less: Federal surtax	1		+				_	0			1
	Revised Net LCT	1		-				=	0			-
172	Revised Net LCT	1		-				_	U			-
	Less: Federal LCT reported in the initial estimate column (Cell C85)	-		-				-	0			-
	Regulatory Federal LCT Variance	-		-				=	0			-
175	Regulatory Federal LCT Variance	-		_				=	U			-
	A-6	-		_					00.000/			-
	Actual Income Tax Rate used for gross-up	1		-					32.66%			
177	T ( )	1		-					47.040			
	Income Tax (grossed-up)	1		-				+	-47,812			1
	LCT (grossed-up)	1		-				+	0			1
	Ontario Capital Tax	1		_				+	0			
181		1		_								
	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			_				=	-47,812			
183		1		_								igspace
	TRUE-UP VARIANCE (from cell I133)			_				+	-111,700			
185				_								
	Total Deferral Account Entry (Positive Entry = Debit)							=	-159,512			
	(Deferral Account Variance + True-up Variance)											
188												
189												
190												
191	V) INTEREST PORTION OF TRUE-UP											
192	Variance Caused By Phase-in of Deemed Debt											
193												
194	Total deemed interest (REGINFO)								908,170			
	Interest phased-in (Cell C38)								908,170			
196	(**************************************								,			
	Variance due to phase-in of debt component of MARR in rates								0			
198				1								
199				1								
	Other Interest Variances (i.e. Borrowing Levels			1								
201	Above Deemed Debt per Rate Handbook)											$\vdash$
	Interest deducted on MoF filing (Cell K38+K43)								1,188,834			$\vdash$
	Total deemed interest (REGINFO CELL D62)								908,170			$\vdash$
204	Total doomed microst (NEONITO OFFE DOL)								000,170			$\vdash$
205	Variance caused by excess debt						-		280,664			$\vdash$
205	variance caused by excess debt	1		1			1		200,004		1	
	Interest Adjustment for Tay Burnesse (seems femined to Call 1440)				-	-	-	-	280,664		<b> </b>	$\vdash$
207	Interest Adjustment for Tax Purposes (carry forward to Cell I113)				-	-	-	-	200,064		<b> </b>	$\vdash$
	T-(-) lut( Md			-	-	-	<b> </b>		-280,664			$\longmapsto$
	Total Interest Variance	1		1					-200,664			igspace
210												

1	A SIMPIL RRR FILING	B LINE	C M of F	D Non-wires	E Wires-only	F
	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8		Tax	(positive numbers)	Return	
5	KKK # 2.1.8		Return		Version 2005.1	
6	Section A: Identification:					-
	Utility Name: HALTON HILLS HYDRO INC. Reporting period: 2005					
_	Taxation Year's start date:		Jan 1/05			
10	Taxation Year's end date:		Dec 31/05			
	Number of days in taxation year:		365	days		
12	Please enter the Materiality Level :		31,316	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N	Υ			
15	(0.25% x Net Assets)	Y/N Y/N	N N			
16 17	Or other measure (please provide the basis of the amount)  Does the utility carry on non-wires related operation?	Y/N	Y			
18	(Please complete the questionnaire in the Background questionn	aire wo	orksheet.)			
19	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Note: Sally forward Wiles only Bala to Fab. 17000 LEO Solumin N					
	Section B: Financial statement data:					
23	Input unconsolidated financial statement data submitted with Tax retu. The actual categories of the income statements should be used.	irns.				
25	If required please change the descriptions except for amortization, into	erest ex	pense and provision	for income tax		
26	Discount of the man wine accordingly and the man with a second or					
	Please enter the non-wire operation's amount as a positive number, the in the "non-wires elimination column" as negative values in TAXREC a			aus all amounts		
29	· · · · · · · · · · · · · · · · · · ·		-			
30	Income:	+	36,847,936		26 947 026	
32	Energy Sales Distribution Revenue	+	36,847,936 8,883,939		36,847,936 8,883,939	
33	Other Income	+	1,116,930	47,698	1,069,232	
34 35	Miscellaneous income	+			0	
	Revenue should be entered above this line					
37			-	-		-
38	Costs and Expenses:  Cost of energy purchased	_	36,847,936		36,847,936	
40	Salaries & benefits	-	3,489,322	3,500	3,485,822	
41	Material costs	-	1,514,086		1,514,086	
42 43	Contract services Amortization (links to C61 below)	-	2,704,632 1,884,106		2,704,632 1,884,106	
44	Ontario Capital Tax	1	68,445		68,445	
45	CDM Expenses for 2005	-	55,108		55,108	
46 47	Property costs Other expenses	-	517,652 698,660	4,317	513,335 698,660	
48	Communications costs	-	260,991		260,991	-
49	Recovery of regulatory assets	-	1,004,331		1,004,331	
50 51	Allocated to capital	-	-4,702,453		-4,702,453 0	
52						
53 54	Net Income Before Interest & Income Taxes EBIT	=	2,505,989 1,188,834	39,881	2,466,108 1,188,834	
55	Less: Interest expense for accounting purposes  Provision for payments in lieu of income taxes	-	646,313	10,285	636,028	
	Net Income (loss)	=	670,842	29,596	641,246	
	(The Net Income (loss) in the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
57	,					
58	Section C: Reconciliation of accounting income to taxable incom	•				
	From T2 Schedule 1	_				
	BOOK TO TAX ADDITIONS:					
	Provision for income tax Federal large corporations tax	+	646,313	10,285	636,028	
64	Depreciation & Amortization	+	1,884,106	0	1,884,106	
	Employee benefit plans-accrued, not paid	+	29,220	0	29,220	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0 103,537	0	103,537	
68	Regulatory adjustments	+	.00,007	Ů	0	
	Regulatory Assets changes Material addition items from TAXREC 2	+	325,000	0	0 325,000	
	Other addition items (not Material) from TAXREC 2	+	325,000	0	325,000	
72	·					
73 74	Subtotal		2,988,176	10,285	2,977,891	
	Other Additions: (Please explain the nature of the additions)					_
76	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense  Capital items expensed	+	5,787		5,787	
79	Charitable donations	+			0	
	Capital tax accrued in income statement	+			0	
81	Book loss of joint venture	+	1,297		1,297	
83	Total Other Additions	=	7,084	0	7,084	
84	Total Additions		2.005.000	40.005	2.094.075	
85 86	Total Additions	=	2,995,260	10,285	2,984,975	
87	Recap Material Additions:					
88 89			0	0	0	
90			0	0	0	
			0	0	0	
91			0	0	0	
92			0			
			0	0	0	_
92 93 94 95	Total Other additions >materiality level		0	0	0	
92 93 94 95 96	Total Other additions >materiality level Other deductions (less than materiality level) Total Other Additions		0	0	0	

2 TAX RETURN RECONCILIATION (TAXREC) Corporate Eliminations 3 (for "wires-only" business - see s. 72 OEB Act) Tax (positive numbers) Re 4 RRR # 2.1.8 Return	E F F S-only ax turn
2 TAX RETURN RECONCILATION (TAXREC)	ax turn  n 2005.1  1,587,060 66,618 16,720 0 0 0 0 70,000 0 325,000 0 2,065,398 0 25,444 0 0
A RR # 2.1.8   Return	1,587,060 66,618 16,720 0 0 0 0 0 0 70,000 0 0 325,000 0 2,065,398
S   SOCK TO TAX DEDUCTIONS:	1,587,060 66,618 16,720 0 0 0 0 0 70,000 0 325,000 0 2,065,398 0 25,444 0 0
198 BOOK TO TAX DEDUCTIONS:	1,587,060 66,618 16,720 0 0 0 0 0 70,000 0 325,000 0 2,065,398 0 25,444 0 0
100   Capital cost allowance   .   .1,587,060	66,618 16,720 0 0 0 0 0 0 0 0 0 70,000 0 0 0 325,000 0 2,065,398 0 25,444 0
101 Cumulative eligible capital deduction   .   66.618       102 Employee benefit plans paid amounts   .   16,720       103 Illems capitalized for regulatory purposes   .       105 CCA   .       106 other deductions   .       107 Regulatory Assets changes   .       108 Tax reserves - end of year   .         109 Reserves Tam financial statements - beginning of year   .         100 Contributions to deferred income plans   .       110 Contributions to person plans   .       111 Contributions to person plans   .       112 Interest capitalized for accounting deducted for tax   .       113 Material deduction items (not Material) from TAXREC 2   .   325,000   0     114 Other deduction items (not Material) from TAXREC 2   .   0   0     115	66,618 16,720 0 0 0 0 0 0 0 0 0 70,000 0 0 0 325,000 0 2,065,398 0 25,444 0
102 Employee benefit plans-paid amounts	16,720 0 0 0 0 0 0 0 70,000 0 0 325,000 0 2,065,398 0 25,444 0
103   Items capitalized for regulatory purposes   -	0 0 0 0 0 0 0 0 70,000 0 0 325,000 0 2,065,398 0 25,444
104   Regulatory adjustments :	0 0 0 0 0 70,000 0 0 325,000 0 2,065,398
105   CCA	0 0 0 0 70,000 0 0 325,000 0 2,065,398 0 25,444 0
106	0 0 0 70,000 0 0 325,000 0 2,065,398 0 25,444 0
107 Regulatory Assets changes	0 0 70,000 0 0 0 325,000 0 2,065,398 0 25,444 0
108] Tax reserves - end of year	70,000 0 0 0 325,000 0 2,065,398 0 25,444 0
110   Contributions to deferred income plans   -	0 0 0 325,000 0 2,065,398 0 25,444 0
111	0 0 325,000 0 2,065,398 0 25,444 0
112   Interest capitalized for accounting deducted for tax	0 325,000 0 2,065,398 0 25,444 0
113  Material deduction items from TAXREC 2	325,000 0 2,065,398 0 25,444 0
1140   Other deduction items (not Material) from TAXREC 2	0 2,065,398 0 25,444 0
115	2,065,398 0 25,444 0
116	0 25,444 0
117   Other deductions (Please explain the nature of the deductions)	0 25,444 0
Charitable donations - tax basis	25,444 0 0
119	25,444 0 0
120	0
122	
123	0
124	
125	25,444
126	2 000 040
127   Recap Material Deductions:	2,090,842
128	
129	0
130	0
132   Total Other Deductions exceed materiality level   0 0 0 0   0   133   Total Other Deductions less than materiality level   25,444   0 0   135   Total Other Deductions   25,444   0 0   136     136     137   TAXABLE INCOME   = 1,575,260   39,881   138   DEDUCT:     139   Non-capital loss applied   positive number   -     140   Net capital loss applied   positive number   -     141   Charitable donations     142   NET TAXABLE INCOME   = 1,575,260   39,881   143     144   FROM ACTUAL TAX RETURNS     145   Net Federal Income Tax   (Must agree with tax return)   +	0
133   Total Other Deductions exceed materiality level   0   0   0   134   Other Deductions less than materiality level   25,444   0   135   Total Other Deductions   25,444   0   136   137   TOTAL Other Deductions   25,444   0   136   137   TAXABLE INCOME   = 1,575,260   39,881   138   DEDUCT:   139   Non-capital loss applied   positive number   -	0
134   Other Deductions less than materiality level   25,444   0   135   Total Other Deductions   25,444   0   0   136	0
135   Total Other Deductions   25,444   0     136             137   TAXABLE INCOME   = 1,575,260   39,881     138   DEDUCT:           139   Non-capital loss applied   positive number   -     140   Net capital loss applied   positive number   -     141   Charitable donations         142   NET TAXABLE INCOME   = 1,575,260   39,881     143               144   FROM ACTUAL TAX RETURNS         145   Net Federal Income Tax   (Must agree with tax return)   +   321,448   8,318     146   Net Ontario Income Tax   (Must agree with tax return)   +   210,536   5,330     147   Subtotal   =   531,984   13,648     148   Less: Miscellaneous tax credits   (Must agree with tax returns)   -     149   Total Income Tax   (Must agree with tax returns)   =   531,984   13,648     150	0
136	25,444
137 TAXABLE INCOME	25,444
138   DEDUCT:   139   Non-capital loss applied   positive number   -	1,535,379
139   Non-capital loss applied   positive number   -	1,000,010
140	0
142   NET TAXABLE INCOME	0
143	0
144   FROM ACTUAL TAX RETURNS	1,535,379
145   Net Federal Income Tax   (Must agree with tax return)   +	
146	242.420
147   Subtotal   =   531,984   13,648	313,130 205,206
148 Less: Miscellaneous tax credits       (Must agree with tax returns)       -         149 Total Income Tax       =       531,984       13,648         150       =       151 APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS       =         152 Net Federal Income Tax Rate       (Must agree with tax status)       20.41%         153 Net Ontario Income Tax Rate       (Must agree with tax status)       13.37%	518,336
149   Total Income Tax   =   531,984   13,648     150	0
150     151   APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS     152   Net Federal Income Tax Rate (Must agree with tax status)   20.41%     153   Net Ontario Income Tax Rate (Must agree with tax status)   13.37%	518,336
152         Net Federal Income Tax Rate         (Must agree with tax status)         20.41%           153         Net Ontario Income Tax Rate         (Must agree with tax status)         13.37%	
153 Net Ontario Income Tax Rate (Must agree with tax status) 13.37%	
	20.41%
LID4L plended Income Tax Kate 33.78%	13.37%
	33.78%
155   156   Section D: Detailed calculation of Ontario Capital Tax	
157 Section D: Detailed Calculation of Ontario Capital Tax	
158 ONTARIO CAPITAL TAX	
159 (From Ontario CT23)	
160 PAID-UP CAPITAL	
161	
	6,161,663
163 Retained earnings (if deficit, deduct) +/- 3,065,624	3,065,624
164 Capital and other surplus excluding +	0
165 appraisal surplus + 16.525.106 + 16.525.106	
166 Loans and advances     +     16,525,106     1       167 Bank loans     +	0 6 525 106
168 Bankers acceptances +	6,525,106
169 Bonds and debentures payable +	6,525,106 0
170 Mortgages payable +	6,525,106
171 Lien notes payable +	6,525,106 0 0
172 Deferred credits +	6,525,106 0 0 0 0
173 Contingent, investment, inventory and similar reserves +	6,525,106 0 0 0 0 0 0
174 Other reserves not allowed as deductions +	6,525,106 0 0 0 0 0 0 0
175 Share of partnership(s), joint venture(s) paid-up capital + 18,000	6,525,106 0 0 0 0 0 0 0 0
	6,525,106 0 0 0 0 0 0 0 0 0 0 0
177] Subtract:  Amounts deducted for income tax purposes in excess of amounts -	6,525,106 0 0 0 0 0 0 0 0
Amounts deducted for income tax purposes in excess of amounts	6,525,106 0 0 0 0 0 0 0 0 0 0 0
Deductible R&D expenditures and ONTTI costs deferred for income -	6,525,106 0 0 0 0 0 0 0 0 0 0 18,000 5,770,393
179 tax	6,525,106 0 0 0 0 0 0 0 0 0 0 0
180 Total (Net) Paid-up Capital = 36,465,296 0	6,525,106 0 0 0 0 0 0 0 0 0 0 18,000 5,770,393

_	A A	В	C	D	E	F
2	SIMPIL RRR FILING TAX RETURN RECONCILIATION (TAXREC)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
	RRR # 2.1.8		Return			
5					Version 2005.1	
181						
182 183	ELIGIBLE INVESTMENTS					
	Bonds, lien notes, interest coupons	+			0	
	Mortgages due from other corporations	+			0	
	Shares in other corporations	+	904,773		904,773	
	Loans and advances to unrelated corporations	+			0	
	Eligible loans and advances to related corporations	+	865,551 4.000		865,551 4.000	
190	Share of partnership(s) or joint venture(s) eligible investments	+	4,000		4,000	
191	Total Eligible Investments	=	1,774,324	0	1,774,324	
192	•					
193						
	TOTAL ASSETS					
195	Total assets per balance sheet	+	45,090,868		45,090,868	
	Mortgages or other liabilities deducted from assets	+	40,000,000		0	
	Share of partnership(s)/ joint venture(s) total assets	+			0	
199	Subtract: Investment in partnership(s)/joint venture(s)		39,221		39,221	
200	Total assets as adjusted		45.054.015		45.054.015	
201	Total assets as adjusted	=	45,051,647	0	45,051,647	
	Add: (if deducted from assets)					
204		+			0	
205	Other reserves not allowed as deductions	+			0	•
206	Subtract:				0	
207	Amounts deducted for income tax purposes in excess of amounts booked	-	-694,903		-694.903	
201	Deductible R&D expenditures and ONTTI costs deferred for	-	-094,903		-094,903	
208	income tax					
	Subtract: Appraisal surplus if booked				0	
	Add or subtract: Other adjustments	+/-			0	
211 212	Total Assets	=	45,746,550	0	45,746,550	
213	Total Assets		45,740,550	0	43,740,330	
214						
	Investment Allowance		1,414,342	0	1,414,342	
216	Touchia Conital					
218	Taxable Capital					
	Net paid-up capital	+	36,465,296	0	36,465,296	
220	Subtract: Investment Allowance	-	1,414,342	0	1,414,342	
221	Total I. Occide		05 050 054		05.050.054	
222 223	Taxable Capital	=	35,050,954	0	35,050,954	
	Capital Tax Calculation					
225	Deduction from taxable capital up to maximum of \$7,5000,000		6,955,533	0	6,955,533	
226	(Input in tab Tax Rates)					
227	Net Taxable Capital		28,095,421	0	28,095,421	
228 229	Rate		0.3000%	0.3000%	0.3000%	
230			0.000070	0.000070	0.000070	
231	Days in taxation year		365	365	365	
	Divide days by 365		1.00	1.00	1.00	
233 234	Ontario Capital Tax (as calculated)		84,286	0	84,286	
235	Suno Supriur rux (as calculateu)		04,200	U	04,200	
236	Ontario Capital Tax (Must agree with CT23 return)		84,285	0	84,285	
237						
	Section E: Detailed calculation of Large Corporations Tax					
239	LARGE CORPORATIONS TAX		*** NOT APPLICAR	LE FOR HHH GRO	UP***	
	(From Federal Schedule 33)		TAIT LIOAD			
242	CAPITAL					
243	ADD:					
244	Reserves that have not been deducted in computing income for the	+			0	
	year under Part I Capital stock	+			0	
	Retained earnings	+			0	
247	Contributed surplus	+			0	
	Any other surpluses	+			0	
	Deferred unrealized foreign exchange gains All leages and advances to the correction	+			0	
∠50	All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers	+			0	
251	acceptances, or similar obligations	+			0	
252	Any dividends declared but not paid	+			0	
	All other indebtedness outstanding for more than 365 days	+			0	
254	Subtotal			^		
255	Subtotal	=	0	0	0	

	Α	В	C	D	Ε	F
1	SIMPIL RRR FILING	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	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
256						
	DEDUCT:				_	
	Deferred tax debit balance	-			0	
259	Any deficit deducted in computing shareholders' equity	-			0	
	Any patronage dividends 135(1) deducted in computing income	-				
	under Part I included in amounts above				0	
261	Deferred unrealized foreign exchange losses	-			0	
262						
263	Subtotal	=	0	0	0	
264			_		_	
	Capital for the year		0	0	0	
266						
267	INVESTMENT ALLOWANCE					
268		ļ				
	Shares in another corporation	+			0	
	Loan or advance to another corporation	+			0	
	Bond, debenture, note, mortgage, or	+			0	
272		+			0	
	Long term debt of financial institution	+			0	
274	Dividend receivable from another corporation	+			0	
	Debts of corporate partnerships that were not exempt from tax under	+				
275	Part I.3				0	
	Interest in a partnership	+			0	
277						
278	Investment Allowance	=	0	0	0	
279						
280						
	TAXABLE CAPITAL					
282						
283	Capital for the year	=	0	0	0	
284						
285	Deduct: Investment allowance	-	0	0	0	
286						
287	Taxable Capital for taxation year	=	0	0	0	
288						
	Deduct: Capital Deduction - maximum of \$50,000,000	-	0	0	0	
290	(Input in tab Tax Rates)					
291	Taxable Capital	=	0	0	0	
292						
293	Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005		0.17500%	0.17500%	0.17500%	
294		ļ.,	_		_	
	Days in year		365	365	365	
	Divide days by 365		1.0000	1.0000	1.0000	
297	December 10 Town 10T					
298	Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	0	0	
299	Fadaval Contact Data		4.400001	1.100001	1.100001	
_	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
301	Lance Fordered Control	-				
	Less: Federal Surtax = Actual Surtax from tax return	-			0	
303	Net Pert 12 Text 1 CT Perceble (March 2000)					
	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	0	0	0	
305	(If surtax is greater than Gross LCT, then zero)					
306	Section Et Income and Conital Tours					
	Section F: Income and Capital Taxes	-				
308	DECAR EDOM ABOVE:	-				
	RECAP FROM ABOVE:		F04 004	10.010	E40.000	
	Total Income Taxes	+	531,984	13,648	518,336	
311	Ontario Capital Tax	+	84,285	0	84,285	
	Federal Large Corporations Tax	+	0	0	0	
313	Total impages and conital tours		040.000	10.010	000.001	
314	Total income and capital taxes	=	616,269	13,648	602,621	
315		ı			1	

	A	В	С	D	E	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Тах	(positive numbers)	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	RRR # 2.1.8				Version 2005.1	
6						
7	Utility Name: HALTON HILLS HYDRO INC.					
8	Reporting period: 2005					
9						
	TAX RESERVES					
11	5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
	Beginning of Year:				0	
13	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(n)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other				0	
	Other				0	
20					0	
21					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						-
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other Other				0	
32	Ottlei				0	
33					0	
	Insert line above this line				Ü	
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36	rotal (carry formatic to the first termination)		-	<u> </u>		
37						
38	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:					
41					0	
42					0	
	Environmental		70.000		70,000	
	Allowance for doubtful accounts		70,000		70,000	
	Inventory obsolescence Property taxes				0	
	Other				0	
	Other				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		70,000	0	70,000	
51						
	End of Year:			-		
53					0	-
54					0	
	Environmental				0	
	Allowance for doubtful accounts		103,537		103,537	
	Inventory obsolescence				0	
	Property taxes Other				0	
	Other Other				0	
61	Outer				0	
	Insert line above this line	1			U	
	Total (carry forward to the TAXREC worksheet)		103,537	0	103,537	
64	1. Carry forward to the Trance workshoet)	<del>                                     </del>	100,007		100,007	
<u> </u>		1				

	A	В	С	D	Е	F
1	,,		Ü		1	
	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
5 6	RRR # 2.1.8		Return		Version 2005.1	
7					version 2005.1	
_	Utility Name: HALTON HILLS HYDRO INC.					
	Reporting period: 2005					
	Number of days in taxation year:		365			
	Materiality Level:		31,316			
12						
	Section C: Reconciliation of accounting income to taxable income Add:					
	Recapture of capital cost allowance	+			0	
	Gain on sale of eligible capital property	+			0	
	Income or loss for tax purposes- joint ventures or partnerships	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of assets	+			0	
_	Charitable donations	+	325,000		325,000	
	Taxable capital gains	+			0	
	Depreciation in inventory -end of year Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
_	Capitalized interest	+			0	
	Non-deductible club dues and fees	+			0	
	Non-deductible automobile expenses	+			0	
	Non-deductible life insurance premiums	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Non-deductible meals and entertainment  Book loss on joint ventures or partnerships	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Debt financing expenses	+			0	
45		+			0	
46		+			0	
47 48	S.12(1)(x)	+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+				
54	Total Additions	=	325,000	0	325,000	
55	Decem of Material Additional					
56 57	Recap of Material Additions:		0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
	Charitable donations		325,000	0	325,000	
63			0	0	0	
64 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 73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80 81			0	0	0	
82			0	0	0	
02			U	U	U	

	<b>A</b>	D	С	D	E	F
2	A SIMPIL RRR FILING	B LINE	M of F	Non-wires	 Wires-only	Г
	TAX RETURN RECONCILIATION (TAXREC 2)	LIINL	Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
5	RRR # 2.1.8		Return	(1	Return	
6	MM # 2.1.0		rtotam		Version 2005.1	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
	Total Material additions		325,000	0	325,000	
	Other additions less than materiality level		0	0	0	
97	Total Additions		325,000	0	325,000	
98	Doducts					
	Deduct:				0	
	Gain on disposal of assets per f/s Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-			0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			•	
	Imputed interest on Reg Assets	-			0	
	SEC 20(1) (e)	-			0	
	Capital gains adjustment	-			0	
	Equipment	-			0	
115	Charitable donations	-	325,000		325,000	
116	s.13(7.4)	-			0	
117		-			0	
118		-			0	
119		-			0	
120	T. 15 1 1	-			0	
	Total Deductions	=	325,000	0	325,000	
122						
123	Decem of Material Dadustions					
125	Recap of Material Deductions:		0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
_	Charitable donations		325,000	0	325,000	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145	T. I.D. I. III.		0	0	0	
	Total Deductions exceed materiality level		325,000	0	325,000	
	Other deductions less than materiality level		0	0	0	
	Total Deductions		325,000	0	325,000	
149						

						, ,			
1	A A	В	С	D	E	F	G	Н	_
	SIMPIL RRR FILING					lorgian 2005	1		
_	Corporate Tax Rates Exemptions, Deductions, o	r Throchol	40		V	ersion 2005. RRR # 2.1.8	1		
	Utility Name: HALTON HILI					KKK # 2.1.0			
	Reporting period: 2005	LOTITIONO							
3	reperming portion. 2000								
7						Table 1			
8	Rates Used in 2005 RAM PI	Ls Applica	tions						
_	Income Range		0		400,001				
	RAM 2005		to		to	>1,128,000			
11		Year	400,000		1,128,000				
12	Income Tax Rate				Ĭ				
13	Proxy Tax Year	2005							
14	Federal (Includes surtax)		13.12%		17.75%	22.12%			
15	Ontario		5.50%		9.75%	14.00%			
6	Blended rate		18.62%	0.00%	27.50%	36.12%			
7									
8	Capital Tax Rate		0.300%		Input in C18				
	LCT rate		0.175%		Input in C19				
	Surtax		1.12%		Input in C20				
	Ontario Capital Tax	MAX	7,500,000		Input in C21				
_	Exemption **	\$7.5MM	7,300,000		input in OZ I				
	Federal Large	MAX							
	Corporations Tax	\$50MM	50,000,000		Input in C22				
	Exemption **	•							
_	**Exemption amounts must	agree with	the Board-a	pproved 200	5 RAM PILS	filing			
4									
25						Table 2			
_	Expected Rates and Exemp	tions for 2							
	Income Range		0	300,001	400,001	4.455			
	Expected Rates 2005		to	to	to	>1,128,000			
29		Year	300,000	400,000	1,128,000				
	Income Tax Rate								
_	Current year	2005	46.45	00.15	00.15	00.10-:			
_	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%			
	Ontario		5.50%	5.50%	9.75%	14.00%			
4	Blended rate		18.62%	27.62%	31.87%	36.12%			
5									
	Capital Tax Rate		0.300%		Input in C36				
-	LCT rate		0.175%		Input in C37				
	Surtax		1.12%		Input in C38				
	Ontario Capital Tax	MAX	7,500,000		Input in C39				
	Exemption ***	\$7.5MM	,,555,555		,				
	Federal Large	MAX			lance to the				
	Corporations Tax	\$50MM	50,000,000		Input in C40				
	Exemption ***		who with the	Depuille 1 1		andle			
	***Allocation of exemptions	must com	pry with the l	Board's insti	uctions reg	arding			
3	regulated activities.					Table 3			
	Input Information from Utili	tv's Actual	2005 Tax Pe	turns		i abie 3			
	Income Range	iy a Actual	0 0	300,001	400,001				
46	moonie nange		to	300,001 to	400,001 to	>1,128,000			
<del>1</del> 7		Year	300,000	400,000	1,128,000	-1,120,000			
	Income Tax Rate		210,000	. 50,500	.,0,000				
	Current year	2005							
	Federal (Includes surtax)		13.12%	22.12%	22.12%	20.41%			
	Ontario		5.50%	5.50%	9.75%	13.37%			
52	Blended rate		18.62%	27.62%	31.87%	33.78%			
3			. 5.52 /6	/0	01.0770	55.1576			
	Capital Tax Rate		0.300%		Input in C54				
	LCT rate		0.300%		Input in C55				
	Surtax		1.12%		Input in C56				
_	Ontario Capital Tax	MAX							
	Exemption *	\$7.5MM	6,955,533		Input in C57				
	Federal Large								
	Corporations Tax	MAX	45,995,000		Input in C58				
	Exemption *	\$50MM	10,000,000						
	* Include copies of the actu	al tay retur	ns - Ontario	CT23 federa	IT2 Please	see the			
	Checklist.	ar wax retur	Sinano	- 1 - 5, 164616	<u> </u>	300 1110			
31									
62									
63									
-									
64									

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

## Appendix D

HHHI Response to Board Staff Interrogatory HH27

## PILS TAX PROXY COMPARED TO AMOUNTS PAID TO OEFC 2001 - 2008

	<u>Tax Proxy Amount</u> After Gross-		Actual amounts	Difference (under) over
	Before Gross-up	<u>up</u>	paid to OEFC	<u>collected</u>
2001	156,464	245,317	29,400	127,064
2002	575,979	899,961	391,431	184,548
2003	732,443	1,145,278	962,324	(229,881)
2004	615,095	961,290	629,758	(14,663)
2005	556,223	847,976	620,437	(64,214)
2006	601,596	932,649	768,102	(166,506)
2007	631,424	989,682	801,143	(169,719)
2008 _	522,540	777,470	573,000	(50,460)
_	4,391,765	6,799,623	4,775,595	(383,830)

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

## Appendix E

HHHI Response to Board Staff Interrogatory HH28

## CALCULATION OF BOARD APPROVED PILS PROXY AMOUNTS 2001 - 2006

<u>Year</u>	<u>Amount</u>	Calculation / source
2001	245,317	- per Mar 2002 LDC Rate Adjustment Decision dated Feb 28, 2002 RP-2002-0088 / EB-2002-0097
2002	899,961	- per Mar 2002 LDC Rate Adjustment Decision dated Feb 28, 2002 RP-2002-0088 / EB-2002-0097
2003	1,145,278	- 2001 + 2002 Approved PILS proxy
2004	961,290	- 3 months of 2001 + 2002 Approved PILS proxy, plus 9 months of 2002 proxy
2005	847,976	- 3 months of 2002 proxy, plus 9 months of Approved 2005 PILS proxy per 2005 rate Decision & Order dated Mar 29, 2005 RP-2005-0013 / EB-2005-0035
2006	276,883	- 4 months of 2005 Approved PILs proxy

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

# Appendix F

# HHHI Response to Board Staff Interrogatory HH29 Board Decisions

Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie de l'Ontario C.P. 2319 26e étage 2300, rue Yonge Toronto ON M4P 1E4 Téléphone; 416- 481-1967 Télécopieur: 416- 440-7656 Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

February 28, 2002

Mr. Dan Guatto General Manager Halton Hills Hydro Inc. 43 Alice Street Acton, ON L7J 2A9

Dear Mr. Guatto:

Re: Halton Hills Hydro Inc.

March 2002 LDC Rate Adjustments

Board File No. RP-2002-0088/EB-2002-0097

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly

Peter H. O'Dell

Assistant Board Secretary

Encl.



RP-2002-0088 EB-2002-0097

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an Application by Halton Hills Hydro Inc. for an order or orders approving or fixing just and reasonable rates.

**BEFORE:** 

Paul Vlahos

Vice Chair and Presiding Member

George Dominy Vice Chair and Member

### **DECISION AND ORDER**

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Halton Hills Hydro Inc. ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated February 24, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.
- 10 indicated that there should be an oral hearing and wanted to make a submission.
- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.
- 18 made substantive submissions.

One submission was received which stated that an oral public hearing should be held and that the notification date was too close to scheduled date of increase.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. .

The Applicant applied to adjust its distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$715,191.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$245,317.
- the 2002 Payments in Lieu of Taxes (PILs), \$899,961.
- an interim transition cost recovery, \$151,437.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$108,654.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

### **Board Findings**

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that "the rates are not just and reasonable" and that they "would like the opportunity to present to the Board on this matter".

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario's electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board's jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario's electricity system in the future. These are not relevant to the Board's duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

The Board adjusts the Applicant's proposals for the following reasons. For both 2001 and 2002, the Applicant had not adjusted the income tax gross-up and the LCT gross up formula for the 1.12% surtax rate. Also, for both years, the Depreciation amount should have been adjusted to remove Water Heater and Sentinel Lights. Additionally, for 2002 PILS, the Board removed \$108,654 related to the late payment interest from the Regulatory Adjustment (debit) provision. The Board also corrected the sign for the Regulatory Adjustment (credit) provision for the 2002 PILS calculation. As a result,

- the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$8,670.
- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$240,791.

Subject to these adjustments, the Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

### THE BOARD ORDERS THAT:

- 1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.
- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, February 28, 2002.

**ONTARIO ENERGY BOARD** 

Peter H/O'Dell

Assistant Board Secretary



RP-2005-0013 EB-2005-0035

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an Application by **Halton Hills Hydro Inc.** for an order or orders approving or fixing just and reasonable rates.

**BEFORE:** Gordon Kaiser

Vice Chair and Presiding Member

Paul Vlahos Member

Pamela Nowina

Member

#### **DECISION AND ORDER**

### **Background and Application**

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

**MARR:** \$ 715,191

**2005 PILs Proxy:** \$ 874,817

**Regulatory Assets Second Tranche:** \$ 1,087,483

The Applicant also applied for an item outside of the guidelines. Specifically, the Applicant requested an amount of PILs proxy in excess of the guidelines.

#### **Submissions**

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing

processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

### **Board Findings**

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

At this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

As a result, the Board has made adjustments correcting errors in the PILs proxy, resulting in the following approved amounts:

**MARR:** \$ 715,191

**2005 PILs Proxy:** \$830,648

Regulatory Assets Second Tranche: \$ 1,087,483

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

The Board will issue a separate decision on cost awards.

### THE BOARD ORDERS THAT:

- 1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.
- 2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 29, 2005

**ONTARIO ENERGY BOARD** 

Original signed by

Peter H. O'Dell Assistant Board Secretary

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

# Appendix G

HHHI Response to Board Staff Interrogatory HH42
Calculation of Recoveries

# HALTON HILLS HYDRO SUMMARY OF PILS RECOVERIES 2002 - 2006

2002	1,011,866
2003	1,265,078
2004	798,324
2005	959,111
2006	232,679
	4,267,059

# Variable charge

<u>Class</u>	Rate adj for 2005 PILs	Total 2005 Vble chg	Jan - Apr 2006 Consumption	Jan - Apr 2006 PILS recovered
Res	0.0024	0.0136	71,396,059	171,351
GS<50	0.0014	0.0118	18,615,024	26,061
GS>50	0.6664	5.9278	48,160	32,094
GS>50 TOU	0.6209	5.0707	3,076	1,910
Street Light	0.6047	4.1633	1,868	1,130
Sent Light	0.8745	5.8899	153	134

# **Service charge** - N/A for 2006

Class

Res GS<50 GS>50 GS>50 TOU Street Light Sent Light

232,679

#### Variable charge

	Rate adj for	Total 2004	Jan - Mar 2005	Jan - Mar 2005	Rate adj for	Total 2005	Apr - Dec 2005	Apr - Dec 2005	Total 2005
<u>Class</u>	2004 PILs	Vble chg	Consumption	PILS recovered	2005 PILs	Vble chg	Consumption	PILS recovered	PILS recovered
Res	0.002111	0.009	54,582,942	115,225	0.0024	0.0136	158,696,529	380,872	496,096
GS<50	0.001726	0.0082	14,778,563	25,508	0.0014	0.0118	40,990,534	57,387	82,895
GS>50	0.69871	4.684	59,877	41,837	0.6664	5.9278	179,234	119,442	161,278
GS>50 TOU	1.017783	4.4373	62,376	63,485	0.6209	5.0707	241,971	150,240	213,725
Street Light	0.855388	2.8372	1,704	1,457	0.6047	4.1633	5,167	3,124	4,582
Sent Light	0.433611	2.9561	194	84	0.8745	5.8899	516	451	535

### **Service charge** - N/A for 2005

Class

Res GS<50

GS>50

GS>50 TOU

Street Light

Sent Light

247,596 711,516 959,111

#### Variable charge

Class Res GS<50 GS>50 GS>50 TOU	2001 PILs 0.000317 0.000241 0.149811 0.167276	Rate adj for 2002 PILs 0.001161 0.000883 0.549590 0.613663	Total PILs <u>Rate Adj</u> 0.001478 0.001123 0.699400 0.780939	Total Vble chg 0.0094 0.0083 4.2962 4.1849	Jan - Mar 2004 <u>Consumption</u> 53,585,687 14,834,179 55,211 62,604	Jan - Mar 2004 <u>PILS recovered</u> 79,189 16,666 38,615 48,890	Rate adj for 2004 PILs 0.002111 0.001726 0.69871 1.017783	Vble chg 0.009 0.0082 4.684 4.4373	Apr - Dec 2004 <u>Consumption</u> 142,480,711 40,052,379 55,211 62,604	Apr - Dec 2004 <u>PILS recovered</u> 300,777 69,130 38,576 63,717	Total 2004 <u>PILS recovered</u> 379,966 85,796 77,191 112,607
Street Light Sent Light	0.023568 0.091095	0.086460 0.334189	0.110027 0.425285	2.4654 4.1560	1,725 205	190 87	0.855388 0.433611	2.8372 2.9561	1,725 205	1,475 89	1,665 176
Service charge	0.001000	0.001100	0.120200		200	G.	0.100011	2.0001	200	30	
<u>Class</u>	Rate adj for 2001 PILs	Rate adj for 2002 PILs	Total PILs Rate Adj	Total Service Chg	Jan - Mar 2004 Customer #s		- N/A for Apr	- Dec 2004			
<u>Class</u> Res	0.453870	1.665051	2.118920	12.94	16,608	105,573					105,573
GS<50	1.235520	4.532584	5.768104	29.58	1,342	23,222					23,222
GS>50	2.305303	8.457151	10.762454	107.00	151	4,875					4,875
GS>50 TOU	18.988934	69.662110	88.651044	259.23	25	6,649					6,649
Street Light	0.009132	0.033501	0.042633	0.54	3,874	495					495
Sent Light	0.050504	0.185278	0.235783	1.39	151	107					107
						324,559				473,765	798,324

# Variable charge

	Rate adj for	Rate adj for	Total PILs	Total	Jan - Dec 2003	
<u>Class</u>	2001 PILs	2002 PILs	Rate Adj	Vble chg	<b>Consumption</b>	PILS recovered
Res	0.000317	0.001161	0.001478	0.0094	195,359,194	288,704
GS<50	0.000241	0.000883	0.001123	0.0083	56,323,022	63,278
GS>50	0.149811	0.549590	0.699400	4.2962	215,391	150,644
GS>50 TOU	0.167276	0.613663	0.780939	4.1849	260,410	203,364
Street Light	0.023568	0.086460	0.110027	2.4654	6,763	744
Sent Light	0.091095	0.334189	0.425285	4.1560	810	344

# Service charge

	Rate adj for	Rate adj for	Total PILs	Total	Jan - Dec 2003	
<u>Class</u>	2001 PILs	2002 PILs	Rate Adj	Service Chg	Customer #s	
Res	0.453870	1.665051	2.118920	12.94	16,374	416,342
GS<50	1.235520	4.532584	5.768104	29.58	1,372	94,966
GS>50	2.305303	8.457151	10.762454	107.00	145	18,727
GS>50 TOU	18.988934	69.662110	88.651044	259.23	24	25,532
Street Light	0.009132	0.033501	0.042633	0.54	3,772	1,930
Sent Light	0.050504	0.185278	0.235783	1.39	178	504

1,265,078

# Variable charge

	Rate adj for	Rate adj for	Total PILs	Total	Feb - Dec 2002	
<u>Class</u>	2001 PILs	2002 PILs	Rate Adj	Vble chg	<b>Consumption</b>	PILS recovered
Res	0.000317	0.001161	0.001478	0.0094	146,623,359	216,681
GS<50	0.000241	0.000883	0.001123	0.0083	37,023,731	41,595
GS>50	0.149811	0.549590	0.699400	4.2962	157,343	110,046
GS>50 TOU	0.167276	0.613663	0.780939	4.1849	186,840	145,911
Street Light	0.023568	0.086460	0.110027	2.4654	5,021	552
Sent Light	0.091095	0.334189	0.425285	4.1560	3,464	1,473

# Service charge

<u>Class</u>	Rate adj for 2001 PILs	Rate adj for 2002 PILs	Total PILs <u>Rate Adj</u>	Total Service Chg	Feb - Dec 2002 Customer #s	
Res	0.453870	1.665051	2.118920	12.94	15,859	369,644
GS<50	1.235520	4.532584	5.768104	29.58	1,353	85,847
GS>50	2.305303	8.457151	10.762454	107.00	139	16,456
GS>50 TOU	18.988934	69.662110	88.651044	259.23	22	21,454
Street Light	0.009132	0.033501	0.042633	0.54	3,739	1,753
Sent Light	0.050504	0.185278	0.235783	1.39	175	454

1,011,866

# HALTON HILLS HYDRO BILLED DATA -- INCLUDING UNBILLED FEB 2002 - APRIL 2006

	2002	2003	Jan-Mar 2004	Apr-Dec 2004	Jan-Mar 2005	Apr-Dec 2005	Jan-Apr 2006
Residential kWh	146,623,359.49	195,359,194.36	53,585,686.58	142,480,710.87	54,582,942.32	158,696,528.90	71,396,058.91
GS<50 kWh	37,023,730.75	56,323,022.16	14,834,178.64	40,052,379.29	14,778,563.49	40,990,533.76	18,615,023.68
GS>50 Non Interval kWh kW	53,937,043.89 157,343.49	71,798,649.59 215,390.86	19,582,169.13 55,211.02	55,385,991.60 172,798.11	21,235,638.18 59,876.85	57,256,470.40 179,234.33	23,880,119.43 48,160.00
GS>50 Interval kWh kW	82,232,197.87 186,839.90	125,644,600.75 260,409.71	30,719,393.04 62,604.13	103,111,284.73 56,947.50	28,748,421.60 62,375.79	104,753,521.68 241,971.21	41,620,491.57 3,076.06
Streetlights kWh kW	1,538,160.43 5,021.00	2,461,641.22 6,763.24	1,668,822.72 1,724.60	3,176,981.58 5,073.84	713,808.70 1,703.73	1,863,160.06 5,167.00	326,856.81 1,868.20
Sentinel Lights kWh kW	390,049.35 3,463.94	301,231.48 809.50	75,402.91 205.20	218,356.64 549.36	77,388.23 194.28	215,551.45 515.84	70,934.61 153.17

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

# Appendix H

# HHHI Response to Board Staff Interrogatory HH44 Unbilled PILs

	March 2002 Approved rates	PILs portion 2001 2002	n Total	% PILs	Dec 31/02 Unbilled revenue	Dec 31/02 Unbilled PILs	Dec 31/03 Unbilled revenue	Dec 31/03 Unbilled PILs
Residential								
Monthly s/c	12.94	0.4378 1.2196	1.6574	12.8083%	352,456	45,144	307,830	39,428
Variable chg	0.0094	0.000305 0.00085	0.001156	12.2979%	266,178	32,734	224,601	27,621
<u>GS &lt; 50</u>								
Monthly s/c	29.58	1.1919 3.3199		15.2529%	46,915	7,156	76,960	11,739
Variable chg	0.0083	0.000232 0.000647	0.000879	10.5904%	39,097	4,141	68,664	7,272
<u>GS &gt; 50</u>								
Monthly s/c	107	2.2238 6.1944	8.4182	7.8675%	14,179	1,116	14,464	1,138
Variable chg	4.2962	0.144516 0.402543	0.547059	12.7336%	82,039	10,446	70,361	8,959
<u>GS &gt; 50 TOU</u>								
Monthly s/c	259.23	18.3178 51.023		26.7489%	5,893	1,576	6,697	1,791
Variable chg	4.1849	0.161364 0.449473	3 0.610837	14.5962%	86,320	12,599	104,477	15,250
Unbilled PILs						114,912		112 109
Onbilled PILS						114,912		113,198

	March 2004 Approved rates	PILs portion	% PILs	Dec 31/04 Unbilled revenue	Dec 31/04 Unbilled PILs
Residential					
Monthly s/c Variable chg	12.94 0.009	0 0.002111	0.0000% 23.4556%	237,215.38	- 55,640
<u>GS &lt; 50</u>					
Monthly s/c Variable chg	29.58 0.0082	0 0.001726	0.0000% 21.0488%	69,592.65	- 14,648
<u>GS &gt; 50</u>					
Monthly s/c Variable chg	107 4.684	0 0.69871	0.0000% 14.9170%	85,036.13	- 12,685
<u>GS &gt; 50 TOU</u>					
Monthly s/c Variable chg	259.23 4.4373	0 1.017783	0.0000% 22.9370%	99,138.81	- 22,739
Unbilled PILs					105,713

	April 2005 Approved rates	PILS	PILS	Dec 31/05 Unbilled revenue	Dec 31/05 Unbilled PILs
Residential					
Monthly s/c Variable chg	11.92 0.0136	0.0024	17.647%	320,113.46 346,846.59	61,208
<u>GS &lt; 50</u>					
Monthly s/c Variable chg	26.07 0.0118	0.0014	11.864%	73,603.11 97,963.98	11,623
<u>GS &gt; 50</u>					
Monthly s/c Variable chg	104.92 5.9278	0.6664	11.242%	15,413.07 110,569.45	12,430
<u>GS &gt; 50 TOU</u>					
Monthly s/c Variable chg	228.81 5.0707	0.6209	12.245%	6,856.76 108,603.57	13,298
Street lighting					
Monthly s/c Variable chg	0.55 4.1633	0.6047	14.525%	2,355.17 2,425.29	352
Unbilled PILs					98,912

	April 2005 Approved rates	PILS	PILS	Apr 30/06 Unbilled revenue	Apr 30/06 Unbilled PILs
Residential					
Monthly s/c Variable chg	11.92 0.0136	0.0024	17.647%	499,951 507,422	89,545
<u>GS &lt; 50</u>					
Monthly s/c Variable chg	26.07 0.0118	0.0014	11.864%	90,766 107,725	12,781
<u>GS &gt; 50</u>					
Monthly s/c Variable chg	104.92 5.9278	0.6664	11.242%	35,844 264,113	29,691
<u>GS &gt; 50 TOU</u>					
Monthly s/c Variable chg	228.81 5.0707	0.6209	12.245%	14,888 271,693	33,268
Sentinel lighting					
Monthly s/c Variable chg	1.3 5.8899	0.8745	14.847%	769 (6,571)	(976)
Street lighting					
Monthly s/c Variable chg	0.55 4.1633	0.6047	14.525%	4,797 5,186	753
Unbilled PILs					165,064

Halton Hills Hydro Inc. Responses to Board Staff Interrogatories EB-2008-0381

# Appendix I

HHHI Response to Board Staff Interrogatory HH45 Revised 1562 PILs Continuity

#### HALTON HILLS HYDRO INC. PILS COMBINED PROCEEDING - INTERROGATORY QUESTION HH45 REVISED PILS CONTINUITY

Year start: Year end:	01/10/2001 31/12/2001	01/01/2002 31/12/2002	01/01/2003 31/12/2003	01/01/2004 31/12/2004	01/01/2005 31/12/2005	01/01/2006 30/04/2006	01/05/2006 31/12/2006	01/01/2007 31/12/2007	01/01/2008 31/12/2008	Totals
Opening balance:	-	246,317	59,082	(150,383)	275,724	48,532	95,999	99,870	104,083	-
Board-approved PILs tax proxy from Decisions	246,317	899,961	1,146,278	961,540	847,977	276,883				4,378,956
True-up Variance Adjustment Q4, 2001	-	-	-	-	-	-				-
True-up Variance Adjustment	-	(179,322)	(46,802)	339,548	(80,570)	-				32,854
Deferral Account Variance Adjustment Q4, 2001	-	-	-	-	-	-				-
Deferral Account Variance Adjustment	-	-	(40,600)	(81,087)	(46,722)	-				(168,409)
Adjustments to reported prior years' variances	-	102,031	-	-	-	-				102,031
Carrying charges	-	1,961	(3,262)	4,430	11,234	3,263	3,871	4,213	3,631	29,341
PILs collected from customers - Proxy	-	(1,011,866)	(1,265,078)	(798,324)	(959,111)	(232,679)				(4,267,059)
Ending balance: # 1562	246,317	59,082	(150,383)	275,724	48,532	95,999	99,870	104,083	107,714	107,714
Interest calculations - simple annual average		1,963	(3,262)	4,430	11,234	3,263	3,871	4,213	3,631	

	A	В	С	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"		Ū	Version XX.xx
_	REGULATORY INFORMATION (REGINFO)			VOI SIOTI AAAAA
	Utility Name: Halton Hills Hydro Inc.			
4	Reporting period: December 31, 2002			
5				
	Days in reporting period:	365	days	
7	Total days in the calendar year:	365	days	
8	Total days in the outer sail your		<i>y</i> c	
_	BACKGROUND			
	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	Υ
13			.,	·
	Was the utility recently acquired by Hydro One			
15	and now subject to s.89 & 90 PILs?		Y/N	N
16	,			
	Is the utility a non-profit corporation?		Y/N	N
	(If the utility is a non-profit corporation, please contact the Rates Manager at OEB)			
19	, , , , , , , , , , , , , , , , , , ,			
	Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate		Y/N	N
20	group?			
	Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC		100%	
21	spreadsheet.			
22				
23	Accounting Year End		Date	31-Dec
24				
25	MARR NO TAX CALCULATIONS			
26	SHEET #7 FINAL RUD MODEL DATA			
27	(FROM 1999 FINANCIAL STATEMENTS)			
28	USE BOARD-APPROVED AMOUNTS			
29				
	Rate base (wires-only)			25,052,968
31				
	Common Equity Ratio (CER)			50.00%
33				
34	1-CER			50.00%
35				
36	Target Return On Equity			9.88%
37	D.I.			7.050/
	Debt rate			7.25%
39	Made (A.P. et al. December 2)			0.445.707
41	Market Adjusted Revenue Requirement			2,145,787
	4000 return from DLID Cheet #7			0
42	1999 return from RUD Sheet #7			0
43	Total Incremental revenue			2 1/5 707
45				2,145,787
46	Input Board-approved dollar amounts phased-in			
47	Amount allowed in 2001, Year 1			715,262
48	Amount allowed in 2001, Year 2			715,262
49	Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)			7 13,202
50	The second of th			
	Equity			12,526,484
52				,525,101
	Return at target ROE			1,237,617
54				
55	Debt			12,526,484
56				
57	Deemed interest amount in EBIT			908,170
58				
59	Phase-in of interest - Year 1 (2001)			302,723
60	((D38+D43)/D36)*D54			
61	Phase-in of interest - Year 2 (2002)			605,447
62	((D38+D43+D44)/D36)*D54			
60	Phase-in of interest - Year 3 (2003) and forward			605,447
63				
64	((D38+D43+D44)/D36)*D54 (due to Bill 210)			
64 65				
64				

	A	В	С	D	Е	F	G	Н	1	J	K	
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial	D	_	_	0		M of F	M of F	M of F	_
	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)		201111010						Variance	Variance	9	
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	( · · · · · · · · · · · · · · · · · · ·										Version XX.xx	
6			\$						\$		\$	
	Utility Name: Halton Hills Hydro Inc.		, , , , , , , , , , , , , , , , , , ,						, , , , , , , , , , , , , , , , , , ,		, , , , , , , , , , , , , , , , , , ,	
	Reporting period: December 31, 2002										Column	
	Days in reporting period:	365	days								Brought	
	Total days in the calendar year:		days								From	
11	Total days in the calendar year.	303	uays								TAXREC	
12											TAXILO	
13												
	I) CORPORATE INCOME TAXES											
	Regulatory Net Income	1	1,430,596						1,104,835		2,535,431	
16	regulatory iver income	'	1,430,330						1,104,033		2,000,401	
	BOOK TO TAX ADJUSTMENTS											
18	BOOK TO TAX ADJUSTIMENTS											
_	Additions:											
	Depreciation & Amortization	2	1,460,685						181,508		1,642,193	
	Employee Benefit Plans - Accrued, Not Paid	3	0						36,264		36,264	
22	Tax reserves deducted in prior year	4	0						0,204		00,204	
23	Reserves from financial statements-end of year	4	0						0		0	
24	Regulatory Adjustments	5	151,437						-151,437		0	
	Other Additions (See Tab entitled "TAXREC")	_	101,407						101,707		0	
26	"Material" Items from "TAXREC" worksheet	6	0						50,519		50,519	
27	Other Additions (not "Material") "TAXREC"	6	0						31,237		31,237	
28	"Material Items from "TAXREC 2" worksheet	6	0						0		01,237	
29	Other Additions (not "Material") "TAXREC 2"	6	0						0		0	
30	2	Ŭ	U						U		0	
	Deductions:											
	Capital Cost Allowance and CEC	7	1,072,272					H	627,486		1,699,758	
	Employee Benefit Plans - Paid Amounts	8	1,072,272						18,743		18,743	
	Items Capitalized for Regulatory Purposes	9	0					H	10,743		10,743	$\vdash$
	Regulatory Adjustments	10	55,617						-55,617		0	
	Interest Expense Deemed/ Incurred	11	605,477						202,670		808,147	
	Tax reserves claimed in current year	4	005,477						202,070		000,147	
38	Reserves from F/S beginning of year	4	0						0		0	
	Contributions to deferred income plans	3	0						0		0	
40	Contributions to deterred income plans	3	0						0		0	
41	Interest capitalized for accounting but deducted for tax	11	0						0		0	
42	Other Deductions (See Tab entitled "TAXREC")	- 11	U						0		0	
43	"Material" Items from "TAXREC" worksheet	12	0						170,052		170,052	
44	Other Deductions (not "Material") "TAXREC"	12	0						1,631		1,631	
45	Material Items from "TAXREC 2" worksheet	12	0						1,031		1,031	
46	Other Deductions (not "Material") "TAXREC 2"	12	0						0		0	
47	Other Deductions (not Material) TAXREC 2	12	U						U		U	
48	REGULATORY TAXABLE INCOME/ (LOSSES)		1.309.352						2.217.891		1,597,313	
49	REGULATOR F TAXABLE INCOME/ (LUSSES)		1,309,332						2,217,091		1,097,013	
	CORPORATE INCOME TAX RATE											
_	Deemed %	13	38.62%			-		$\vdash$	0.0000%		38.62%	$\vdash$
52	Deemed %	13	30.02%						0.0000%		30.02%	
	REGULATORY INCOME TAX		505,672			-			111,211		616,882	$\vdash$
54			505,672						111,211		010,002	
55	Taxable Income x Rate				$\vdash$							$\vdash$
	Miscollangous Tay Credits	14	•								2	$\vdash$
57	Miscellaneous Tax Credits	14	0						0		0	1
	Total Pagulatany Income Tay		E0E 070						444.044		040.000	$\vdash$
58	Total Regulatory Income Tax		505,672		H				111,211		616,882	₩
59	To determine the assumption of the second				<u> </u>							<b> </b>
00	To determine the exemptions for capital tax and large corporations											
60	tax:	ļ										
	Please identify the percentage used in the allocation of the		40.554									
64	exemption in cell C61. Please explain the basis of the allocation if		100%									
61	the percentage is other than 100%.											
62								Щ				
	II) CAPITAL TAXES							Ш				
64								Ш				
	Ontario							ш				
	Base	15	25,052,968					ш	7,504,742		32,557,710	
67	Less: Exemption	16	5,000,000					ш	-331,108		4,668,892	
68	Deemed Taxable Capital		20,052,968		Ш				7,173,634		27,888,818	
69					Ш							لِسل
70	Rate (.3%)	17	0.3000%		Ш				0.0000%		0.3000%	
71					Ш							Ш
72	Net Amount (Taxable Capital x Rate)		60,159		Ш				23,508		83,666	Щ
73												Ш
74	Federal (LCT)											
	Base	18	25,052,968						6,818,185		31,871,153	
76	Less: Exemption	19	10,000,000						0		10,000,000	
77	Deemed Taxable Capital		15,052,968						6,818,185		21,871,153	
78												
79	Rate (.225%)	20	0.2250%						0.0000%		0.2250%	
80												
81	Gross Amount (Taxable Capital x Rate)		33,869						15,341		49,210	
82	Less: Federal Surtax	21	14,665						3,225		17,890	
83												
	Net LCT		19,204						18,566		31,320	
85												

SECTIONS SPILE TAX GROSS-UP "SIMPL"   TEXT   Include	K M of F				H I J	E F	D	С	В	A
DEFERRAL/WARRANCE ACCOUNTS	IVI OT F	M of F	_			$\dashv$	-+			
3   TAX.ACCULATRONS (TAXACALE)	Filing	Filing								
Comparison   Com	9	Variance								
S   S   S   S   S   S   S   S   S   S	n (June)	Explanation								
S   S   S   S   S   S   S   S   S   S	Version XX.xx	Explanation:	TO Explanation	1. 0 2.01.01	TO EXPLANATION					
Section   Sect	\$		\$	\$	\$			\$		
State   Stat			<u> </u>					ŕ		
State   Content   Tax Right used for gross-up (exclude surtax)   37.50%   30   Income Tax Right used for property   22   809.075   30   30   30   30   30   30   30   3										
Second Process   19								37 50%		
22   89,8075   1   27   27   27   27   27   27   27								0.100,0		
Section   Sect								809.075	22	
52   Ontar Capital Tax   24   58.159   3   3   3   3   3   3   3   3   3										
93   Total S. 93 PLs Rate Adjustment								60,159		
ST								,		
Section										94
ST   ST   ST   ST   ST   ST   ST   ST								899,961	25	75 Total S. 93 PILs Rate Adjustment
ST   ST   ST   ST   ST   ST   ST   ST										96
10   May Calculation of the True-up Variance										
10   May Calculation of the True-up Variance										98
100   Val Calculation of the True-up Variance										99 IV) FUTURE TRUE-UPS (post June 2002)
101			DR/(CR)	DR/(CR)	DR/(CR)					00 IV a) Calculation of the True-up Variance
102 Employee Benefit Plans - Accrued, Not Paid   3   6,568   103   Tax reserves deducted in prior year			` ´		· · · ·					
103   Tax reserves deducted in prior year	1	,	36,264	36,264	36,264				3	
104   Reserves from financial statements-end of year										
105 Regulatory Adjustments			0	0	0					
106 Other additions "Material" Items "TAXREC 2"			-151,437	-151,437	-151,437					05 Regulatory Adjustments
108										06 Other additions "Material" Items "TAXREC"
109 Employee Benefit Plans - Paid Amounts			0	0	0				6	
110   Imax   Capitalized for Regulatory Purposes   9										
111 Regulatory Adjustments   10		4	18,743	18,743	18,743					
112 Interest Adjustment for fax purposes (See Below - cell 1206)   11			3	3	•					
113   Tax reserves claimed in current year										
114 Reserves from F/S beginning of year										
115   Contributions to deferred income plans   3   0   0   117 Other deductions "Material" Items "TAXREC"   12   170,052   118   170,052   118   118 Other deductions "Material" Items "TAXREC 2"   12   10   119   11										
116   Contributions to pension plans   3										
117 Other deductions "Material" Items "TAXREC 2"   12										
118   Other deductions "Material" Item "TAXREC 2"   12										
1191   120   Total TRUE-UPS before tax effect   26			170,052	170,052	170,052					
120 Total TRUE-UPS before tax effect   26		4	0	0	0				12	
122   Income Tax Rate (excluding surtax)			407.022	407.020	407.022				200	
122   Income Tax Rate (excluding surtax)	+	4	-197,832	= -197,832	= -197,832				26	
124   Income Tax Effect on True-up adjustments		-	27 509/	27 500/	27 509/					
124   Income Tax Effect on True-up adjustments		4	37.30%	X 37.50%	X 37.50%					
125   Less: Miscellaneous Tax Credits		,	-74 187	- 74 187	-74 187					
126   Less: Miscellaneous Tax Credits			-14,101	74,107	-74,107					
128   Total Income Tax on True-ups		•	0	0	0				14	
128   Total Income Tax on True-ups			0		0				14	
129			-74.187	-74,187	-74.187					
30   Income Tax Rate used for gross-up (exclude surtax)   37.50%			1,1,1	.,,	1,					
131		,	37.50%	37.50%	37.50%					
133										
133		,	-118,699	-118,699	-118,699					
135		1								
135										34 IV b) Calculation of the Deferral Account Variance
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial 136 estimate column)										
136   estimate column)		1								
137		4	1,309,352	= 1,309,352	= 1,309,352					
149										37
REVISED REGULATORY INCOME TAX		,	38.62%	x 38.62%	x 38.62%					
141										
142   Less: Revised Miscellaneous Tax Credits		4	505,672	= 505,672	= 505,672					
143       144 Total Revised Regulatory Income Tax       = 505,672         145       Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell 146 C58)       - 505,672         147       = 0         148 Regulatory Income Tax Variance       = 0         149       = 0         150 Ontario Capital Tax       = 25,052,968         152 Less: Exemption       - 5,000,000         153 Revised deemed taxable capital       = 20,052,968         154       = 20,052,968         155       Rate (as a result of legislative changes)       x 0,3000%         156       = 60,159         Less: Ontario Capital Tax reported in the initial estimate column (Cell       = 60,159										
144   Total Revised Regulatory Income Tax   = 505,672     145		4	0	- 0	- 0					
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell		<u></u>								
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell 146 (C58)		4	505,672	= 505,672	= 505,672					
146 C58	$\rightarrow$	_								
147			FOF 070	505.070	505.070					
148       Regulatory Income Tax Variance       =       0         149                                 150       Ontario Capital Tax   </td <td>+</td> <td>4</td> <td>2/0,6/2</td> <td>- 505,672</td> <td>505,672</td> <td></td> <td>-</td> <td></td> <td></td> <td></td>	+	4	2/0,6/2	- 505,672	505,672		-			
149	+			_	_		-			
150 Ontario Capital Tax	+	4	- 0	- 0	- 0		-			
151 Base	+	<del> </del>		<del> </del>			-			
152   Less: Exemption   - 5,000,000     153   Revised deemed taxable capital   = 20,052,968     154               155   Rate (as a result of legislative changes)                 156             157   Revised Ontario Capital Tax   = 60,159     Less: Ontario Capital Tax reported in the initial estimate column (Cell	+	<del> </del>	25.052.968	= 25.052 968	= 25.052.968					
153   Revised deemed taxable capital	+									
154		<i>i</i>								
155 Rate (as a result of legislative changes)   X		1		20,002,000						
156	_	,	0.3000%	x 0.3000%	x 0.3000%					
157   Revised Ontario Capital Tax   = 60,159     Less: Ontario Capital Tax reported in the initial estimate column (Cell										
Less: Ontario Capital Tax reported in the initial estimate column (Cell		/	60,159	= 60,159	= 60,159					
		1								
		<u> </u>	60,159	- 60,159	- 60,159					58 C72)
159 Regulatory Ontario Capital Tax Variance = 0			0	= 0	= 0					
160										
161 Federal LCT										
162 Base 25,052,968										
163 Less: Exemption         -         10,000,000										
164 Revised Federal LCT         =         15,052,968			15,052,968	= 15,052,968	= 15,052,968					
165										65

$\overline{}$	T .			-	_	_	_	1			17	<del></del>
<u>.</u>	A	В	С	D	Е	F	G	Н		J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											Version XX.xx	
6			\$						\$		\$	
	Rate (as a result of legislative changes)								0.2250%			
167												
	Gross Amount								33,869			
	Less: Federal surtax							-	14,665			
	Revised Net LCT							=	19,204			
171												
	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	19,204			
	Regulatory Federal LCT Variance							=	0			
174												
	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
176												
	Income Tax (grossed-up)							+	0			
	LCT (grossed-up)							+	0			
	Ontario Capital Tax							+	0			
180												
	DEFERRAL ACCOUNT VARIANCE							=	0			
182												
	TRUE-UP VARIANCE (from cell l132)							+	-118,699			
184												
	Deferral Account Entry (Positive Entry = Debit)							=	-118,699			
186	(Deferral Account Variance + True-up Variance)											
187	To be included as deferral account in rate application)											
188												
189												
190	V) INTEREST PORTION OF TRUE-UP											
191	Variance Caused By Phase-in of Deemed Debt											
192												
	Total deemed interest (REGINFO)								908,170			
194	Interest phased-in (Cell C36)								605,477			
195												<u>                                     </u>
	Variance due to phase-in of debt structure								302,693			
197			·									
198			·									
199	Other Interest Variances (i.e. Borrowing Levels											<u>                                     </u>
	Above Deemed Debt per Rate Handbook)											
201	Interest deducted on MoF filing (Cell K36+K41)		·						808,147			
202	Total deemed interest (REGINFO CELL D57)								908,170			
203			-							·		
	Variance caused by excess debt								0			
205												
	Interest Adjustment for Tax Purposes (carry forward to Cell I112)								0			
207												<u>                                     </u>
208	Total Interest Variance								302,693			
209												

_		_		_		_
	A	В	С	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4			Return			
5					Version XX.xx	
6	Section A: Identification:					
7	Utility Name: Halton Hills Hydro Inc.					
	Reporting period: December 31, 2002					
	Taxation Year's start date:					
	Taxation Year's end date:					
	Number of days in taxation year:		365	daya		
	Number of days in taxation year.		303	days		
12						
	Please enter the Materiality Level :		31,316	< - enter materi	ality level	
14	(0.25% x Rate Base x CER)	Y/N				
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-wire related operation?	Y/N				
18	(Please complete the questionnaire in the Background question	naire w	orksheet.)			
19	, ,		,			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	11000. Odny lotwara Wiles offly Bala to Tab 17000/LES Coldmit It					
	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with tax retu	IIIIS.				
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, in	iterest e	expense and pro	vision for incom	e tax	
26						
27	Please enter the non-wire operation's amount as positive number, the				nts	
28	in the "non-wires elimination column" entered as negative values in t	he TAX	REC and TAXE	REC2.		
29	Description:		·			
30	Income:					
31	Service Revenue	+	39,024,565		39,024,565	
32	Other Income	+	1,197,549		1,197,549	
33	Miscellaneous income	+	1,101,049		1,197,349	
34		+			0	
35	Decrease should be seed as 1.1. at 1.2.	+			0	
36	Revenue should be entered above this line					
37						
38	Expenses:					
39	Cost of energy purchased	-	31,847,778		31,847,778	
40	Salaries and benefits	-	3,042,942		3,042,942	
41	Material costs	-	1,387,058		1,387,058	
42	Amortization	-	1,768,393		1,768,393	
43	Contract services	-	1,001,342		1,001,342	
44	Ontario Capital Tax	-	149,400		149,400	
45	Property costs	-	479,292		479,292	
		-				
46	Other expenses		288,438		288,438	
47	Communication costs	-	230,203		230,203	
48	Allocated to capital	-	-2,508,163		-2,508,163	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	2,535,431	0	2,535,431	
51	Less: Interest expense for accounting purposes	-	808,147		808,147	
52	Provision for payments in lieu of income taxes	-	305,000		305,000	
	Net Income (loss)	=	1,422,284	0	1,422,284	
-00	(The Net Income (loss) on the MoF column should equal to the net income		1, 122,201	Ü	1, 122,201	
	(loss) per financial statements on Schedule 1 of the tax return.)					
54	(,					
55						
	Section C: Reconciliation of accounting income to taxable incor	ma				
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:  Provision for income tax	+	305,000	0	305,000	
	Depreciation & Amortization	+	1,642,193	0	1,642,193	
	Employee benefit plans-accrued, not paid	+	36,264	0	36,264	
	Tax reserves deducted in prior year	+	0	<u>0</u>	0	
	Reserves from financial statements- end of year	+			0	
	Regulatory adjustments	+			0	
	Material addition items from TAXREC 2	+	0	0	0	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	
67		L .				
68	Subtotal		1,983,457	0	1,983,457	]
69						
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+	4,423		4,423	
	Capital items expensed	+	., .20		0	
74	Provision for bad debts	+	26,588		26,588	
75	Charitable donations	+	20,388		20,388	
76	Fed part 1.3 tax not deductible for tax	+	50,519		50,519	
77	Total Other Additions	+	04.75		04.750	
78	Total Other Additions	=	81,756	0	81,756	
79						
80	Total Additions	=	2,065,213	0	2,065,213	
81		L.,				
82	Recap Material Additions:					
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
	Fod part 1.3 tay not doductible for tay					
	Fed part 1.3 tax not deductible for tax		50519	0	50519	
89	Total Other additions and training		0	0	0	
	Total Other additions >materiality level		50519	0	50519	
	Other deductions (less than materiality level)		31,237	0	31,237	
	Total Other Additions		81,756	0	81,756	
93						

	Δ.	р	0	<u> </u>	- 1	_
1	A SECTION 93 PILs TAX GROSS-UP "SIMPIL"	B LINE	C M of F	D Non-wires	E Wires-only	F
2	TAX RETURN RECONCILIATION (TAXREC)	LIIVE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiationo	Return	
4	\(\frac{1}{2} \cdot \cdo		Return			
5					Version XX.xx	
94	BOOK TO TAX DEDUCTIONS:					
95	Capital cost allowance	-	1,616,937		1,616,937	
96	Cumulative eligible capital deduction	-	82,821		82,821	
97	Employee benefit plans-paid amounts	-	18,743		18,743	
	Items capitalized for regulatory purposes	-			0	
99		-			0	
100	CCA	-			0	
101	other deductions	-			0	
102		-	<u>0</u>	0	0	
	Reserves from F/S- beginning of year	-			0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-			0	
	Interest capitalized for accounting deducted for tax  Material deduction items from TAXREC 2	-	0	0	0	
	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
109	Other deduction items (not waterial) from TAXINEC 2		U	0	U	
110	Subtotal	-	1,718,501	0	1,718,501	
111			1,7 10,501	0	1,710,501	
	Charitable donations - tax basis	-			0	
113	Gain on disposal of assets	-			0	
	Non-taxable load transfers	-	170,052		170,052	
115			1,631		1,631	
116			,		0	
117	Total Other Deductions	=	171,683	0	171,683	
118						
119	Total Deductions	=	1,890,184	0	1,890,184	
120						
	Recap Material Deductions:					
122			0	0	0	
123			0	0		
_	Non-taxable load transfers		170,052	0	170,052	
125			0	0	0	
126			0	0	0	
127			170,052	0		
128			1,631	0		
	Total Other Deductions		171,683	0	171,683	
130	TAXABLE INCOME	=	1,597,313	0	1,597,313	
	DEDUCT:	=	1,597,313	U	1,597,313	
133			903659		903659	
134		-	903039		903039	
135		=	693,654	0	693.654	
136	NET 1700 BEE INCOME		000,004	U	000,004	
_	Net Federal Income Tax	+	200,891		200,891	
	Net Ontario Income Tax	+	95,160		95,160	
139	Subtotal	=	296,051	0	296,051	
140	Less: Miscellaneous tax credits	-			0	
141	Total Income Tax	-	296,051	0	296,051	
142						
143						
	Section D: Detail calculation of the Ontario Capital Tax					
	ONTARIO CAPITAL TAX					
	(From Ontario CT23)					
	PAID-UP CAPITAL					
148	Daid up conital stock		40 404 000		40.404.000	
	Paid-up capital stock	+/-	16,161,663		16,161,663	
	Retained earnings (if deficit, deduct)		233,887		233,887	
151	Capital and other surplus excluding appraisal surplus	+			0	
	Loans and advances	+	16,465,836		16,465,836	
	Bank loans	+	. 5,455,656		.0,100,000	
	Bankers acceptances	+			0	
	Bonds and debentures payable	+			0	
	Mortgages payable	+			0	
	Lien notes payable	+			0	
	Ministry audit adjustment	+	1,184,031		1,184,031	
	Contingent, investment, inventory and similar reserves	+			0	
161	Other reserves not allowed as deductions	+			0	
_	Share of partnership(s), joint venture(s) paid-up capital	+	14,833		14,833	
163	Sub-total Sub-total	=	34,060,250	0	34,060,250	
164	Subtract:					
	Amounts deducted for income tax purposes in excess of amounts	-				
165	booked				0	
400	Deductible R&D expenditures and ONTTI costs deferred for income	-				
166			24.000.050		24.000.050	
167	Total (Net) Paid-up Capital	=	34,060,250	0	34,060,250	
168	ELICIPI E INVESTMENTS					
	ELIGIBLE INVESTMENTS					
170	Ronds lien notes interest coursons	.1.			0	
	Bonds, lien notes, interest coupons  Mortgages due from other corporations	+			0	
	Shares in other corporations	+	879,235		879,235	
	Loans and advances to unrelated corporations	+	4,250		4,250	
	Eligible loans and advances to unrelated corporations	+	830,551		830,551	
	Share of partnership(s) or joint venture(s) eligible investments	+	000,001		030,331	
177	2 2. p. santo-on-p(o) or joint volutio(o) originio invocationto					
178	Total Eligible Investments	=	1,714,036	0	1,714,036	
179	-					
					ļ	

<u> </u>	A	В	С	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4			Return			
5					Version XX.xx	
180						
	TOTAL ASSETS					
182	TOTAL AGGLIG					
_	Total assets per balance sheet	+	38,859,556		38,859,556	
			30,039,330			
	Mortgages or other liabilities deducted from assets	+	00.404		0	
	Share of partnership(s)/ joint venture(s) total assets	+	20,401		20,401	
	Subtract: Investment in partnership(s)/joint venture(s)	-	25,429		25,429	
187						
	Total assets as adjusted	=	38,854,528	0	38,854,528	
189						
190	Add: (if deducted from assets)					
191	Contingent, investment, inventory and similar reserves	+			0	
192	Other reserves not allowed as deductions	+			0	
193	Subtract:				0	
	Amounts deducted for income tax purposes in excess of amounts					
194	booked	-			0	
	Deductible R&D expenditures and ONTTI costs deferred	-			0	
195	for income tax	1			0	
	Subtract: Appraisal surplus if booked	-			0	
	Add or subtract: Other adjustments	+/-			0	
198		-77-			- 0	
_			20 054 500		20 054 500	
199		=	38,854,528	0	38,854,528	
200						
201			4 5 5 5		,	
	Investment Allowance		1,502,540	0	1,502,540	
203						
204	Taxable Capital					
205						
206	Net paid-up capital	+	34,060,250	0	34,060,250	
	Subtract: Investment Allowance	-	1,502,540	0	1,502,540	
208						
209		=	32,557,710	0	32,557,710	
210			02,001,110	_	02,000,1000	
	Capital Tax Calculation					
	Deduction from taxable capital up to \$5,000,000		4,668,892		4,668,892	
213	Deduction from taxable capital up to \$5,000,000		4,000,032		4,000,032	
214	Net Taxable Capital		27 000 010	0	27 000 010	
	Net Taxable Capital		27,888,818	U	27,888,818	
215	D-1- 0.00/		0.000000	0.00000/	0.00000/	
216	Rate 0.3%		0.3000%	0.3000%	0.3000%	
047						
217			0.05	005	0.05	
218	Days in taxation year		365	365	365	
218 219	Days in taxation year Divide days by 365		365 1.00	365 1.00	365 1.00	
218 219 220	Divide days by 365		1.00	1.00	1.00	
218 219 220 221	Divide days by 365  Ontario Capital Tax					
218 219 220 221 222	Divide days by 365  Ontario Capital Tax		1.00	1.00	1.00	
218 219 220 221 222 223	Divide days by 365  Ontario Capital Tax		1.00	1.00	1.00	
218 219 220 221 222 223 224	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX		1.00	1.00	1.00	
218 219 220 221 222 223 224 225	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX  [From Federal Schedule 33]		1.00	1.00	1.00	
218 219 220 221 222 223 224 225	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX		1.00	1.00	1.00	
218 219 220 221 222 223 224 225 226	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX  [From Federal Schedule 33]		1.00	1.00	1.00	
218 219 220 221 222 223 224 225 226	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL		1.00	1.00	1.00	
218 219 220 221 222 223 224 225 226 227	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX  (From Federal Schedule 33)  CAPITAL  ADD:	+	1.00	1.00	1.00	
218 219 220 221 222 223 224 225 226 227	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I	+	1.00	1.00	1.00	
218 219 220 221 222 223 224 225 226 227 228	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33)  CAPITAL  ADD: Reserves that have not been deducted in computing income for the year under Part I  Capital stock		1.00 83,666	1.00	1.00 83,666	
218 219 220 221 222 223 224 225 226 227 228 229 230	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings	+	83,666	1.00	1.00 83,666 0 16,161,63	
218 219 220 221 222 223 224 225 226 227 228 229 230 231	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX  (From Federal Schedule 33)  CAPITAL  ADD:  Reserves that have not been deducted in computing income for the year under Part I  Capital stock  Retained earnings  Contributed surplus	+ + + +	1.00 83,666 16,161,663 233,887	1.00	1.00 83,666 0 16,161,663 233,887	
2189 220 221 222 223 224 225 226 227 228 229 230 231 232	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment	+ + + + +	1.00 83,666	1.00	1.00 83,666 0 16,161,663 233,887	
218 219 220 221 222 223 224 225 226 227 230 231 232 233	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains	+ + + + + +	1,00 83,666 16,161,663 233,887 1,238,675	1.00	1.00 83,666 0 16,161,663 233,887 0 1,238,675	
218 219 220 221 222 223 224 225 226 227 230 231 232 233	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL  ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation	+ + + + + + +	1.00 83,666 16,161,663 233,887	1.00	1.00 83,666 0 16,161,663 233,887	
218 219 220 221 222 223 224 225 226 227 230 231 232 233 234	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers	+ + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219	1.00	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+ + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675	1.00	1,00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 235 236	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid	+ + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219	1.00	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+ + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219	1.00	1,00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days	+ + + + + + + + + + + + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1,00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0	
218 219 220 221 222 223 224 225 226 227 228 230 231 232 233 234 235 236 237 232 233 234 235 236 237 238 239 239 239 239 239 239 239 239 239 239	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days Subtotal	+ + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219	1.00	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219	
218 219 220 221 222 223 224 225 226 227 228 230 231 232 233 234 235 236 237 238 239 239 240 230 231 232 233 234 235 236 237 238 239 230 230 231 231 232 233 234 235 236 237 238 239 230 230 230 230 230 230 230 230	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal	+ + + + + + + + + + + + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1,00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 241 241 241 241 241 241 241	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days Subtotal  DEDUCT:	+ + + + + + + + + + + + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance	+ + + + + + + + + + + + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity	+ + + + + + + + + + + + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance	+ + + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 230 231 232 233 234 235 236 237 238 239 240 241 242 242	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity	+ + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 228 230 231 232 233 234 235 236 237 238 240 241 242 243	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	+ + + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 230 231 232 233 234 235 236 237 238 239 241 242 243	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income	+ + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 233 231 232 233 234 235 236 237 238 239 241 242 243 244 245 246	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above Deferred unrealized foreign exchange losses	+ + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866 34,109,310	0	1.00 83,666 0 16,161,663 233,887 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 230 231 232 233 234 241 242 243 242 243 244 245 246 247	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above Deferred unrealized foreign exchange losses  Subtotal	+ + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 230 231 232 233 234 235 236 237 241 242 242 243 244 245 246 247 248	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX. (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above Deferred unrealized foreign exchange losses	+ + + + + + + + +	1.00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866 34,109,310	0	1.00 83,666 0 16,161,663 233,887 0 16,151,219 323,866 0 0 34,109,310	
218 219 220 221 222 223 224 225 226 227 230 231 232 233 234 235 236 237 241 242 242 243 244 245 246 247 248	Divide days by 365  Ontario Capital Tax  LARGE CORPORATION TAX (From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the year under Part I Capital stock Retained earnings Contributed surplus Ministry audit adjustment Deferred unrealized foreign exchange gains All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days  Subtotal  DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above Deferred unrealized foreign exchange losses  Subtotal  Capital for the year	+ + + + + + + + +	1,00 83,666 16,161,663 233,887 1,238,675 16,151,219 323,866 34,109,310	0	1.00 83,666 0 16,161,663 233,887 0 1,238,675 0 16,151,219 323,866 0 0 34,109,310	

SECTION 93 PILS TAX GROSS-UP "SIMPL"   LINE   M of F   Non-wires   Tax		l A	В	С	D	E	F
A RETURN RECONCILLATION (TAXREC)	1						Г
Tax   Return   Retu			LINE				
Return   Version XX.xx					Liiiiiiialioiis		
Second   S		(101 Wiles-Only business - see s. 12 OLD Act)				Return	
251   INVESTMENT ALLOWANCE				retuin		Version XX xx	
1825   1825		INVESTMENT ALLOWANCE				VCIOIOTI XXXXX	
253   Shares in another corporation		INVESTMENT ALLOWANCE					
254   Loan or advance to another corporation   +		Shares in another corporation	_	920.552		920 552	
255 Bond, debenture, note, mortgage, or   +   834,801   834,801   0   0   0   0   0   0   0   0   0			_				
256   similar obligation of another corporation   +							
257   Long term debt of financial institution   +   0   0				034,001			
258   Dividend receivable from another corporation							
Debts of corporate partnerships that were not exempt from tax   +							
1.59   under Part I.3	200					0	
25,429	250		+			0	
262   Investment Allowance			_	25 420		25.420	
Investment Allowance				25,429		25,429	
263   264   265   TAXABLE CAPITAL   266   267   Capital for the year   = 34,109,310   0 34,109,310   268   269   269   260   2			_	2 238 157	0	2 238 157	
264   265 TAXABLE CAPITAL   266   267 Capital for the year   = 34,109,310   0 34,109,310   268   269 Deduct: Investment allowance   - 2,238,157   0 2,238,157   0 2,238,157   270   271 Taxable Capital for taxation year   = 31,871,153   0 31,871,153   272   273 Deduct: Capital Deduction \$10,000,000   - 10,000,000   0 10,000,000   274   275 Taxable Capital   = 21,871,153   0 21,871,153   275 Taxable Capital   = 21,871,153   0 21,871,153   276   277 Rate .225%   0.22500%   0.22500%   0.22500%   0.22500%   278   278   279 Days in year   365 365 365   365 280   280 Divide days by 365   1.0000   1.0000   1.0000   280 Divide days by 365   280 Div			+	2,200,107		2,200,107	
TAXABLE CAPITAL							
286							
267   Capital for the year							
Deduct: Investment allowance   -			_	34 109 310	0	34 109 310	
Deduct: Investment allowance   -   2,238,157   0   2,238,157			_	04,100,010		04,100,010	
Taxable Capital for taxation year			-	2 238 157	0	2 238 157	
Taxable Capital for taxation year				2,200,101		2,200,101	
272   273   Deduct: Capital Deduction \$10,000,000   -			_	31 871 153	0	31 871 153	
Deduct: Capital Deduction \$10,000,000   -   10,000,000   0   10,000,000	272	Taxable Supitarior taxation your	_	01,071,100		01,071,100	
Taxable Capital		Deduct: Capital Deduction \$10,000,000	-	10.000.000	0	10.000.000	
Taxable Capital	274			, ,		,,	
276	275		=	21.871.153	0	21.871.153	
2277   Rate .225%   0.22500%	276			,		, , , , ,	
278   279   Days in year   365   3				0.22500%	0.22500%	0.22500%	
365   365	278						
1.0000   1.00000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.00000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.00000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.00000   1.00000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.0000   1.000				365	365	365	
282   Gross Part I.3 Tax   LCT   =   49,210.09   0.00   49,210.09	280	Divide days by 365		1.0000	1.0000	1.0000	
282   Gross Part I.3 Tax   LCT   =   49,210.09   0.00   49,210.09	281	, ,					
1.1200%   1.12		Gross Part I.3 Tax LCT	=	49,210.09	0.00	49,210.09	
285   286   285: Federal Surtax = Taxable Income x Surtax Rate   - 7,769   0 7,769   287   288   287   288   289	283						
286   Less: Federal Surtax = Taxable Income x Surtax Rate   - 7,769   0 7,769	284	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
287   288   Net Part I.3 Tax	285						
288   Net Part I.3 Tax	286	Less: Federal Surtax = Taxable Income x Surtax Rate	-	7,769	0	7,769	
See   (If surtax is greater than Gross LCT, then zero)	287						
290   291   RECAP:   292   Total Income Taxes   + 296,051   0 296,051   293   Ontario Capital Tax   + 83,666   0 83,666   294   Federal Large Corporations Tax   + 41,441   0 41,441   295   296   Total income and capital taxes   = 421,159   0 421,159	288	Net Part I.3 Tax LCT Payable	=	41,441	0	41,441	
RECAP:	289	(If surtax is greater than Gross LCT, then zero)					
RECAP:	290						
293 Ontario Capital Tax       +       83,666       0       83,666         294 Federal Large Corporations Tax       +       41,441       0       41,441         295       -       -       421,159       0       421,159							
294 Federal Large Corporations Tax       +       41,441       0       41,441         295       -	292	Total Income Taxes	+	296,051	0	296,051	
294 Federal Large Corporations Tax       +       41,441       0       41,441         295       -	293	Ontario Capital Tax	+	83,666	0	83,666	
295       296 Total income and capital taxes     =     421,159     0     421,159			+	41,441	0	41,441	
296 Total income and capital taxes         =         421,159         0         421,159	295						
			=	421,159	0	421,159	
	297						

	А	В	С	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (Tax Reserves)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4			Return			
5					Version XX.xx	
6						
7	Utility Name: Halton Hills Hydro Inc.					
8	Reporting period: December 31, 2002					
9						
10	TAX RESERVES					
11	Opening balance:					
12	Accrued contingent liability				0	
13					0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21	Total (carry forward to the TAXREC worksheet)		0	0	0	
22						
23	Ending balances:					
24	Accrued contingent liability				0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33	Insert line above this line				0	
34	Total (carry forward to the TAXREC worksheet)		0	0	0	
35						

	A	В	С	D	Е	F
1	, , , , , , , , , , , , , , , , , , ,			D	_	
	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	-
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5			Return			
6					Version XX.xx	-
7						
	Utility Name: Halton Hills Hydro Inc.					
	Reporting period: December 31, 2002					
	Number of days in taxation year:		365	days		
	Materiality Level:		31,316	Í		
12	·					
	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
	Income or loss for tax purposes- joint ventures or partnerships	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations	+			0	
	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year Scientific research expenditures deducted	+			0	
	per financial statements	+			0	
	per financial statements  Capitalized interest	+			0	
	Non-deductible club dues and fees	+			0	
	Non-deductible club dues and fees Non-deductible automobile expenses	T _			0	
	Non-deductible life insurance premiums	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Book loss on joint ventures or partnerships	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
	Deemed dividend income	+			0	
_	Dividends credited to investment account	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
41	Amounts received in respect of qualifying environment trust	+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
43	Employee future benefit costs accrued	+			0	
44	Provision for bad debts	+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52 53	Total Additions	+	0	0	0	
54	Total Additions	=	0	0	U	
55	Recap of Material Additions:					
56	produp of Material Adultions.		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 75			0	0	0	
76			0	0	0	
76			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
<u> </u>		1		U	- O	

_	A SECTION 02 DIL 2 TAY CROSS LID. "SIMPLI "	В	C	D Non wires	E Wires entr	<u> </u>
	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate Tax	Eliminations	Tax Return	
5	(for "wires-only" business - see s. 72 OEB Act)				Return	
6			Return		Version XX.xx	
_			0	0		
82 83			0	0	0	
			0	0	0	
84 85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			U	0	U	
_	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
	Total Additions		0	0	0	
96	i otal Additions		U	U	U	
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debt	-			0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates				0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
	Other income from initialical statements  Other deductions: (Please explain in detail the nature of the item)	-			U	
	Employee future benefit expenses paid	-			0	
	Non taxable load transfers	-			0	
112	NOTI taxable toau transfers				0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		_			0	
119		-			0	
120		_			0	
_	Total Deductions	=	0	0	0	
122	Total Boardine		0	0	J	
	Recap of Material Deductions:					
124	Troop of Material Doddonoro		0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
	Total Deductions exceed materiality level		0	0	0	
146	Other deductions less than materiality level		0	0	0	
	Total Deductions		0	0	0	
148	Total Doductions		U	U	U	
170						

	۸	В	С	D	Е	F	· ·	Н	1 .
1	A SECTION 93 PILs TA					<u> </u>	G	п	<u> </u>
2	Corporate Tax Rates		OF SIMPIL						
3	Corporate Tax Rates	•							
	Income Range		0	200,001	>700,000				
5	income Kange		to	200,001 to	>100,000				
6		Year	200,000	700,000					
	Income Tax Rate	i cui	200,000	700,000					
	Current year	2002	19.12%	34.12%	38.62%				
	Capital Tax Rate		0.30%		00.000				
	LCT rate		0.225%						
	Surtax		1.12%						
	Ontario Capital Tax								
12	Exemption		5,000,000						
	Federal Large								
	Corporations Tax		10,000,000						
13	Exemption .								
14									
	Income Range		0	225,001	>700,000				
16			to	to					
17		Year	225,000	700,000					
	Income Tax Rate								
	Income Tax Rates	2003	18.62%	32.12%	36.62%				
	used to gross up								
	the deferral								
	account allowance								
19	variance								
20									
21	Income Range		0	250,001	>700,000				
22	J		to	to					
23		Year	250,000	700,000					
24	Income Tax Rate								
	Income Tax Rates	2004	18.62%	32.12%	36.62%				
	used to gross up								
	the true up								
25									

**SECTION 93 PILs TAX GROSS-UP** "SIMPIL"

**REGULATORY INFORMATION (REGINFO)** Utility Name: HALTON HILLS HYDRO INC. Reporting period: DECEMBER 31, 2003

Days in reporting period:	365	days	
Total days in the calendar year:	365	days	
BACKGROUND			
Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate			
tax (and therefore subject to PILs)?		Y/N	Υ
Was the utility recently acquired by Hydro One			
and now subject to s.89 & 90 PILs?		Y/N	N
Is the utility a non-profit corporation?		Y/N	N
(If the utility is a non-profit corporation, please contact the Rates Manager at OEB)			
Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?		Y/N	N
Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet.			
Accounting Year End		Date	31-Dec
MARR NO TAX CALCULATIONS			
SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS)			

**Version XX.xx** 

(FROM 1999 FINANCIAL STATEMENTS) **USE BOARD-APPROVED AMOUNTS** 

Rate base (wires-only) 25,052,968

Common Equity Ratio (CER) 50.00%

1-CER 50.00%

Target Return On Equity 9.88%

Debt rate 7.25%

2,145,787 Market Adjusted Revenue Requirement

1999 return from RUD Sheet #7

Total Incremental revenue Input Board-approved dollar amounts phased-in	2,145,787
Amount allowed in 2001, Year 1 Amount allowed in 2002, Year 2 Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)	715,262 715,262 0
Equity	12,526,484
Return at target ROE	1,237,617
Debt	12,526,484
Deemed interest amount in EBIT	908,170
Phase-in of interest - Year 1 (2001) ((D38+D43)/D36)*D54	302,723
Phase-in of interest - Year 2 (2002)	605,447
((D38+D43+D44)/D36)*D54	
Phase-in of interest - Year 3 (2003) and forward	605,447
((D38+D43+D44)/D36)*D54 (due to Bill 210)	

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS	ITEM	Initial Estimate			M of F Filing	M of F Filing	M of F Filing	
TAX CALCULATIONS (TAXCALC)		Latinate			Variance	Variance	i iiiig	
("Wires-only" business - see Tab TAXREC)					K-C	Explanation	(June)	
					_		Version XX.xx	
Heilier Names, HALTON HILLS HVDDO INC	-	\$			\$		\$	
Utility Name: HALTON HILLS HYDRO INC. Reporting period: DECEMBER 31, 2003							Column	
Days in reporting period:	365	days					Brought	
Total days in the calendar year:	365	days					From	
							TAXREC	
I) CORPORATE INCOME TAXES								
Regulatory Net Income	1	1,430,596			1,818,045		3,248,641	
BOOK TO TAX ADJUSTMENTS								
Additions:								
Depreciation & Amortization	2	1,460,685			221,594		1,682,279	1
Employee Benefit Plans - Accrued, Not Paid	3	0			0		0	
Tax reserves deducted in prior year	4	0			0		0	
Reserves from financial statements-end of year	4	0			0		0	1
Regulatory Adjustments Other Additions (See Tab entitled "TAXREC")	5	151,437			-151,437		0	<u>'</u>
"Material" Items from "TAXREC" worksheet	6	0			339,149		339,149	
Other Additions (not "Material") "TAXREC"	6	0			19,370		19,370	
"Material Items from "TAXREC 2" worksheet	6	0			52,983		52,983	
Other Additions (not "Material") "TAXREC 2"	6	0			15,737		15,737	
Deductions:								
Capital Cost Allowance and CEC	7	1.072.272			-995,248		77,024	
Employee Benefit Plans - Paid Amounts	8	0			0		0	
Items Capitalized for Regulatory Purposes	9	0			0		0	
Regulatory Adjustments	10	55,617			-55,617		0	
Interest Expense Deemed/ Incurred Tax reserves claimed in current year	11 4	605,477			616,124		1,221,601	
Reserves from F/S beginning of year	4	0			0		0	
Contributions to deferred income plans	3	0			0		0	
Contributions to pension plans	3	0			0		0	
Interest capitalized for accounting but deducted for tax	11	0			0		0	
Other Deductions (See Tab entitled "TAXREC")	10	0			0		0	
"Material" Items from "TAXREC" worksheet Other Deductions (not "Material") "TAXREC"	12 12	0			0		0	
Material Items from "TAXREC 2" worksheet	12	0			66,837		66,837	•
Other Deductions (not "Material") "TAXREC 2"	12	0			13,548		13,548	
DECLII ATODY TAVARI E INCOME! (! OCCEC)		4 200 250			4 004 005		2.070.440	ļ
REGULATORY TAXABLE INCOME/ (LOSSES)		1,309,352			1,961,085		3,979,149	
CORPORATE INCOME TAX RATE								
Deemed %	13	38.62%			0.0000%		38.62%	
								<u> </u>
REGULATORY INCOME TAX Taxable Income x Rate		505,672	+		1,031,076		1,536,747	1
I anable income & Rate								
Miscellaneous Tax Credits	14	0			0		0	
Total Processing State of the Control of the Contro		505.000					4 500 5	
Total Regulatory Income Tax		505,672			1,031,076		1,536,747	
To determine the exemptions for capital tax and large corporations	1							
tax:								
Later the second		1		I			ı	1

DO NOT INPUT INTO AREA

the percentage is other than 100%.	4					
I) CAPITAL TAXES						
Ontario						
Base	15	25,052,968		8,766,858	33,819,826	
Less: Exemption	16	5,000,000		-313,562	4,686,438	
Deemed Taxable Capital		20,052,968	+	8,453,296	29,133,388	
Rate (.3%)	17	0.3000%		0.0000%	0.3000%	
Net Amount (Taxable Capital x Rate)		60,159		27,241	87,400	
Federal (LCT)						
Base	18	25,052,968		7,714,386	32,767,354	
Less: Exemption	19	10,000,000		0	10,000,000	
Deemed Taxable Capital		15,052,968		7,714,386	22,767,354	
Rate (.225%)	20	0.2250%	+	0.0000%	0.2250%	
Gross Amount (Taxable Capital x Rate)		33,869	+	17,357	51,227	
Less: Federal Surtax	21	14,665	+	29,902	44,566	
Net LCT		19,204		47,259	6,660	
III) INCLUSION IN RATES						
Income Tax Rate used for gross- up (exclude surtax)		37.50%				
Income Tax (grossed-up)	22	809,075				
LCT (grossed-up)	23	30,727				
Ontario Capital Tax	24	60,159				
Total S. 93 PILs Rate Adjustment	25	899,961				
		899,961				
IV) FUTURE TRUE-UPS (post June 2002)		0				
V a) Calculation of the True-up Variance				DR/(CR)		
Employee Benefit Plans - Accrued, Not Paid	3					
Employee Berielli Plans - Accrued, Not Paid Tax reserves deducted in prior year	4			0		
Reserves from financial statements-end of year	4			0		
Regulatory Adjustments	5			-151,437		
Other additions "Material" Items "TAXREC"	6			339,149		
Other additions "Material" Items "TAXREC 2"	6			52,983		
Employee Benefit Plans - Paid Amounts	8			0		
Items Capitalized for Regulatory Purposes	9			0		
Regulatory Adjustments	10			-55,617		
Interest Adjustment for tax purposes (See Below - cell I206)	11			313,431		
Tax reserves claimed in current year	4			0		
Reserves from F/S beginning of year	4			0		
Contributions to deferred income plans	3			0		
Contributions to pension plans	3			0		
					I	
Other deductions "Material" Items "TAXREC" Other deductions "Material" Item "TAXREC 2"	12 12			66,837		

Total TRUE-UPS before tax effect	26	=	-83,956	
Income Tax Rate (excluding surtax)		x	35.50%	
Income Tax Effect on True-up adjustments		=	-29,804	
Less: Miscellaneous Tax Credits	14		0	
Total Income Tax on True-ups			-29,804	
Income Tax Rate used for gross-up (exclude surtax)			35.50%	
TRUE-UP VARIANCE			-46,208	
IV b) Calculation of the Deferral Account Variance				
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)		=	1,309,352	
REVISED CORPORATE INCOME TAX RATE		x	36.62%	
REVISED REGULATORY INCOME TAX		=	479,485	
Less: Revised Miscellaneous Tax Credits		-	0	
Total Revised Regulatory Income Tax		=	479,485	
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)		-	505,672	
Regulatory Income Tax Variance		=	-26,187	
Ontario Capital Tax Base Less: Exemption Revised deemed taxable capital		= -	25,052,968 5,000,000 20,052,968	
Rate (as a result of legislative changes)		x	0.3000%	
Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell C72) Regulatory Ontario Capital Tax Variance		=	60,159 60,159 0	
Federal LCT Base Less: Exemption Revised Federal LCT		- =	25,052,968 10,000,000 15,052,968	
Rate (as a result of legislative changes)			0.2250%	
Gross Amount Less: Federal surtax Revised Net LCT		- =	33,869 14,665 19,204	
Less: Federal LCT reported in the initial estimate column (Cell C84) Regulatory Federal LCT Variance		- =	19,204	
Income Tax Rate used for gross-up (exclude surtax)			35.50%	
Income Tax (grossed-up)		+	-40,600	

LCT (grossed-up) Ontario Capital Tax		+ +	0		
DEFERRAL ACCOUNT VARIANCE		=	-40,600		
TRUE-UP VARIANCE (from cell l132)		+	-46,208		
Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance) To be included as deferral account in rate application)		=	-86,808		
V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt					
Total deemed interest (REGINFO) Interest phased-in (Cell C36)			908,170 605,477		
Variance due to phase-in of debt structure according to Rate Handbook			302,693		
Other Interest Variances (i.e. Borrowing Levels					
Above Deemed Debt per Rate Handbook)			1,221,601		
Interest deducted on MoF filing (Cell K36+K41) Total deemed interest (REGINFO CELL D57)			908,170		
Variance caused by excess debt			313,431		
Interest Adjustment for Tax Purposes (carry forward to Cell I112)			313,431		
Total Interest Variance			-10,738		

# TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)

M of F Corporate Tax

Return

Non-wires Eliminations Wires-only Tax Return

Version XX.xx

#### **Section A: Identification:**

Utility Name: HALTON HILLS HYDRO INC.
Reporting period: DECEMBER 31, 2003
Taxation Year's start date: JANUARY 1, 2003
Taxation Year's end date: DECEMBER 31, 2003

Number of days in taxation year:

365 days

Please enter the Materiality Level :

Y/N \_\_\_\_

31,316 < - enter materiality level

(0.25% x Rate Base x CER) (0.25% x Net Assets)

Y/N

LINE

Or other measure (please provide the basis of the amount)

Y/N

Does the utility carry on non-wire related operation?

Y/N

(Please complete the questionnaire in the Background questionnaire worksheet.)

Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K

#### Section B: Financial statements data:

Input unconsolidated financial statement data submitted with tax returns.

The actual categories of the income statements should be used.

If required please change the descriptions except for amortization, interest expense and provision for income tax

Please enter the non-wire operation's amount as positive number, the program automatically treat all amounts in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2.

#### Description:

2000			
Income:			
Service Revenue	+	36,226,346	36,226,346
Other Income	+	1,136,036	1,136,036
Miscellaneous income	+		0
	+		0
	+		0
Revenue should be entered above this line			
Evnancee			
Expenses:			
Cost of energy purchased	-	28,473,695	28,473,695
Salaries & benefits	-	3,004,752	3,004,752
Material costs	-	1,512,768	1,512,768
Amortization	-	1,795,859	1,795,859
Contract services	-	914,377	914,377

Ontario Capital Tax		133,080		133,080
Property costs	-	498,472	_	498,472
Other expenses	-	440,309	_	440,309
Communication costs	-	186,462	_	186,462
Allocated to capital	-	-2,846,033	_	-2,846,033
Allocated to Capital		-2,040,033		-2,040,033
Net Income Before Interest & Income Taxes EBIT	=	3,248,641	0	3,248,641
Less: Interest expense for accounting purposes	-	1,221,601		1,221,601
Provision for payments in lieu of income taxes	-	856,051		856,051
Net Income (loss)	=	1,170,989	0	1,170,989
(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.)				
Section C: Reconciliation of accounting income to taxable income	ne			
From T2 Schedule 1				
BOOK TO TAX ADDITIONS:				
Provision for income tax	+	856,051	0	856,051
Depreciation & Amortization	+	1,682,279	0	1,682,279
Employee benefit plans-accrued, not paid	+	0	0	0
Tax reserves deducted in prior year	+	0	0	0
Reserves from financial statements- end of year	+	<del>_</del> _		0
Regulatory adjustments	+			0
Material addition items from TAXREC 2	+	52,983	0	52,983
Other addition items (not Material) from TAXREC 2	+	15,737	0	15,737
,	·			
Subtotal		2,607,050	0	2,607,050
Other Additions: (Please explain the nature of the additions)				
Recapture of CCA	+			0
Non-deductible meals and entertainment expense	+	4,319		4,319
Capital items expensed	т _	4,513		4,519
Federal part 1.3 capital tax not deductible for tax purposes	+	49,221		49,221
Pre-2001 costs disallowed	+	112,828		112,828
CCA adjustment per Ministry	+	15,051		15,051
Part 1 tax adjustments - Ministry audit	+	177,100		177,100
Total Other Additions		358,519	0	358,519
Total Other Additions	_	330,313	<u> </u>	000,010
Total Additions	=	2,965,569	0	2,965,569
Recap Material Additions:	1			
		0	0	0
		0	0	0
		0	0	0
				•

	1			12221
Federal part 1.3 capital tax not deductible for tax purposes		49221	0	49221
Pre-2001 costs disallowed		112828	0	112828
		0	0	0
Part 1 tax adjustments - Ministry audit		177100	0	177100
Total Other additions >materiality level		339149	0	339149
Other deductions (less than materiality level)		19,370	0	19,370
Total Other Additions		358,519	0	358,519
BOOK TO TAX DEDUCTIONS:				
Capital cost allowance	-	1,485,543		1,485,543
Cumulative eligible capital deduction	-	77,024		77,024
Employee benefit plans-paid amounts	-			0
Items capitalized for regulatory purposes	-			0
Regulatory adjustments :	-			0
CCA	-			0
other deductions	-			0
Tax reserves claimed in current year	-	0	0	0
Reserves from F/S- beginning of year	- '			0
Contributions to deferred income plans	-			0
Contributions to pension plans	-			0
Interest capitalized for accounting deducted for tax	-			0
Material deduction items from TAXREC 2	_	66,837	0	66,837
Other deduction items (not Material) from TAXREC 2	_	13,548	0	13,548
(,	ļ	. 5,5 . 5		10,010
Subtotal	_	1,642,952	0	1,642,952
Other deductions (Please explain the nature of the deductions)	_ !	1,012,002	<u> </u>	1,012,002
Charitable donations - tax basis	_			0
Gain on disposal of assets	_			0
Gain on disposal of assets	_			0
	_			0
				0
Total Other Deductions	-	0	0	0
Total Other Deductions	=	U	υĮ	U
Total Deductions	_ 1	1,642,952	0	1 642 052
Total Deductions	=	1,042,952	υĮ	1,642,952
Recap Material Deductions:				
Troody Material Deductions.		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Other Deductions exceed meteriality level				
Total Other Deductions exceed materiality level		0	0	0
Other Deductions less than materiality level		0	0	0

Total Other Deductions		0	0	0
TAXABLE INCOME	=	2,493,606	0	2,493,606
DEDUCT:				
Non-capital loss applied	-			0
Net capital loss applied	-			0
NET TAXABLE INCOME	=	2,493,606	0	2,493,606
Net Federal Income Tax	+	543,420		543,420
Net Ontario Income Tax	+	282,602		282,602
Subtotal	=	826,022	0	826,022
Less: Miscellaneous tax credits	-			0
Total Income Tax	=	826,022	0	826,022

#### Section D: Detail calculation of the Ontario Capital Tax ONTARIO CAPITAL TAX

(From Ontario CT23)

#### PAID-UP CAPITAL

Paid-up capital stock	+	16,161,663		16,161,663
Retained earnings (if deficit, deduct)	+/-	1,404,876		1,404,876
Capital and other surplus excluding	+			0
appraisal surplus	+			0
Loans and advances	+	16,572,997		16,572,997
Bank loans	+			0
Bankers acceptances	+			0
Bonds and debentures payable	+			0
Mortgages payable	+			0
Lien notes payable	+			0
Ministry audit adjustments	+	1,235,215		1,235,215
Contingent, investment, inventory and similar reserves	+			0
Other reserves not allowed as deductions	+			0
Share of partnership(s), joint venture(s) paid-up capital	+	19,921		19,921
Sub-total	=	35,394,672	0	35,394,672
Subtract:	_			
Amounts deducted for income tax purposes in excess of amounts	-			
booked				0
Deductible R&D expenditures and ONTTI costs deferred for income	-			
tax				0
Total (Net) Paid-up Capital	=	35,394,672	0	35,394,672

#### **ELIGIBLE INVESTMENTS**

Bonds, lien notes, interest coupons Mortgages due from other corporations Shares in other corporations Loans and advances to unrelated corporations Eligible loans and advances to related corporations Share of partnership(s) or joint venture(s) eligible investments  Total Eligible Investments	+ + + + + + + +	924,617 865,551 30,926 1,821,094	0 0 924,617 0 865,551 30,926
TOTAL ASSETS			
Total assets per balance sheet  Mortgages or other liabilities deducted from assets  Share of partnership(s)/ joint venture(s) total assets  Subtract: Investment in partnership(s)/joint venture(s)	+ + +	40,940,086 24,814 35,811	40,940,086 0 24,814 35,811
Total assets as adjusted	=	40,929,089	0 40,929,089
Add: (if deducted from assets) Contingent, investment, inventory and similar reserves Other reserves not allowed as deductions Subtract: Amounts deducted for income tax purposes in excess of amounts booked Deductible R&D expenditures and ONTTI costs deferred for income tax Subtract: Appraisal surplus if booked Add or subtract: Other adjustments	+ + - - - +/-		0 0 0 0
Total Assets	=	40,929,089	0 40,929,089
Investment Allowance  Taxable Capital		1,574,846	0 1,574,846
Net paid-up capital Subtract: Investment Allowance	+	35,394,672 1,574,846	0 35,394,672 0 1,574,846
Taxable Capital	=	33,819,826	0 33,819,826

Capital Tax Calculation				
Deduction from taxable capital up to \$5,000,000		4,686,438		4,686,438
Net Taxable Capital		29,133,388	0	29,133,388
Rate 0.3%		0.3000%	0.3000%	0.3000%
Days in taxation year		365	365	365
Divide days by 365		1.00	1.00	1.00
Ontario Capital Tax		87,400	0	87,400
LARGE CORPORATION TAX				
(From Federal Schedule 33) CAPITAL				
ADD:				
Reserves that have not been deducted in computing income for the year under Part I	+			0
Capital stock	+	16,161,663	0	16,161,663
Retained earnings	+	1,404,876		1,404,876
Contributed surplus	+			0
Ministry audit adjustments	+	1,192,733		1,192,733
Deferred unrealized foreign exchange gains	+	, ,		0
All loans and advances to the corporation	+	16,147,787		16,147,787
All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	, ,		, ,
Any dividends declared but not paid	_		_	0
All other indebtedness outstanding for more than 365 days	+ +	431,027		431,027
Subtotal	=	35,338,086	0	35,338,086
	!	, ,	•	, ,
DEDUCT:				
Deferred tax debit balance	-			0
Any deficit deducted in computing shareholders' equity	-			0
Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0
Deferred unrealized foreign exchange losses	-			0
Subtotal	=	0	0	0
	ĺ	05.000.000		05.000.000
Capital for the year		35,338,086	0	35,338,086

#### **INVESTMENT ALLOWANCE**

Shares in another corporation + 865,552  865,552  803,818  803,818  803,818  803,818  803,818  803,818  803,818  803,818  805,551  865,551  865,551  865,551  865,551  805,551
Loan or advance to another corporation + 803,818  Bond, debenture, note, mortgage, or + 865,551  similar obligation of another corporation + 865,551  Long term debt of financial institution + 0  Dividend receivable from another corporation + 0  Debts of corporate partnerships that were not exempt from tax under Part I.3  Interest in a partnership + 35,811
similar obligation of another corporation  Long term debt of financial institution  Dividend receivable from another corporation  Debts of corporate partnerships that were not exempt from tax under Part I.3  Interest in a partnership  + 35,811
Long term debt of financial institution + 0  Dividend receivable from another corporation + 0  Debts of corporate partnerships that were not exempt from tax under Part I.3  Interest in a partnership + 35,811
Dividend receivable from another corporation + 0  Debts of corporate partnerships that were not exempt from tax under Part I.3  Interest in a partnership + 35,811
Debts of corporate partnerships that were not exempt from tax under Part I.3 Interest in a partnership + 35,811 35,811
Debts of corporate partnerships that were not exempt from tax under Part I.3 Interest in a partnership + 35,811 35,811
Part I.3 Interest in a partnership + 35,811 35,811
Interest in a partnership + 35,811 35,811
Investment Allowance = 2,570,732 0 2,570,732
TAXABLE CAPITAL
Capital for the year = 35,338,086 0 35,338,086
Deduct: Investment allowance - 2,570,732 0 2,570,732
Taxable Capital for taxation year = 32,767,354 0 32,767,354
Deduct: Capital Deduction \$10,000,000 - 10,000,000 - 10,000,000
Taxable Capital = 22,767,354 0 22,767,354
Rate .225% 0.22500% 0.22500% 0.22500%
Dave in year
Days in year 365 365 365 365 365 365 365 365 365 365
Divide days by 365 1.0000 1.0000 1.0000
Gross Part I.3 Tax LCT = 51,226.55 0.00 51,226.55
Federal Surtax Rate 1.1200% 1.1200%
Less: Federal Surtax = Taxable Income x Surtax Rate - 27,928 0 27,928
Net Part I.3 Tax LCT Payable = 23,298 0 23,298 (If surtax is greater than Gross LCT, then zero)
RECAP:
Total Income Taxes + 826,022 0 826,022

Ontario Capital Tax Federal Large Corporations Tax

Total income and capital taxes

+	87,400	0	87,400
+	23,298	0	23,298

=	936,720	0	936,720
---	---------	---	---------

SECTION 93 PILs TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (Tax Reserves) (for "wires-only" business - see s. 72 OEB Act)	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return Version XX.xx
Utility Name: HALTON HILLS HYDRO INC.				
Reporting period: DECEMBER 31, 2003				
TAX RESERVES				
Opening balance:				
Accrued contingent liability				0
				0
				0
				0
				0
				0
				0
				0
Total (carry forward to the TAXREC worksheet)		0	0	0
Ending balances:	1		<u> </u>	0
Accrued contingent liability	1			0
				0
				0
				0
				0
				0
				0
				0
Insert line above this line	Γ			0
<b>Total (</b> carry forward to the TAXREC worksheet)		0	0	0

#### SECTION 93 PILs TAX GROSS-UP "SIMPIL" **TAX RETURN RECONCILIATION (TAXREC 2)**

(for "wires-only" business - see s. 72 OEB Act)

M of F Corporate Tax Return

LINE

Non-wires Eliminations Wires-only Tax Return

Version XX.xx

**Utility Name: HALTON HILLS HYDRO INC.** Reporting period: DECEMBER 31, 2003

Number of days in taxation year:

**Materiality Level:** 

365
31,316

days

### Section C: Reconciliation of accounting income to tayable income

Section C: Reconciliation of accounting income to taxable inco	<u>me</u>	
Add:		
Recapture of capital cost allowance	+	0
Gain on sale of eligible capital property	+	0
Income or loss for tax purposes- joint ventures or partnerships	+	0
Loss in equity of subsidiaries and affiliates	+	0
Loss on disposal of assets	+	0
Charitable donations	+	0
Taxable capital gains	+	0
Depreciation in inventory -end of year	+	0
Scientific research expenditures deducted	+	0
per financial statements	+	0
Capitalized interest	+	0
Non-deductible club dues and fees	+	0
Non-deductible automobile expenses	+	0
Non-deductible life insurance premiums	+	0
Soft costs on construction and renovation of buildings	+	0
Book loss on joint ventures or partnerships	+	0
Capital items expensed	+	0
Debt issue expense	+	0
Deemed dividend income	+	0
Dividends credited to investment account	+	0
Financing fees deducted in books	+	0
Gain on settlement of debt	+	0
Interest paid on income debentures	+	0
Recapture of SR&ED expenditures	+	0
Share issue expense	+	0
Write down of capital property	+	0
Amounts received in respect of qualifying environment trust	+	0
Other Additions: (please explain in detail the nature of the item)	+	0

Employee future benefit costs accrued	+	15448	15448
Provision for bad debts	+	52983	52983
Interest & penalties	+	289	289
	+		0
	+		0
	+		0
	+		0
	+		0
	+		0
	+		
Total Additions	=	68720	0 68720
Recap of Material Additions:			

O O O O O O O O O O O O O O O O O O O				
O O O O O O O O O O O O O O O O O O O		0	0	0
O O O O O O O O O O O O O O O O O O O				
O O O O O O O O O O O O O O O O O O O				
O O O O O O O O O O O O O O O O O O O				
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		0	0	
O O O O O O O O O O O O O O O O O O O				
O O O O O O O O O O O O O O O O O O O				
O O O O O O O O O O O O O O O O O O O				
O O O O O O O O O O O O O O O O O O O				
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		0	0	
O O O O O O O O O O O O O O O O O O O				
O O O O O O O O O O O O O O O O O O O				
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				0
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				
0       0				
0       0				
0       0				
0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0		0	0	
0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0		0	0	0
0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0				0
0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0		0	0	
0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0         0       0       0				
0     0       0     0       0     0       0     0       0     0       0     0       0     0				
0     0       0     0       0     0       0     0       0     0				0
0 0 0 0 0 0				
0 0 0				0
		0	0	0

Provision for bad debts		52983	0	52983
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Material additions		52983	0	52983
Other additions less than materiality level		15737	0	15737
Total Additions		68720	0	68720
Deduct: Gain on disposal of assets per f/s Dividends not taxable under section 83 Terminal loss from Schedule 8 Depreciation in inventory, end of prior year Scientific research expenses claimed in year from Form T661 Bad debt Book income of joint venture or partnership Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust Other income from financial statements Other deductions: (Please explain in detail the nature of the item) Employee future benefits paid		66837 13548		0 0 0 0 0 0 66837 0 0 0 0 13548 0 0 0
Total Deductions	- - - -	80385	0	0 0 0 0 80385
Total Doddotions	_			00303
Recap of Material Deductions:				
		0	0	0
		0	0	0
		0	0	0

	0	0	Λ
	_		0
	0	0	0
Bad debt	66837	0	66837
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Total Deductions exceed materiality level	66837	0	66837
Other deductions less than materiality level	13548	0	13548
Total Deductions	80385	0	80385

## SECTION 93 PILs TAX GROSS-UP "SIMPIL" Corporate Tax Rates

Income Range		0	200,001	>700,000
		to	to	
	Year	200,000	700,000	
Income Tax Rate				
Current year	2003	19.12%	34.12%	38.62%
Capital Tax Rate		0.30%		
LCT rate		0.225%		
Surtax		1.12%		
Ontario Capital Tax Exemption		5,000,000		
Federal Large Corporations Tax Exemption		10,000,000		
<u> </u>				
Income Range		0	225,001	>700,000
Ğ		to	to	·
	Year	225,000	700,000	
Income Tax Rate			·	
Income Tax Rates	2004	18.62%	32.12%	36.62%
used to gross up				
the deferral				
account allowance				
variance				
variance		0	250.001	>700,000
		0 to	250,001 to	>700,000
variance	Year	to	to	>700,000
variance Income Range	Year	_	•	>700,000
variance Income Range	<b>Year</b> 2005	to	to	>700,000
Income Range Income Tax Rate Income Tax Rates		to 250,000	to 700,000	·
Income Range		to 250,000	to 700,000	·

	A	В	С	D	E
1		ь	U	U	
					Version 2004.1
	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
	Utility Name: HALTON HILLS HYDRO INC.				
5	Reporting period: 2004				
	Dave in remarking paried.	266	dovo		
	Days in reporting period: Total days in the calendar year:	366 366	days		
	Total days in the calendar year:	300	days		
8	DAOKODOLIND				
	BACKGROUND Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate		Y/N	V	
12	tax (and therefore subject to PILs)?		Y/IN	Υ	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
10			> (0.1		
	Is the utility a non-profit corporation?		Y/N	N	
10	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Υ	
20	shared among the corporate group?	LCT	Y/N	Υ	- for 2004 only
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	,
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
ZS	·		_		
24	Accounting Year End		Date	12-31-2004	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30					
	Rate Base (wires-only)			25,052,968	
υZ					
33	Common Equity Ratio (CER)			50.00%	
	1-CER			50.00%	
90				0.000/	
	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
ŦΖ	·			2,140,707	
43	1999 return from RUD Sheet #7			0	0
	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in			_, ,	
47	Amount allowed in 2001			715,298	715,298
48	Amount allowed in 2002			715,298	
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	,				0
52					0
53	Total Regulatory Income				1,430,596
54					,,
	Equity			12,526,484	
56				,,,	
	Return at target ROE			1,237,617	
58	V			,,	
	Debt			12,526,484	
60				,,,	
	Deemed interest amount in 100% of MARR			908,170	
62					
	Phase-in of interest - Year 1 (2001)			302,738	
64	((D43+D47)/D41)*D61				
	Phase-in of interest - Year 2 (2002)			605,477	
66	((D43+D47+D48)/D41)*D61			300,111	
	Phase-in of interest - Year 3 (2003) and forward			605,477	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)			500,711	
69	(1-10-1-10) (ddd (d 5111-10)				
70					
71					
<u> </u>			I		

	Λ	Гр	<u> </u>	ь		- 1	СТП	1 1	.I	V	_
1	A SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	C Initial	D	Е	F	G H	M of F	M of F	K M of F	_
	DEFERRAL/VARIANCE ACCOUNTS	IILIVI	Estimate					Filing	Filing	Filing	-
	TAX CALCULATIONS (TAXCALC)		201111010					Variance	Variance	9	$\neg$
	("Wires-only" business - see Tab TAXREC)							K-C	Explanation	(June)	
	RRR # 2.1.8								·	Version 2004.1	
6			\$					\$		\$	
_	Utility Name: HALTON HILLS HYDRO INC.										
	Reporting period: 2004									Column	
	Days in reporting period:	366	days							Brought	
	Total days in the calendar year:	366	days							From	
11 12										TAXREC	-
	I) CORPORATE INCOME TAXES										-
14	IJ GOKI OKATE INCOME TAXES										
	Regulatory Net Income REGINFO E53	1	1,430,596					1,077,432		2,508,028	
16			, ,					, , ,		, , .	
17	BOOK TO TAX ADJUSTMENTS										
18											
	Additions:										
	Depreciation & Amortization	2	1,460,685					351,780		1,812,465	
	Employee Benefit Plans - Accrued, Not Paid	3						40,768		40,768	
	Tax reserves - beginning of year  Reserves from financial statements - end of year	4						0		0	_
	Regulatory Adjustments - increase in income	5	151,437				-	-151,437		0	$\dashv$
	Other Additions (See Tab entitled "TAXREC")	1	131,437			-+		-101,407		U	$\dashv$
26	"Material" Items from "TAXREC" worksheet	6					-	0		0	-
27	Other Additions (not "Material") "TAXREC"	6						0		0	
28	"Material Items from "TAXREC 2" worksheet	6						538,986		538,986	
29	Other Additions (not "Material") "TAXREC 2"	6						34,915		34,915	
30											
	Deductions: Input positive numbers	1									
32	Capital Cost Allowance and CEC	7	1,072,272					-515,254		1,587,526	
	Employee Benefit Plans - Paid Amounts	8					_	-20,269		20,269	$\dashv$
	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	9 10	55,617					55,617		0	$\dashv$
	Interest Expense Deemed/ Incurred	11	605,477					-565,466		1,170,943	
	Tax reserves - end of year	4	003,477					-303,400		0	=
	Reserves from financial statements - beginning of year	4						0		0	
	Contributions to deferred income plans	3						0		0	
	Contributions to pension plans	3						0		0	
41	Interest capitalized for accounting but deducted for tax	11						0		0	
42	Other Deductions (See Tab entitled "TAXREC")							0			
43	"Material" Items from "TAXREC" worksheet	12						0		0	
44	Other Deductions (not "Material") "TAXREC"	12						0		0	
45	Material Items from "TAXREC 2" worksheet	12						-500,393		500,393	
46 47	Other Deductions (not "Material") "TAXREC 2"	12					_	-41,681		41,681	
48	TAXABLE INCOME/ (LOSS)		1,309,352				-	304,998	Before loss C/F	1,614,350	
49	TAXABLE INCOME/ (E033)		1,309,332			-		304,990	Delote loss C/I	1,014,330	
	BLENDED INCOME TAX RATE										
	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%					-5.5800%		33.04%	
52	·										
53	REGULATORY INCOME TAX		505,672					26,288	Actual	531,960	
54											
55		1					_				
	Miscellaneous Tax Credits	14					_	0	Actual	0	_
57	Total Bandatana haanna T		55		-		_			50/ 555	_
58	Total Regulatory Income Tax	1	505,672		-		_	26,288	Actual	531,960	_
59							-				$\dashv$
60	II) CAPITAL TAXES	1								+	$\dashv$
62	III ON TINE TAKES					-	-				$\dashv$
	Ontario	-					_				$\dashv$
	Base	15	25,052,968				_	10,457,304		35,510,272	$\dashv$
65	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000					-315,157		4,684,843	
66	Taxable Capital		20,052,968					10,142,147		30,825,429	
67											
	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	I	]			0.0000%		0.3000%	
69	0.4.1.0.11.17										
70	Ontario Capital Tax		60,159				_	32,317		92,476	_
71	Fodoral Largo Cornorations Toy										$\dashv$
	Federal Large Corporations Tax Base	10	25,052,968					7 546 540		32,569,480	$\dashv$
	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	10,000,000				-	7,516,512 35,995,000		45,995,000	-
	Taxable Capital	19	15,052,968			-	-	43,511,512		45,995,000	$\dashv$
76		-	10,002,000				_	70,011,012		J	$\dashv$
	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%					-0.0250%		0.2000%	
78											
	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869					-33,869		0	
	Less: Federal Surtax 1.12% x Taxable Income	21	14,665					-14,665		0	
81	N. C. O.T.										
	Net LCT		19,204					-48,534		0	_
83		1									

SECTION 93 PILs TAX GROSS-UP "SIMPIL"		A	В	С	D	Е	F	G	Н	1	J	K	
	-					Η-	Ė	Ĭ	H	M of F			$\vdash$
STACK ALCOUNT DISCRETANCE			11 - 141										
## CONTROLLED NO MATER   1				Lotimate								i iiiig	
S. ROBER 24 2 is												(June)	
1											2Apidilation		
A		··· <del>·</del>		\$						\$			
December 7 to Refer is self for gross up (securido surfaci)   7.7 50%	_	II) INCLUSION IN RATES		·						·		·	
State   Company   Compan		<u>,</u>											
Fig.		ncome Tax Rate used for gross- up (exclude surtax)		37 50%									
Bit   Process   Tax   (proxy tax is growed-up)   22   8,00,007		Tooms Tax Trate about to groot up (oxerado cartax)		01.0070									
22   30.77     Actual 2008   22   30.77     Actual 2008   22.0		ncome Tax (proxy tax is grossed-up)	22	809.075							Actual 2004	531,960	
40												0	
1			24									92,476	
Part   Place	,		·										
Section   Sect	2												
Section   Sect	3 7	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	899,961							Actual 2004	624,436	
Section   Sect													
20   No Jackstone	5			899,961									
Section   Company   Comp	6			0									
Sign   Analittones:	7 <i>I</i>	IV) FUTURE TRUE-UPS											
Some   Marketines	8 <b>I</b>	V a) Calculation of the True-up Variance								DR/(CR)			
100  Employee Benefit Pillane A-Accounted, Not Placed   100  Respective Solidated in priority years										` ,			
10   Tax reserves deducaded in prory year			3							40.768			
100  Requestions / Material Remarks and of year													
103 Regulationy Adjustments    5										0			
100   Other additions / Material* Items TAXREC   6   0   0   0   0   0   0   0   0   0										-151,437			
100 Other additions "Material" tems TANREC 2	)4 (	Other additions "Material" Items TAXREC	6							0			
107   Improvement   Paris	)5 (	Other additions "Material" Items TAXREC 2			_					538,986			
107   Improvement   Paris					_								
108  International Content C	)7 E	Employee Benefit Plans - Paid Amounts						L		-20,269			
110	)8 I	tems Capitalized for Regulatory Purposes											
111   Tax reserves claimed in current year			_										
112 Reserves from F/S beginning of year													
113 Contributions to deferred income plans													
114 Contributions to pension plans   0   1   150 Other debuctions "Material" titems TAXREC   12   16 Other debuctions "Material" titems TAXREC   12   16 Other debuctions "Material" titems TAXREC   12   16 Other debuctions "Material" titems TAXREC   12   16 Other debuctions "Material" titems TAXREC   17   18 Total TRUE-UPS before tax effect   26													
115 Other deductions "Material *tems TAXREC   12													
110 Other deductions "Material" item TAXREC 2													
118   Total TRUE-UPS before tax effect													
118   Total TRUE-UPS ballore tax effect	_	Other deductions "Material" Item TAXREC 2	12							-500,393			
1100													
120   Income Tax Rate (excluding surfax) from 2004 Utility's tax return		Total TRUE-UPS before tax effect	26						=	630,589			
122   Income Tax Effect on True-up adjustments													
122   Income Tax Effect on True-up adjustments		ncome Tax Rate (excluding surtax) from 2004 Utility's tax return							Х	35.00%			
124   Less: Miscellaneous Tax Credits													
124   Less: Miscellaneous Tax Credits		ncome Tax Effect on True-up adjustments							=	220,706			
128   Total Income Tax on True-ups													
128 Total Income Tax on True-ups		Less: Miscellaneous Tax Credits	14							0			
128   Income Tax Rate used for gross-up (exclude surtax)		T								202 722			
128   Income Tax Rate used for gross-up (exclude surtax)   3.5.0%     129   130   TRUE-UP VARIANCE ADJUSTMENT     3.39,548     131   V b) Calculation of the Deferral Account Variance caused by changes in legislation		Total Income Tax on True-ups								220,706			
129   120   TRUE-UP VARIANCE ADJUSTMENT   339,548		To Date would be seen to death and a seet to be								05.000/			
130 TRUE-UP VARIANCE ADJUSTMENT   339,548   339,548   339,548   331,548		ncome Tax Rate used for gross-up (exclude surfax)								35.00%			
131	_	FRUE UR VARIANCE AR HISTMENT								220 549			
N b) Calculation of the Deferral Account Variance caused by changes in legislation		TRUE-UP VARIANCE ADJUSTMENT								339,340			
132   Changes in legislation	_	V h) Calculation of the Deferral Associat Variance caused by											
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial state column)													
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial	_	changes in legislation											
134 estimate column													
136   REVISED CORPORATE INCOME TAX RATE									) J	4 000 055			
136 REVISED CORPORATE INCOME TAX RATE		estimate column)							=	1,309,352			
138		DEVICED CORPORATE INCOME TAY DATE							<b>-</b>	00.101			
138   REVISED REGULATORY INCOME TAX		KEVIDED CORPORATE INCOME TAX KATE					-		х	36.12%			1
139		DEVISED DECLII ATODY INCOME TAY							H	472.020			$\vdash$
140   Less: Revised Miscellaneous Tax Credits		VENIOLD IVEGULATOR FINIOUSE TAX							=	412,938			
141		ess: Revised Miscellaneous Tax Credits								0			$\vdash$
142   Total Revised Regulatory Income Tax		LOGO. INCOME INTERCEMENTAL PROPERTY OF THE PRO							H	U			$\vdash$
143   Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell		Total Revised Regulatory Income Tax								472 938			
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell		. Stat Novious Regulatory mounts Tax							H	712,330			
144   C58	_	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell											
145       146 Regulatory Income Tax Variance       = -32,734         147									-	505.672			
146   Regulatory Income Tax Variance		,											
147		Regulatory Income Tax Variance							=	-32,734			
148   Ontario Capital Tax	_												
149   Base	_	Ontario Capital Tax											
150   Less: Exemption from tab Tax Rates, Table 2, cell C39   - 5,000,000     151   Revised deemed taxable capital   = 20,052,968     152									=	25,052,968			
152	60 L	Less: Exemption from tab Tax Rates, Table 2, cell C39							-				
152									_=				
154								L			-		
155		Rate - Tab Tax Rates cell C54							х	0.3000%			
Less: Ontario Capital Tax reported in the initial estimate column (Cell													
156 C70									=	60,159			
157   Regulatory Ontario Capital Tax Variance   = 0									) J				
158         159 Federal LCT         160 Base         161 Less: Exemption from tab Tax Rates, Table 2, cell C40         - 50,000,000									-				
159 Federal LCT         25,052,968           160 Base         25,052,968           161 Less: Exemption from tab Tax Rates, Table 2, cell C40         - 50,000,000		Regulatory Ontario Capital Tax Variance							=	0			
160 Base     25,052,968       161 Less: Exemption from tab Tax Rates, Table 2, cell C40     - 50,000,000									1				
161 Less: Exemption from tab Tax Rates, Table 2, cell C40         -         50,000,000										05.050.655			$\sqcup$
									-				
		Kevisea Hederal LCT							=	-24,947,032			
163	3											l	<u> </u>

_		_					_	1				
	A	В	С	D	Е	F	G	Н		J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
	RRR # 2.1.8										Version 2004.1	
6			\$						\$		\$	
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51								0.2000%			
165												
166	Gross Amount								0			
167	Less: Federal surtax							-	0			
168	Revised Net LCT							=	0			
169												
170	Less: Federal LCT reported in the initial estimate column (Cell C82)							-	19,204			
171	Regulatory Federal LCT Variance							=	-19,204			
172									_			
173	Actual Income Tax Rate used for gross-up (exclude surtax)								35.00%			
174												
175	Income Tax (grossed-up)							+	-50,360			
176	LCT (grossed-up)							+	-30,727			
177	Ontario Capital Tax							+	0			
178	·											
179	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT							=	-81,087			
180												
181	TRUE-UP VARIANCE (from cell I130)							+	339,548			
182	, ,											
183	Total Deferral Account Entry (Positive Entry = Debit)							=	258,461			
	(Deferral Account Variance + True-up Variance)											
185	(Decorative count variation 1 true up variation)											
186												
187				1								
	V) INTEREST PORTION OF TRUE-UP											
	Variance Caused By Phase-in of Deemed Debt											
190												
	Total deemed interest (REGINFO)								908,170			
	Interest phased-in (Cell C36)								605,477			
193	interest pricess in (our coo)			1					555, 111			
	Variance due to phase-in of debt component of MARR in rates			1					302,693			
195				1					332,000			
196				1								
	Other Interest Variances (i.e. Borrowing Levels			1								
198	,			1								
	Interest deducted on MoF filing (Cell K36+K41)			1					1,170,943			
	Total deemed interest (REGINFO CELL D61)			1					908,170			
201	The state of the s			1					555,176			
	Variance caused by excess debt			1					262,773			
203				1					202,770			
	Interest Adjustment for Tax Purposes (carry forward to Cell I110)			1					262,773			
205	minor sort regional for react diposes (surry formula to sell first)			1					202,770			
	Total Interest Variance			1					39,920			$\vdash$
207	Total Interest Caralles			+					11,020			$\vdash$
201	L	1									1	-

_	Δ	В	С	D	E	F
1	A SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires		Г
1		LINE			Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return		Version 2004 4	
5	Onether A. Henditherthere				Version 2004.1	
	Section A: Identification:					
7	Utility Name: HALTON HILLS HYDRO INC.					
	Reporting period: 2004					
9	Taxation Year's start date: JANUARY 1, 2004					
	Taxation Year's end date: DECEMBER 31, 2004					
11	Number of days in taxation year:		366	days		
12					L	
	Please enter the Materiality Level :		31,316	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	Y			
18	(Please complete the questionnaire in the Background question	maire v	vorksneet.)			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Note: Carry forward Wires-Only Bata to Tab TAXOALO Columnity					
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax re	turne				
24	The actual categories of the income statements should be used.	turris.				
25	If required please change the descriptions except for amortization, in	torost a	evnence and provisi	on for income tay		
26	in required please change the descriptions except for amortization, in	neresi e	Experise and provisi	on for income tax		
27	Please enter the non-wire operation's amount as a positive number,	the pro	aram automatically	troate all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC			sats an amounts		
29		und 17	JAKEOL.			
_	Income:					
31	Energy Sales	+	30,683,803		30,683,803	
32	Distribution Revenue	+	8,073,276		8,073,276	
33	Other Income	+	1.146.428	104,433	1,041,995	
34	Miscellaneous income	+	1,170,720	104,433	1,041,993	
35		+			0	
	Revenue should be entered above this line	<u> </u>			0	
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	30,683,803		30,683,803	
40	Salaries and benefits	-	3,250,453		3,250,453	
41	Material costs	-	1,763,694		1,763,694	
42	Amortization	-	1,814,270		1,814,270	
43	Contract services	-	1,231,776		1,231,776	
44	Ontario Capital Tax	-	80,169		80,169	
45	Property costs	-	491,253		491,253	
46	Other expenses	-	1,133,849	39,050	1,094,799	
47	Communication costs	-	233,744		233,744	
48	Allocated to capital	-	-3,352,915		-3,352,915	
49	7 modulou to dupital		0,002,010		0,002,010	
_	Net Income Before Interest & Income Taxes EBIT	=	2,573,411	65,383	2,508,028	
	Less: Interest expense for accounting purposes	-	1,170,943	00,000	1,170,943	
52	Provision for payments in lieu of income taxes	-	412,562		412,562	
	Net Income (loss)	=	989,906	65,383	924,523	
	(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.)					
54						
55						
56	Section C: Reconciliation of accounting income to taxable income	<u>me</u>				
57	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	412,562	0	412,562	
	Federal large corporation tax	+			0	
	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
	Tax reserves - beginning of year	+	0	0		
	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments	+	E00.000	_	500.000	
	Material addition items from TAXREC 2	+	538,986	20.721	538,986	
67	Other addition items (not Material) from TAXREC 2	+	55,646	20,731	34,915	
68 69	Cubtatal	-	2,862,232	00.500	2,839,696	
70	Subtotal		2,002,232	22,536	2,039,096	
71	Other Additions: (Please explain the nature of the additions)	<del>                                     </del>				
	Recapture of CCA	+			0	
73	Non-deductible meals and entertainment expense	+			0	
74	Capital items expensed	+			0	
75	очения попто охронова	+			0	
76		+			0	
77		+			0	
78		+			0	
79	Total Other Additions	=	0	0	0	
80						
81	Total Additions	=	2,862,232	22,536	2,839,696	
82				22,000		
	Recap Material Additions:					
84	·		0	0	0	
85			0		0	
86			0			
87			0		0	
88			0			
89			0			
90			0			
	Total Other additions >materiality level		0			
92	Other deductions (less than materiality level)		0			
93	Total Other Additions		0	0	0	
94						

_	Λ.	_ n	С	D	-	
1	A SECTION 93 PILs TAX GROSS-UP "SIMPIL"	B LINE	M of F	Non-wires	E Wires-only	F
_		LINE				
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate Tax	Eliminations	Tax Return	
4	(for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8		Return		Return	
	KKK # 2.1.8		Return		Version 2004 4	
5	DOOK TO TAY DEBUGTIONS				Version 2004.1	
	BOOK TO TAX DEDUCTIONS:		4 540 007	2.022	4 545 004	
96	Capital cost allowance Cumulative eligible capital deduction	-	1,518,927	3,033	1,515,894	
97		-	71,632		71,632 20,269	ļ
98	Employee benefit plans-paid amounts	-	20,269		20,269	
99	Items capitalized for regulatory purposes  Regulatory adjustments:	-			0	
100	CCA	-			0	
102	other deductions	-			0	
_	Tax reserves - end of year	-	0	0		<b> </b>
	Reserves from financial statements- beginning of year	-	0	0		
	Contributions to deferred income plans	-	0		0	
	Contributions to pension plans	-			0	
	Interest capitalized for accounting deducted for tax	-			0	
	Material deduction items from TAXREC 2	-	500,393	0	500,393	
109		-	83,143	41,462	41,681	
110					,,,,,	
111	Subtotal	=	2,194,364	44,495	2,149,869	
112	Other deductions (Please explain the nature of the deductions)		, , , , , , , , , , , , , , , , , , , ,	,	, .,	
113	Charitable donations - tax basis	-			0	
	Gain on disposal of assets	-			0	
115	·	-			0	
116					0	
117		-			0	
118	Total Other Deductions	=	0	0		
119						
120	Total Deductions	=	2,194,364	44,495	2,149,869	L
121						
122	Recap Material Deductions:					
123			0	0	0	
124			0	0		
125			0	0		
126			0	0	0	
127			0	0	0	
128	Total Other Deductions exceed materiality level		0	0	0	
129	Other Deductions less than materiality level		0	0	0	
130	Total Other Deductions		0	0	0	
131						
	TAXABLE INCOME	=	1,657,774	43,424	1,614,350	
133						
134	Non-capital loss applied positive number	-			0	
135	Net capital loss applied positive number	-			0	
136					0	
137	NET TAXABLE INCOME	=	1,657,774	43,424	1,614,350	
138						
	FROM ACTUAL TAX RETURNS		0.40.000	0.070	000 550	-
	Net Federal Income Tax (Must agree with tax return)	+	319,232	9,679	309,553	
	Net Ontario Income Tax (Must agree with tax return)	+	228,386	5,979	222,407	-
142	Subtotal	=	547,618	15,658	531,960	ļ
143 144	, , ,	-	547,618	1E CE 0	531,960	
145	Total Income Tax	=	347,010	15,658	331,900	<b>!</b>
	FROM ACTUAL TAX RETURNS					-
147	Net Federal Income Tax Rate (Must agree with tax return)		19.27%		19.27%	
	Net Ontario Income Tax Rate (Must agree with tax return)		13.77%		13.77%	
149	Blended Income Tax Rate		33.04%		33.04%	
150	Dichaed modific Tax Nate		00.0470		00.0470	1
151	Section D: Detailed calculation of Ontario Capital Tax					
152	2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2					t
	ONTARIO CAPITAL TAX					
	(From Ontario CT23)					
	PAID-UP CAPITAL					
156						
	Paid-up capital stock	+	16,161,663		16,161,663	
	Retained earnings (if deficit, deduct)	+/-	2,394,782	27,766	2,367,016	
	Capital and other surplus excluding	+			0	
	appraisal surplus	+			0	
161	Loans and advances	+	16,911,276		16,911,276	
162	Bank loans	+			0	
	Bankers acceptances	+			0	
164	Bonds and debentures payable	+			0	
	Mortgages payable	+			0	
	Ministry audit adjustments	+	1,047,063		1,047,063	
	Balancing adj - to agree to NORA from Ministry audit	+	35,100		35,100	<b> </b>
	Contingent, investment, inventory and similar reserves	+			0	<b> </b>
	Other reserves not allowed as deductions	+			0	<b>I</b>
	Share of partnership(s), joint venture(s) paid-up capital	+	18,916		18,916	l
171	Sub-total	=	36,568,800	27,766	36,541,034	ļ
172						<del>                                     </del>
170	Amounts deducted for income tax purposes in excess of amounts	-	470.405		470.405	1
1/3	booked  Deductible R&D expenditures and ONTTL costs deferred for income	-	-478,125		-478,125	<del> </del>
1,	Deductible R&D expenditures and ONTTI costs deferred for income	-				1
174		-	27.040.005	07.700	07.040.450	<del> </del>
175	Total (Net) Paid-up Capital	=	37,046,925	27,766	37,019,159	<del> </del>
176	ELICIPI E INVESTMENTS	-				-
177 178	ELIGIBLE INVESTMENTS	-				<del>                                     </del>
_	Ronds lien notes interest courses	.1.			0	-
	Bonds, lien notes, interest coupons  Mortgages due from other corporations	+			0	<del> </del>
	Mortgages due from other corporations Shares in other corporations	+	906,070		906,070	<del> </del>
	Shares in other corporations  Loans and advances to unrelated corporations		900,070		906,070	<del>                                     </del>
	Loans and advances to unrelated corporations Eligible loans and advances to related corporations	+	865,551		865,551	1
	Share of partnership(s) or joint venture(s) eligible investments	+	000,001		0	<del> </del>
185	onare or partitionally(s) or joint venture(s) eligible investments	+			0	1
100			ı		1	<u> </u>

	A	В	С	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.1	
186	Total Eligible Investments	=	1,771,621	0	1,771,621	
187						

	A	В	С	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.1	
188						
	TOTAL ASSETS					
_	TOTAL ASSETS					
190						
191	Total assets per balance sheet	+	43,032,481	138,812	42,893,669	
192	Mortgages or other liabilities deducted from assets	+			0	
	Share of partnership(s)/ joint venture(s) total assets	+	27,604		27,604	
194		-	40,518		40,518	
195	oubtract. Investment in partiership(s)/joint venture(s)	_	40,510		40,510	
_			10.010.507	100.010	10.000 755	
	Total assets as adjusted	=	43,019,567	138,812	42,880,755	
197						
198	Add: (if deducted from assets)					
199	Contingent, investment, inventory and similar reserves	+			0	
200	Other reserves not allowed as deductions	+			0	
_	Subtract:				0	
201					U	
	Amounts deducted for income tax purposes in excess of amounts	-	470.405		470.405	
202	booked		-478,125		-478,125	
1	Deductible R&D expenditures and ONTTI costs deferred	-			0	
203	for income tax					
	Subtract: Appraisal surplus if booked	-			0	
205	Add or subtract: Other adjustments	+/-			0	
_	, ad a. cabildot. Other adjustments	.,-			U	
206	Total Associa		40 407 0	100 5 : -	40.000.000	
207	Total Assets	=	43,497,692	138,812	43,358,880	
208						
209						
210	Investment Allowance		1,508,887	0	1,512,583	
211			,,		,, . 50	
	Taxable Capital					
	Taxable Capital					
213						
214	Net paid-up capital	+	37,046,925	27,766	37,019,159	
215	Subtract: Investment Allowance	-	1,508,887	0	1,508,887	
216						
217	Taxable Capital	=	35,538,038	27,766	35,510,272	
218	Taxable Sapital		00,000,000	2.,.00	00,010,212	
_	O!  T O-  !					
219	Capital Tax Calculation					
220	Deduction from taxable capital up to maximum of \$5,000,000		4,684,843	0	4,684,843	
221	(Input in tab Tax Rates)					
222	Net Taxable Capital		30,853,195	27,766	30,825,429	
223	·					
224	Rate		0.3000%	0.3000%	0.3000%	
225	Trate		0.000070	0.000070	0.000070	
_	David to tour the court		000	000	000	
	Days in taxation year		366	366	366	
227	Divide days by 366		1.00	1.00	1.00	
228						
229	Ontario Capital Tax (Must agree with CT23 return)		92,560	83	92,476	
230						
	Section E: Detailed calculation of Large Corporation Tax					
232	Decirion E. Detailed duiodiation of Earge Corporation rax					
_	LARCE CORRORATION TAY					
233						
	(From Federal Schedule 33)					
	CAPITAL					
236	ADD:					
	Reserves that have not been deducted in computing income for the					
237	. •	+	16,161,663		16,161,663	
	,			07 700		
238	Capital stock	+	2,394,782	27,766	2,367,016	
	Retained earnings	+			0	
	Contributed surplus	+			0	
241	Any other surpluses	+			0	_
	Deferred unrealized foreign exchange gains	+			0	
	All loans and advances to the corporation	+	16,146,274		16,146,274	
3	All indebtedness- bonds, debentures, notes, mortgages, bankers	•	10,170,274		10,170,274	
244		+				
	acceptances, or similar obligations				0	
245	Any dividends declared but not paid	+			0	
246	All other indebtedness outstanding for more than 365 days	+	765,002		765,002	
247						_
248	Subtotal	-	35,467,721	27,766	35,439,955	
249			-, -, -		.,,.	
	DEDUCT:					
		-			0	
	Deferred tax debit balance				0	
252	Any deficit deducted in computing shareholders' equity	-			0	
1	Any patronage dividends 135(1) deducted in computing income	-				
253	under Part I included in amounts above				0	
254	Deferred unrealized foreign exchange losses	-			0	
255					Ü	
	Cultotal		^	^	^	
256	Subtotal	=	0	0	0	
257						
258	Capital for the year		35,467,721	27,766	35,439,955	
259		-				

	A	В	С	D	E I	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	-
2	TAX RETURN RECONCILIATION (TAXREC)	LIIVL	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiidtioiio	Return	
4	RRR # 2.1.8		Return			
5			rtotani		Version 2004.1	
	INVESTMENT ALLOWANCE				10.0.0 200	
261	INVESTMENT ACCOMANGE					
	Shares in another corporation	+	865,552		865,552	
	Loan or advance to another corporation	+	1.098.854		1,098,854	
_	Bond, debenture, note, mortgage, or	+	1,090,034		1,090,034	
265		+	865,551		865,551	
	Long term debt of financial institution	+	000,001		003,331	
	Dividend receivable from another corporation	+			0	
201	Debts of corporate partnerships that were not exempt from tax	-			U	
268	under Part I.3	+			0	
269	Interest in a partnership	+	40,518		40,518	
270						
271	Investment Allowance	=	2,870,475	0	2,870,475	
272						
273						
274	TAXABLE CAPITAL					
275						
	Capital for the year	=	35,467,721	27,766	35,439,955	
277	•					
278	Deduct: Investment allowance	-	2,870,475	0	2,870,475	
279						
280	Taxable Capital for taxation year	=	32,597,246	27,766	32,569,480	
281			, , , ,	,	, , , , , , , , , , , , , , , , , , , ,	
282	Deduct: Capital Deduction - maximum of \$50,000,000	-	45,995,000	0	45,995,000	
283	(Input in tab 'Tax Rates')					
284	Taxable Capital	=	0	27,766	0	
285	•					
286	Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.20000%	0.20000%	0.20000%	
287						
	Days in year		366	366	366	
	Divide days by 366		1,0000	1.0000	1.0000	
290	, ,					
291	Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	56	0	
292	, , , , , , , , , , , , , , , , , , , ,			-		
	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
294						
295	Less: Federal Surtax = Actual Surtax from tax return	-			0	
296						
297	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	0	56	0	
	(If surtax is greater than Gross LCT, then zero)					
299	,					
	Section F: Income and Capital Taxes					
301						
	RECAP FROM ABOVE:					
	Total Income Taxes	+	547,618	15,658	531,960	
	Ontario Capital Tax	+	92,560	83	92,476	
	Federal Large Corporations Tax	+	02,000	56	02,0	
306	· gorporationo ran			00	- O	
307	Total income and capital taxes	=	640,178	15,797	624,436	
308			2.2,110		52 ., 100	

	A	В	С	D	Е	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	-
	Tax and Accounting Reserves	LIIVE	Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax	Liiiiiiiations	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		Return	
5	RRR # 2.1.8		rtotum		Version 2004.1	
6	11111				70101011 200 111	
7	Utility Name: HALTON HILLS HYDRO INC.					
	Reporting period: 2004					
9	responding portion. 2001					
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other				0	
	Other	1			0	
20					0	
21	Total /acomy famous discrete TAVDEO	1			0	
	Total (carry forward to the TAXREC worksheet)	1	0	0	0	
23	End of Year:	+				
25	Ella di Tear.				0	
	Reserve for doubtful accounts ss. 20(1)(l)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other				0	
	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:					
41					0	
42	Far in a second of	1			0	
43	Environmental	1			0	
	Allowance for doubtful accounts Inventory obsolescence				0	
	Property taxes	1			0	
	Other	+			0	
	Other	+			0	
49					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	(130)			<u> </u>		
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other				0	
	Other				0	
61					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)	1	0	0	0	
64						

	A	В	С	D	E	F
1			-	_	_	
	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8		Tax Return		Return	
6	NNN # 2.1.0		Ketuiii		Version 2004.1	
7						
	Utility Name: HALTON HILLS HYDRO INC.					
	Reporting period: 2004					
	Number of days in taxation year:  Materiality Level:		366 31,316			
12	materiality Level:		31,310			
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
	Recapture of capital cost allowance	+			0	
	Gain on sale of eligible capital property  Income or loss for tax purposes- joint ventures or partnerships	+			0	
18	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of assets	+	20,731	20,731	0	
	Charitable donations	+	325,000		325,000	
	Taxable capital gains	+			0	
	Depreciation in inventory -end of year Scientific research expenditures deducted	+			0	
24	per financial statements	+	175,393		175,393	
25	Capitalized interest	+	,		0	
	Non-deductible club dues and fees	+			0	
	Non-deductible automobile expenses	+			0	
	Non-deductible life insurance premiums  Soft costs on construction and renovation of buildings	+			0	
_	Non-deductible meals and entertainment	i .			0	
	Book loss on joint ventures or partnerships	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
	Deemed dividend income Dividends credited to investment account	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Debt financing expenses	+			0	
45	Non-deductible meals & entertainment expenses Provision for bad debts	+	5,413		5,413	
46 47	CCA overstatement per Ministry audit	+	38,593 29,502		38,593 29,502	
48	On the order of th	+	20,002		0	
49		+			0	
50		+			0	
51 52		+			0	
53		+			U	
54	Total Additions	=	594,632	20,731	573,901	
55						
	Recap of Material Additions:					
57 58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
_	Charitable donations		325,000	0	325,000	
63 64			0	0	0	
65			0	0	0	
66	per financial statements		175,393	0	175,393	
67			0	0	0	
68			0	0	0	
69 70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74 75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80 81			0	0	0	
82			0	0	0	
<u> </u>			U	U U	U	

						_
	A SECTION OF BUILDING BUILDING	В	C	D	E	F
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RRR # 2.1.8		Return		V 0004.4	
6			0	0	Version 2004.1	
83			0	0	0	
84			0	0	0	
85 86			0	0	0	
87	Provision for bad debts		38,593	0	38,593	
88	Flovision for bad debts		0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		538,986	0	538,986	
96	Other additions less than materiality level		55,646	20,731	34,915	
97	Total Additions		594,632	20,731	573,901	
98						-
	Deduct:					
	Gain on disposal of assets per f/s	-	44,467	41,462	3,005	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-	175,393		175,393	
	Bad debts	-	24,694		24,694	
	Book income of joint venture or partnership	-	4,706		4,706	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Imputed interest on Reg Assets Charitable donations	-	225 000			
112 113		-	325,000 9,276		325,000 9,276	
114	Excess accrued capital tax per Ministry addit	-	9,270		9,276	
115		-			0	
116		_			0	
117		_			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	583,536	41,462	542,074	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
	Scientific research expenses claimed in year from Form T661		175,393	0	175,393	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133 134			0	0	0	
134			0	0	0	
136			0	0	0	
137	Charitable donations		325,000	0	325,000	
138	Character deliations		0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145			0	0	0	
	Total Deductions exceed materiality level		500,393	0	500,393	
	Other deductions less than materiality level		83,143	41,462	41,681	
148	Total Deductions		583,536	41,462	542,074	
149						

1									
	A SECTION 93 PILs TAX GRO	B NSS-IIP "S	C	D	Е	F	G	Н	- 1
2	Corporate Tax Rates	)33-UP 3	IIVIPIL		V	ersion 2004	.1		
3	Exemptions, Deductions, o					RRR # 2.1.8			
4	Utility Name: HALTON HI	LLS HYDR	O INC.						
5 6	Reporting period: 2004								
7	-					Table 1			
8	Rates Used in 2002 RAM PI	ILs Applica	tions				_		
9	Income Range		0		200,001				
10 11	RAM 2002	V	to		to	>700,000			
	Income Tax Rate	Year	200,000		700,000				
	Proxy Tax Year	2002							
	Federal (Includes surtax)		0.00%						
15	and Ontario blended		19.12%		34.12%	38.62%	,		
16	Blended rate		19.12%	0.00%	34.12%	38.62%			
17			0.0000/						
	Capital Tax Rate  LCT rate		0.300% 0.225%						
20	Surtax		1.12%						
	Ontario Capital Tax	MAX							
21	Exemption **	\$5MM	5,000,000						
	Federal Large	MAX							
22	Corporations Tax	\$10MM	10,000,000						
23	Exemption **  **Exemption amounts must	t agree with	the Board-a	nnroyed 200	2 PAM PII s	filing			
<u>23</u>		. agree will	i ine boaru-a	ippioved 200	Z IVANI FILS	······y			
25						Table 2			
	Expected Rates and Exemp	otions for 2	4	_			•		
	Income Range		0	250,001	400,001	. 4 400 000			
28	Expected Rates 2004	Year	to 250,000	to 400,000	to 1,128,000	>1,128,000			
	Income Tax Rate	i cai	230,000	400,000	1,120,000				
31	Current year	2004							
32	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%			
	Ontario		5.50%	5.50%	9.75%	14.00%			
34	Blended rate		18.62%	27.62%	31.87%	36.12%			
35	Canital Tay Data		0.300%						
	Capital Tax Rate  LCT rate		0.300%						
	Surtax		1.12%						
	Ontario Capital Tax	MAX	5,000,000						
39	Exemption ***	\$5MM	5,000,000						
	Federal Large	MAX	50 000 000						
40	Corporations Tax Exemption ***	\$50MM	50,000,000						
41	***Allocation of exemptions	s must com	ply with the	Board's instr	uctions reg	arding			
42	regulated activities.				_	_			
43						Table 3			
	Input Information from Utili Income Range	ity's Actual	2004 Tax Re	turns 250,001	400,001		ľ		
	<u> </u>		to	250,001 to	400,001 to	>1,128,000			
46			••						
46 47		Year	250,000	400,000	1,128,000				
47 48	Income Tax Rate		250,000	400,000					
47 48 49	Income Tax Rate  Current year	Year 2004	·		1,128,000				
47 48 49 50	Income Tax Rate Current year Federal (Includes surtax)		13.12%	22.12%	<b>1,128,000</b> 22.12%	22.12%			
47 48 49 50 51	Income Tax Rate Current year Federal (Includes surtax) Ontario		13.12% 5.50%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate		13.12%	22.12%	<b>1,128,000</b> 22.12%				
47 48 49 50 51 52 53	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate		13.12% 5.50%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate		13.12% 5.50% 18.62%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax	2004	13.12% 5.50% 18.62%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax	2004 MAX	13.12% 5.50% 18.62% 0.300% 0.200%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption *	2004	13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large	MAX \$5MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	2004 2004 MAX \$5MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	22.12% 5.50%	1,128,000 22.12% 14.00%	14.00%			
47 48 49 50 51 52 53 54 55 56	Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actuontario CT23 page 11; federal corporations CT23	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actuontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			
47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the actu Ontario CT23 page 11; federal	MAX \$5MM MAX \$50MM	13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	22.12% 5.50% 27.62%	1,128,000 22.12% 14.00% 36.12%	14.00% 36.12%			

	A	В	С	D	E
1	SIMPIL RRR FILING		U	<u> </u>	Version 2005.1
	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
	Utility Name: HALTON HILLS HYDRO INC.			Colour Code	1X1X # 2.1.0
	Reporting period: 2005			Input Cell	
5	Reporting period. 2003			Formula in Cell	
	Days in reporting period:	365	days	i orinida ili Celi	
	Total days in the calendar year:	365	days		
8	Total days in the calendar year.	303	uays		
	BACKGROUND				
	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	Υ	
13	tax (and therefore subject to FILS)!		1/11	1	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
10			>//>		
	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)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Υ	
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%	
	Cells C68 & C77 in the TAXCALC spreadsheet.	LCT		100%	
ZS			_		
24	Accounting Year End		Date	12-31-2005	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				moonic
	USE BOARD-APPROVED AMOUNTS				
30	OCE BOARD ATTROVED AMOUNTO				
	Rate Base (wires-only)			25,052,968	
υZ					
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
77					
	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in Year 1 - 2001			715,262	
48	Amount allowed in Year 2 - 2002			715,262	715,262
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210;			_	
50	unless authorized by the Minister and the Board)			_ 0	0
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM pl	an)		715,262	
52	Other adjustments approved by the Board			108,654	108,654
53 54	Total Regulatory Income				2,254,440
55	Total Regulatory income				2,254,440
	Equity			12,526,484	
57	Equity			12,320,404	
	Return at target ROE			1,237,617	
59	Netuin at target NOL			1,237,017	
	Debt			12,526,484	
61				12,020,704	
	Deemed interest amount in 100% of MARR			908,170	
63		·			
64 65	Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D62			302,723	
	Phase-in of interest - Years 2, 3 & 4 (2002, 2003,2004)			605,447	
67	((D43+D47+D48)/D41)*D62 (Due to Bill 210)			· ·	
	Phase-in of interest - Year 3 (2005) and forward	-		908,170	
69					
70					
71					
72					

	A	В	С	D	Е	F	G	Н		J	K	L
1 0	SIMPIL RRR FILING	ITEM	Initial	_					M of F	M of F	M of F	
	DEFERRAL/VARIANCE ACCOUNTS	I I LIVI	Estimate						Filing	Filing	Filing	
			Estillate								rillig	
	AX CALCULATIONS (TAXCALC)								Variance	Variance		
4 (	"Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5 <b>F</b>	RRR # 2.1.8										Version 2005.1	
6			\$						\$		\$	
7 <b>l</b>	Jtility Name: HALTON HILLS HYDRO INC.		·									
	Reporting period: 2005										Column	
		005	4									
	Days in reporting period:	365	days								Brought	
	otal days in the calendar year:	365	days								From	
11											TAXREC	
12												
13 I	CORPORATE INCOME TAXES											
14	TOOKI OKATE INGGINE TAXEO											
	DECIMED FOR	<b>—</b> ,	0.054.440				-	-	244.000		0.400.400	
	Regulatory Net Income REGINFO E54	1	2,254,440						211,668		2,466,108	
16												
17 E	BOOK TO TAX ADJUSTMENTS											
18												
_	Additions:											
	Depreciation & Amortization	2	1 004 104						270.042		4 004 400	
		2	1,604,164						279,942		1,884,106	
	Employee Benefit Plans - Accrued, Not Paid	3	15,448						13,772		29,220	
22 7	ax reserves - beginning of year	4							0		0	
	Reserves from financial statements - end of year	4	52,983						-52,983		0	
	Regulatory Adjustments - increase in income	5	32,000				t	t	02,000		0	
	Regulatory Assets - to balance to tax return	Ť			$\vdash$	<del>                                     </del>	t	t	0		0	$\vdash$
		<b> </b>			$\vdash$	-	1	1	0		0	$\vdash$
	Other Additions (See Tab entitled "TAXREC")	1				<u> </u>	<u> </u>	<u> </u>				
27	"Material" Items from "TAXREC" worksheet	6				<u> </u>			0		0	
28	Other Additions (not "Material") "TAXREC"	6							7,084		7,084	
29	"Material Items from "TAXREC 2" worksheet	6							499,120		499,120	
	Other Additions (not "Material") "TAXREC 2"	6							100,120		433,120	
	Outor Additions (Hot Material) TAAREG 2	0				<b>-</b>	1	1	0		0	
31							<u> </u>	<u> </u>				
	Deductions: Input positive numbers											
33 (	Capital Cost Allowance and CEC	7	1,562,567						62,789		1,625,356	
34 E	Employee Benefit Plans - Paid Amounts	8	13,548						3,172		16,720	
	tems Capitalized for Regulatory Purposes	9	10,010						0,2		0	
									0			
	Regulatory Adjustments - deduction for tax purposes in Item 5	10									0	
	Regulatory Assets - to balance to tax return								0		0	
38 I	nterest Expense Deemed/ Incurred	11	908,170						280,664		1,188,834	
39 1	ax reserves - end of year	4							0		0	
	Reserves from financial statements - beginning of year	4	66,837						-66,837		0	
			00,037				-	-	-00,037		0	
	Contributions to deferred income plans	3							Ü			
	Contributions to pension plans	3							0		0	
43 I	nterest capitalized for accounting but deducted for tax	11							0		0	
	Other Deductions (See Tab entitled "TAXREC")											
	CDM 2005 incremental OM&A expenses per 2005 PILs model	12							0		0	
							-	-	0			
	"Material" Items from "TAXREC" worksheet	12							0		0	
47	Other Deductions (not "Material") "TAXREC"	12							25,444		25,444	
48	Material Items from "TAXREC 2" worksheet	12							415,282		415,282	
	Other Deductions (not "Material") "TAXREC 2"	12							. 0		0	
50	Carlot Boddonotto (not material ) 1701/1202										, , ,	
	TAVARIE INCOME/ (LOCO)		1,375,913				-	-	238.089	D-4 I 0/E	4.044.000	
	AXABLE INCOME/ (LOSS)		1,375,913						238,089	Before loss C/F	1,614,002	
52												
53 E	BLENDED INCOME TAX RATE					1	1	1				
54 1	ab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%						-3.9100%	Formula	32.21%	
55											52.2.70	
	REGULATORY INCOME TAX	<b>†</b>	496,980		$\vdash$		<del>                                     </del>	<del>                                     </del>	21,975	Actual	518,955	
	ALOULATOINT INCOMIL TAX	1	490,980		$\vdash\vdash$		<del>                                     </del>	<del>                                     </del>	21,975	Actual	316,935	$\vdash$
57		1				<u> </u>	<u> </u>	<u> </u>				
58											_	
59 N	Miscellaneous Tax Credits	14				I			0	Actual	0	
60												
	Total Regulatory Income Tax		496,980		$\vdash$		$\vdash$	$\vdash$	21,975	Actual	518,955	$\vdash$
	rotal negalatory mounts rax	-	430,300		$\vdash$	-	<del>                                     </del>	<del>                                     </del>	21,970	Acidal	310,333	$\vdash$
62							<u> </u>	<u> </u>				
63												
64 <b>I</b>	) CAPITAL TAXES				L l	L	L	L				L 1
65		1					1	1				
	Ontario											
67 E		15	25,052,968		$\vdash$				11,197,532		36,250,500	
					$\vdash$	-	1	1				$\vdash$
	ess: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		ш		<u> </u>	<u> </u>	-544,467		6,955,533	
	axable Capital		17,552,968						10,653,065		29,294,967	
70					L l	L	L	L				L l
71 F	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.3000%		0.3000%	
72			2.222370						2.222070			
73	Ontario Capital Tax		E2 650		$\vdash$		<del>                                     </del>	<del>                                     </del>	35,175		07 024	$\vdash$
	Оптано Сарпат Тах	1	52,659		$\vdash \vdash$	-	1	1	35,175		87,834	$\vdash \vdash$
74		ļ										
75 <b>/</b>	Federal Large Corporations Tax	<u> </u>										L I
76 E		18	25,052,968						-25,052,968		0	
	.ess: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000						-50,000,000		0	
	axable Capital	13	0		$\vdash$				-75,052,968		0	
1 70 17	αλαυίο Θαμιαί	<b> </b>	0		$\vdash\vdash$		<del>                                     </del>	<del>                                     </del>	-73,032,908		0	
					ш		<b>!</b>	<b>!</b>				<b>-</b>
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%						0.0000%		0.1750%	
79 80 F	tate Tax reales regulatory, Tuble 1, Notaci, Tuble 9				1 1	_			1			
79	rax rates regulatory, rable 1, retual, rable 0	<u> </u>					<u>L</u>	<u>L</u>	<u> </u>			
79 80 F 81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0						0		0	
79 80 F 81 82 0	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	21										
79 80 F 81 82 C 83 L		21	0						0		0	
79 80 F 81 82 0 83 L 84	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	0						0		0	
79 80 F 81 82 0 83 L 84	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	21										

	A	В	С	D	Е	F	G	Н	ı	J	K	
1	SIMPIL RRR FILING	ITEM	Initial		<u> </u>	Ė	Ŭ		M of F	M of F	M of F	Ė
	DEFERRAL/VARIANCE ACCOUNTS	1121	Estimate						Filing	Filing	Filing	
	TAX CALCULATIONS (TAXCALC)		Lotimate						Variance	Variance	9	
	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
	RRR # 2.1.8									Explanation	Version 2005.1	
6			\$						\$		\$	
	III) INCLUSION IN RATES		·						·		·	
88												
	Income Tax Rate used for gross- up		36.12%									
90	ý i											
91	Income Tax (proxy tax is grossed-up)	22	777,990							Actual 2005	518,955	
92	LCT (proxy tax is grossed-up)	23	0							Actual 2005	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	52,659							Actual 2005	87,834	
94												
95												
96	Total PILs for Rate Adjustment MUST AGREE WITH 2005	25	830,648							Actual 2005	606,789	
97	RAM DECISION											
98												
99												
	IV) FUTURE TRUE-UPS											
101	IV a) Calculation of the True-up Variance								DR/(CR)			
102	In Additions:											
103	Employee Benefit Plans - Accrued, Not Paid	3							13,772			
	Tax reserves deducted in prior year	4							0			
	Reserves from financial statements-end of year	4							-52,983			
	Regulatory Adjustments	5							0			
	Other additions "Material" Items TAXREC	6							0			
	Other additions "Material" Items TAXREC 2	6						Ш	499,120		ļ <u> </u>	
	In Deductions - positive numbers							L.,				
	Employee Benefit Plans - Paid Amounts	8							3,172			
	Items Capitalized for Regulatory Purposes	9							0		<b> </b>	
	Regulatory Adjustments	10							0		<b> </b>	
	Interest Adjustment for tax purposes (See Below - cell I207)	11							280,664			
	Tax reserves claimed in current year	4							0			
	Reserves from F/S beginning of year	4							-66,837			
	Contributions to deferred income plans	3							0			
	Contributions to pension plans	3							0			
	Other deductions "Material" Items TAXREC	12							145.000			
	Other deductions "Material" Item TAXREC 2	12							415,282			
120	Total TRUE-UPS before tax effect	20							-172,372			
121	Total TRUE-UPS before tax effect	26						=	-1/2,3/2			
	Income Tax Rate from 2005 Utility's tax return							х	32.21%			
123	income Tax Rate nom 2005 Otility's tax return							X	32.2176		+	
	Income Tax Effect on True-up adjustments							=	-55,521			
126	income Tax Effect on True-up adjustifierts							_	-55,521			
	Less: Miscellaneous Tax Credits	14							0			
128	Less. Miscellaneous Tax Oredits	- 17							0			
	Total Income Tax on True-ups								-55,521			
130	Total moone Tax on True upo								00,021			
	Income Tax Rate used for gross-up								31.09%			
132	:								0.1.007,0			
	TRUE-UP VARIANCE ADJUSTMENT								-80,570			
134												
	IV b) Calculation of the Deferral Account Variance caused by											
	changes in legislation										1	
136						<b> </b>					<del>                                     </del>	
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial					<b> </b>					<del>                                     </del>	
	estimate column)							=	1,375,913		1	
138								-	1,010,010		t	
	REVISED CORPORATE INCOME TAX RATE							х	33.78%			
140									23070			
	REVISED REGULATORY INCOME TAX							=	464,783			
142	* *								,00			
	Less: Revised Miscellaneous Tax Credits							-	0			
144					L							
	Total Revised Regulatory Income Tax							=	464,783			
146												
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell										1	
147	C61)							-	496,980			
148												
	Regulatory Income Tax Variance							=	-32,196		ļT	
150								Ш				
	Ontario Capital Tax					<u> </u>						
	Base							=	25,052,968		<b></b>	
	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	7,500,000			
	Revised deemed taxable capital							=	17,552,968			
155											<b> </b>	
	Rate - Tab Tax Rates cell C54						_	Х	0.3000%			
157	D : 10 : 10 : 17								F0.6		<b> </b>	
	Revised Ontario Capital Tax							=	52,659		<b> </b>	
	Less: Ontario Capital Tax reported in the initial estimate column (Cell								50.050		1	
	C73)				-	-	-	-	52,659		<del>                                     </del>	
UOI	Regulatory Ontario Capital Tax Variance				1			=	0		1	Ī

	A	В	С	D	Е	F	G	Н	I	J	K	L
1	SIMPIL RRR FILING	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2005.1	
6			\$						\$		\$	
161			Ψ						Ť		Ť	
	Federal LCT	+ +		+								
	Base			-					25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C40	+ +		+				-	50,000,000			
	Revised Federal LCT	+ +		+				=	-24,947,032			
166	INTERVISED I EDETAL LOT	+ +		+				_	-24,341,032			
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C55			-					0.1750%			
168	Itale (as a result of legislative changes) tab Tax Itales cell Coo	+ +		+					0.173070			
	Gross Amount			-					0			
	Less: Federal surtax			-				_	0			
171	Revised Net LCT			-				<u> </u>	0			
172	Revised Net LC1	+						=	U			
	Less: Federal LCT reported in the initial estimate column (Cell C85)	+						_	0			
	Regulatory Federal LCT Variance			_					0			
175	Regulatory Federal LCT Variance			_				=	U			
_	A-6			_					04.000/			
	Actual Income Tax Rate used for gross-up	-		-					31.09%			
177	T ( )	-		-					40.700			
	Income Tax (grossed-up)	1		-				+	-46,722			
	LCT (grossed-up)	1		-				+	0			
	Ontario Capital Tax							+	0			
181				_								₽
182	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			_				=	-46,722			<u> </u>
183				_								<u> </u>
	TRUE-UP VARIANCE (from cell I133)							+	-80,570			
185												
186	Total Deferral Account Entry (Positive Entry = Debit)							=	-127,293			1
187	(Deferral Account Variance + True-up Variance)											
188	, ,											
189												
190												
191	V) INTEREST PORTION OF TRUE-UP											
192												
193	<u> </u>											
194	Total deemed interest (REGINFO)								908,170			
	Interest phased-in (Cell C38)								908,170			
196									,			
	Variance due to phase-in of debt component of MARR in rates			1					0			
198				1								
199		1 1										
	Other Interest Variances (i.e. Borrowing Levels											
201	Above Deemed Debt per Rate Handbook)	1		+								$\vdash$
	Interest deducted on MoF filing (Cell K38+K43)	1		+					1,188,834			$\vdash$
203	Total deemed interest (REGINFO CELL D62)	1		+					908,170			
203	Total decined intelest (INECIIVI O CELE DOZ)	1 1		+					300,170			$\vdash$
	Variance caused by excess debt	+ +							280,664			$\vdash$
206	variation oddood by excess debt	1 1							200,004		1	<del>                                     </del>
	Interest Adjustment for Tax Purposes (carry forward to Cell I113)	1 1		1					280,664			<del>                                     </del>
208	interest Aujustinent for Tax Purposes (carry forward to Cell 1113)	1 1		+					200,004			$\vdash \vdash \vdash$
	Total Interest Variance	1 1		+					-280,664			$\vdash$
		+ +		+					-200,004			$\vdash\vdash$
210												

_				1		
1	A SIMPIL RRR FILING	B LINE	C M of F	D Non-wires	E Wires-only	F
	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8		Tax	(positive numbers)	Return	
5	KKK # 2.1.8		Return		Version 2005.1	
6	Section A: Identification:					
	Utility Name: HALTON HILLS HYDRO INC. Reporting period: 2005					
	Taxation Year's start date:		Jan 1/05			
10	Taxation Year's end date:		Dec 31/05			
	Number of days in taxation year:		365	days		
12	Please enter the Materiality Level :		31,316	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N	Υ			
15	(0.25% x Net Assets)  Or other measure (please provide the basis of the amount)	Y/N Y/N	N N			
16 17	Does the utility carry on non-wires related operation?	Y/N	Y			
18	(Please complete the questionnaire in the Background questionn	aire wo	rksheet.)			
19	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Tiole. Saily lowerd Wiles only Bala to Tab. Thire Lee Solumin N					
22	Section B: Financial statement data:					
23	Input unconsolidated financial statement data submitted with Tax retu. The actual categories of the income statements should be used.	ırns.				
	If required please change the descriptions except for amortization, into	erest ex	pense and provision	for income tax		
26						
27 28	Please enter the non-wire operation's amount as a positive number, the in the "non-wires elimination column" as negative values in TAXREC a			eats all amounts		
29		170				
	Income:		00.017.00		00.047.005	
31	Energy Sales Distribution Revenue	+	36,847,936 8,883,939		36,847,936 8,883,939	
33	Other Income	+	1,116,930	47,698	1,069,232	
34 35	Miscellaneous income	+			0	
	Revenue should be entered above this line	+			U	
37						
38 39	Costs and Expenses: Cost of energy purchased	-	36,847,936		36,847,936	
40	Salaries & benefits	-	3,489,322	3,500	3,485,822	
41	Material costs	-	1,514,086	2,230	1,514,086	
42	Contract services Amortization (links to C61 below)	-	2,704,632 1,884,106		2,704,632 1,884,106	
44	Ontario Capital Tax		68,445		68,445	
45	CDM Expenses for 2005		55,108		55,108	
46 47	Property costs Other expenses	-	517,652 698,660	4,317	513,335 698,660	
48	Communications costs		260,991		260,991	
49	Recovery of regulatory assets	-	1,004,331		1,004,331	-
50 51	Allocated to capital	-	-4,702,453		-4,702,453 0	
52					J	
	Net Income Before Interest & Income Taxes EBIT	=	2,505,989	39,881	2,466,108	
54 55	Less: Interest expense for accounting purposes  Provision for payments in lieu of income taxes	-	1,188,834 646,313	10,285	1,188,834 636,028	
	Net Income (loss)	-	670,842	29,596	641,246	
	(The Net Income (loss) in the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
57	(1000) per illianolal statements on concedite 1 of the tax return.					
58						
	Section C: Reconciliation of accounting income to taxable incom From T2 Schedule 1	<u>e</u>				
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	646,313	10,285	636,028	
	Federal large corporations tax Depreciation & Amortization	+	1,884,106	0	1,884,106	
65	Employee benefit plans-accrued, not paid	+	29,220	0	29,220	
	Tax reserves - beginning of year	+	0	0	0	
	Reserves from financial statements- end of year Regulatory adjustments	+	0	0	0	
69	Regulatory Assets changes	+			0	
70 71	Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2	+	499,120 0	0	499,120	
72	Cinci addition items (not waterial) non raketo 2		0	0	U	
73	Subtotal		3,058,759	10,285	3,048,474	
74 75	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
77	Non-deductible meals and entertainment expense	+	5,787		5,787	-
	Capital items expensed Charitable donations	+			0	
	Capital tax accrued in income statement	+			0	
81	Book loss of joint venture	+	1,297		1,297	
82 83	Total Other Additions	+	7.084	0	7.084	
84			,		, , ,	-
85	Total Additions	=	3,065,843	10,285	3,055,558	
86 87	Recap Material Additions:					
88			0	0	0	-
89 90			0	0	0	
91			0	0	0	
92			0	0	0	-
93 94			0	0	0	
	Total Other additions >materiality level		0	0	0	
96	Other deductions (less than materiality level)		7,084	0	7,084	
	Total Other Additions		7,084	0	7,084	
97 98					1	

Λ	D	r	D		F
101   Cumulative eligible capital deduction   - 66,6     102   Employee benefit plans-paid amounts   - 16,7     103   Items capitalized for regulatory purposes   - 104   Regulatory adjustments :   -     105   CCA   -     106   other deductions   -     107   Regulatory Assets changes   -     108   Tax reserves - end of year   -     109   Reserves from financial statements- beginning of year   -     110   Contributions to deferred income plans   -     111   Interest capitalized for accounting deducted for tax   -     113   Material deduction items from TAXREC 2   -   415,2					
SIMPIL RRR FILING		Eliminations	Tax		
SIMPIL RRR FILING		(positive numbers)	Return		
SIMPIL RRR FILING	Return		Version 2005 1		
SIMPIL RRR FILING		version 2005.1			
SIMPIL RRR FILING		1,558,738			
SIMPIL RRR FILING	66,618				
	-	16,720		16,720	
				0	
	-	0	0	0	
		0	0	0	
		/15 282	0		
			0	10,202	
1 SIMPIL RRR FILING					
	=	2,057,358	0	2,057,358	
				_	
		05.444			
		25,444			
	+ - +			0	
	-			0	
123 Total Other Deductions	=	25,444	0	25,444	
1 SIMPIL RRR FILING					
102   Employee benefit plans-paid amounts					
			0	0	
		0			
		0			
	1				
	+ +				
	1 1				
			-		
	=	1,653,883	39,881	1,614,002	
				_	
	-				
	-	1.653.883	39.881	Ü	
		, ,		, , , , , ,	
		532,603	13,048		
		532,603	13.648		
		,			
	<del>                                     </del>				
	+ +	32.21%		32.21%	
157					
	+				
	+	16 161 663		16 161 663	
	+/-	3,065,624		3,065,624	
164 Capital and other surplus excluding	+			0	
101 Cumulative eligible capital deduction					
Return   Version 2005.1					
See   BOCK TO TAX DEDUCTIONS:   1,598,738   1,598,73					
107   Communitive eligible capital deduction   -					
Description   Description					
171 Lien notes payable				0	
			0		
	<del> </del>	30,000,007		00,000,007	
177 Subtract:	- 1				
177 Subtract:  Amounts deducted for income tax purposes in excess of amounts booked	-	-694,903		-694,903	
177 Subtract: Amounts deducted for income tax purposes in excess of amounts	-	-694,903		-694,903 0	

1	A SIMPIL RRR FILING	B LINE	C M of F	D Nan wissa	E Wines and	F
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Non-wires Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
181	ELIQIDI E INVEGTMENTO					
182 183	ELIGIBLE INVESTMENTS					
	Bonds, lien notes, interest coupons	+			0	
	Mortgages due from other corporations	+			0	
	Shares in other corporations	+	904,773		904,773	
	Loans and advances to unrelated corporations	+	005 554		0	
	Eligible loans and advances to related corporations  Share of partnership(s) or joint venture(s) eligible investments	+	865,551 4,000		865,551 4,000	
190	oriale of partitioning(s) of joint venture(s) engine investments		4,000		4,000	
191	Total Eligible Investments	=	1,774,324	0	1,774,324	
192						
193	TOTAL ASSETS					
195	TOTAL ASSETS					
	Total assets per balance sheet	+	45,090,868		45,090,868	
	Mortgages or other liabilities deducted from assets	+			0	
	Share of partnership(s)/ joint venture(s) total assets	+			0	
	Subtract: Investment in partnership(s)/joint venture(s)	-	39,221		39,221	
200	Total assets as adjusted	=	45,051,647	0	45,051,647	
202			70,001,047	0	70,001,047	
203	Add: (if deducted from assets)					
204		+			0	
205	Other reserves not allowed as deductions	+	747,000		747,000	
200	Subtract: Amounts deducted for income tax purposes in excess of amounts				0	
207	booked	-	-694,903		-694,903	
	Deductible R&D expenditures and ONTTI costs deferred for	-			0	
	income tax					
	Subtract: Appraisal surplus if booked Add or subtract: Other adjustments	+/-			0	
211	Add of Subtract. Other adjustments	+/-			U	
212	Total Assets	-	46,493,550	0	46,493,550	
213						
214	I All		4 400 040		1 100 010	
216	Investment Allowance		1,438,310	0	1,438,310	
217	Taxable Capital					
218						
	Net paid-up capital	+	37,688,810	0	37,688,810	
	Subtract: Investment Allowance	-	1,438,310	0	1,438,310	
221 222	Taxable Capital	=	36,250,500	0	36,250,500	
223	Taxable Supital		00,200,000	- C	00,200,000	
224	Capital Tax Calculation					
225	Deduction from taxable capital up to maximum of \$7,5000,000		6,955,533	0	6,955,533	
226 227	(Input in tab Tax Rates)		29,294,967	0	29,294,967	
228	Net Taxable Capital		29,294,967	U	29,294,967	
229	Rate		0.3000%	0.3000%	0.3000%	
230						
	Days in taxation year		365	365	365	
232	Divide days by 365		1.00	1.00	1.00	
234	Ontario Capital Tax (as calculated)		87,885	0	87,885	
235			,500		.,,500	
236	Ontario Capital Tax (Must agree with CT23 return)		87,834	0	87,834	
237	Section E. Detailed coloulation of Laura Communities To					
238 239	Section E: Detailed calculation of Large Corporations Tax					
	LARGE CORPORATIONS TAX		*** NOT APPLICAB	LE FOR HHH GRO	UP***	
241	(From Federal Schedule 33)					
	CAPITAL			·		
243	ADD: Reserves that have not been deducted in computing income for the					
244	vear under Part I	+			0	
	Capital stock	+			0	
246	Retained earnings	+			0	
	Contributed surplus	+			0	
	Any other surpluses Deferred unrealized foreign exchange gains	+			0	
	All loans and advances to the corporation	+			0	
_50	All indebtedness- bonds, debentures, notes, mortgages, bankers				U	
	acceptances, or similar obligations	+			0	
252	Any dividends declared but not paid	+			0	
253 254	All other indebtedness outstanding for more than 365 days	+			0	
255	Subtotal	=	0	0	0	
_00			U	U	U	

	A	В	С	D	Е	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
	RRR # 2.1.8		Return			
5					Version 2005.1	
256						
257	DEDUCT:					
	Deferred tax debit balance	-			0	
259	Any deficit deducted in computing shareholders' equity	-			0	
	Any patronage dividends 135(1) deducted in computing income	-				
260	under Part I included in amounts above				0	
261	Deferred unrealized foreign exchange losses	-			0	
262						
263	Subtotal	=	0	0	0	
264						
	Capital for the year		0	0	0	
266						
	INVESTMENT ALLOWANCE					
268						
	Shares in another corporation	+			0	
	Loan or advance to another corporation	+			0	
	Bond, debenture, note, mortgage, or	+			0	
272	similar obligation of another corporation	+			0	
	Long term debt of financial institution	+			0	
	Dividend receivable from another corporation	+			0	
	Debts of corporate partnerships that were not exempt from tax under	+			0	
	Part I.3					
	Interest in a partnership	+			0	
277	Investment Allowance		0	0	0	
278 279	Investment Allowance	=	0	U	0	
280						
	TAXABLE CAPITAL					
282	TAXABLE CAFITAL					
	Capital for the year	_	0	0	0	
284	oupliar for the year		Ü	· ·	- U	
	Deduct: Investment allowance	-	0	0	0	
286	Bodds. Involution dilovation		Ü	Ü	Ü	
287	Taxable Capital for taxation year	=	0	0	0	
288	, , , , , , , , , , , , , , , , , , , ,			-		
	Deduct: Capital Deduction - maximum of \$50,000,000	-	0	0	0	
290	(Input in tab Tax Rates)					
291	Taxable Capital	=	0	0	0	
292						
293	Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005		0.17500%	0.17500%	0.17500%	
294						
	Days in year		365	365	365	
	Divide days by 365		1.0000	1.0000	1.0000	
297						
	Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	0	0	
299						
300	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
301						
302	Less: Federal Surtax = Actual Surtax from tax return	-			0	
303						
	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	0	0	0	
	(If surtax is greater than Gross LCT, then zero)					
306	Overfine E. Levinson and Overfine Transport					
	Section F: Income and Capital Taxes					
308	DECAR FROM AROUE.					
	RECAP FROM ABOVE:	H . H	F00 000	40.040	540.055	
	Total Income Taxes	+	532,603	13,648	518,955	
	Ontario Capital Tax	+	87,834	0	87,834 0	
	Federal Large Corporations Tax	+	0	0	0	
212		1				
313 314	Total income and capital taxes	=	620,437	13,648	606,789	

	A	В	С	D	Е	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax	(positive numbers)	Return	
	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	RRR # 2.1.8				Version 2005.1	
6						
7	Utility Name: HALTON HILLS HYDRO INC.					
	Reporting period: 2005					
9						
	TAX RESERVES					
11						
	Beginning of Year:				0	
13	December for death (fed accounts as 00(4)/II)				0	
	Reserve for doubtful accounts ss. 20(1)(l) Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)	1			0	
	Debt and share issue expenses ss.20(1)(e)	1			0	
	Other				0	
	Other				0	
20	Other				0	
21					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23	Total (carry formation to the first transfer to the formation to the first transfer to the formation to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer transfer to the first transfer transfer to the first transfer transf		•	<u> </u>		
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)				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	
	Other				0	
	Other				0	
32					0	
33					0	
	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37	CINANOIAL OTATEMENT DECERVES					
38	FINANCIAL STATEMENT RESERVES					
	Beginning of Year:					
41	Beginning of Year:				0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
_	Inventory obsolescence				0	
	Property taxes				0	
	Other				0	
	Other				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	,
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other				0	
	Other				0	
61	Inport line obove this line	1			0	
_	Insert line above this line		٥١		0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

SIMPLERREFILMS  TO METURN RECONCILIATION (TAXREC 2)  TO Corporate  Common written  To Corporate  Common written  To Common writ		A	В	С	D	Е	F
SIMPL RRS FILING	1	A	ь	C	D	<u> </u>	Г
Return Return Version 2005.1  Reprint particle (1) White Name (1) Hall (1) White Name (1) Warsion 2005.1  Reprint particle (1) White Name (1) Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion 10 Warsion 2005.1  Reprint particle (1) Warsion	_	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
Return   Version 2005.1	3			Corporate		Tax	
	_				(positive numbers)	Return	
	_	RRR # 2.1.8		Return		V 0005 4	
Builty Name: HALTON HILLS HYDRO INC.						version 2005.1	
Paper	_	Litility Name: HALTON HILLS HYDRO INC					
10   Materiality Level:   3355	_						
12		Number of days in taxation year:		365			
13  Section G: Reconcilitation of accounting income to taxable income	11	Materiality Level:		31,316			
17   Add:							
15   Recapture of capital cost allowance							
16   Gam on sale of eligible capital property   +						0	
17							
18   Loss in squity of subsidiaries and affilialities							
20   Transible donations	18	Loss in equity of subsidiaries and affiliates	+			0	
21   Taxable capital gains							
22   Depreciation in invantory, -and of year				325,000			
23 Scientific research expenditures deducted   +							
24   per financial statements			+ -			-	
25 Capitalized interest				104.116		-	
27 Non-deductible automobile expenses	_	'		101,110			
28   Non-deductible life insurance premiums	26	Non-deductible club dues and fees	+				
29 Soft costs on construction and renovation of buildings	_	'	-				
30   Non-deductible meals and entertainment			-				
31 Book loss on joint ventures or partnerships		ÿ					
32 Capital items expensed							
33   Debt issue expense   +							
34   Deemed dividend income			_				
16 Financing fees deducted in books						0	
37   Gain on settlement of debt   +     0   0   0   0   0   0   0   0	35	Dividends credited to investment account	+				
188   Interest paid on income debentures							
199   Recapture of SR&ED expenditures	_		+ -				
All Share issue expense			-				
All Write down of capital property							
AZ Amounts received in respect of qualifying environment trust							
A3 Other Additions: (please explain in detail the nature of the item)   +							
45   Provision for bad debts   +			+			0	
46			+				
47   S.12(1)(x)		Provision for bad debts		70,004			
AB	_	0.40(4)()	_				
49		5.12(1)(X)	+ -			-	
50			-			-	
51			-				
S3	51		+			0	
54						0	
55         Becap of Material Additions:         0		T a LA LUC		100 100		100 100	
66         Recap of Material Additions:         0		Total Additions	=	499,120	0	499,120	
57         0         0         0           58         0         0         0           60         0         0         0           61         0         0         0           62         Charitable donations         325,000         0         325,000           63         0         0         0         0         0           64         0		Recap of Material Additions:					
58         0         0         0         0           69         0         0         0         0         0           61         0		1		0	0	0	
60         0         0         0         0           61         0         0         0         0           62         Charitable donations         325,000         0         325,000         0	58					0	
61         0         0         0           62 Charitable donations         325,000         0         325,000           63         0         0         0         0           64         0         0         0         0           65         0         0         0         0         0           66         per financial statements         104,116         0         104,116         0							
62       Charitable donations       325,000       0       325,000         63       0       0       0       0         64       0       0       0       0         65       0       0       0       0         66       per financial statements       104,116       0       104,116         67       0       0       0       0         68       0       0       0       0         69       0       0       0       0         70       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         79       0       0       0       0         80       0       0       0       0         81       0       0       0       0							
63       0       0       0         64       0       0       0         65       0       0       0         66       per financial statements       104,116       0       104,116         67       0       0       0       0         68       0       0       0       0         69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         78       0       0       0       0         79       0       0       0       0         80       0       0       0       0         81       0       0       0       0		Charitable donations					
64         0         0         0           65         0         0         0           66         per financial statements         104,116         0         104,116           67         0         0         0         0           68         0         0         0         0           69         0         0         0         0           70         0         0         0         0           71         0         0         0         0           72         0         0         0         0           73         0         0         0         0           74         0         0         0         0           75         0         0         0         0           76         0         0         0         0           78         0         0         0         0           79         0         0         0         0           80         0         0         0         0           81         0         0         0         0		Onaniable dunations					
65         0         0         0         0           66         per financial statements         104,116         0         104,116           67         0         0         0         0           68         0         0         0         0           69         0         0         0         0           70         0         0         0         0           71         0         0         0         0           72         0         0         0         0           73         0         0         0         0           74         0         0         0         0           75         0         0         0         0           76         0         0         0         0           78         0         0         0         0           79         0         0         0         0           80         0         0         0         0           81         0         0         0         0         0							
66         per financial statements         104,116         0         104,116           67         0         0         0         0           68         0         0         0         0           69         0         0         0         0           70         0         0         0         0           71         0         0         0         0           72         0         0         0         0           73         0         0         0         0           74         0         0         0         0           75         0         0         0         0           76         0         0         0         0           78         0         0         0         0           79         0         0         0         0           80         0         0         0         0           81         0         0         0         0	65			0		0	
68       0       0       0       0         69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         79       0       0       0       0         80       0       0       0       0         81       0       0       0       0		per financial statements					
69       0       0       0         70       0       0       0         71       0       0       0         72       0       0       0         73       0       0       0         74       0       0       0         75       0       0       0         76       0       0       0         77       0       0       0         78       0       0       0         79       0       0       0         80       0       0       0         81       0       0       0							
70       0       0       0         71       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         79       0       0       0       0         80       0       0       0       0         81       0       0       0       0							
71     0     0     0       72     0     0     0     0       73     0     0     0     0       74     0     0     0     0       75     0     0     0     0       76     0     0     0     0       77     0     0     0     0       78     0     0     0     0       79     0     0     0     0       80     0     0     0     0       81     0     0     0     0							
72     0     0     0       73     0     0     0       74     0     0     0       75     0     0     0       76     0     0     0       77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0							
73     0     0     0       74     0     0     0       75     0     0     0       76     0     0     0       77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0							
74     0     0     0       75     0     0     0     0       76     0     0     0     0       77     0     0     0     0       78     0     0     0     0       79     0     0     0     0       80     0     0     0     0       81     0     0     0     0	73			0	0		
76     0     0     0       77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0							
77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0	75						
78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0							
79     0     0     0       80     0     0     0       81     0     0     0							
80 0 0 0 81 0 0 0	79						
81 0 0 0							
82 0 0 0	82			0	0	0	

2 SIMPL RROF FLING		Λ	П	_	_	_	F
Tax RETURN RECONCLIATION (TAXREC 2)	2						
A   (tof* wires-only* business - see s. 72 CEB Act)		Corporate   Eliminations   Tax   (positive numbers)   Tax   (positive num					
6 Return         Version 2005.1           83         0		PIL RRR FILING					
8 3	_						
88 Provision for bad debts						Version 2005.1	
88 Provision for bad debts	83			0	0	0	
88 Provision for bad debts	84			0	0	0	
88	85			0	0	0	
88   0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Provision for bad debts		70,004	0	70,004	
98     0   0   0   0   0   0   0   0   0							
99							
91							
93							
38   91				-			
94   100							
95   Total Material additions   499,120				U	U	U	
98   Other additions less than materiality level   0		Total Material additions		499 120	0	499 120	
97 Total Additions 98				,			
98   Deduct:				-			
198   Deduct:			LINE	.50,120			
101   Dividends not taxable under section 83   -	99						
102   Terminal loss from Schedule 8	100	Gain on disposal of assets per f/s				0	
103  Depreciation in inventory, end of prior year   .   .   .   .   .   .   .   .   .	101	Dividends not taxable under section 83					
104  Scientific research expenses claimed in year from Form T661   -			-				
105 Bad debts			-				
105  Book income of joint venture or partnership   -							
107   Equity in income from subsidiary or affiliates   -     0   0   0   0   0   0   0   0				36,467			
108   Contributions to a qualifying environment trust	106	Book income of joint venture or partnership					
109  Other income from financial statements							
110 Other deductions: (Please explain in detail the nature of the item)   -							
111   Imputed interest on Reg Assets   -						0	
112 SEC 20(1) (e)						0	
113   Capital gains adjustment   -							
14   Equipment							
115   Charitable donations   -							
116   s.13(7.4)			-	325.000			
117			-	,			
119	117		-			0	
120	118		-			0	
Total Deductions	119		-			0	
122							
123		Total Deductions	=	415,282	0	415,282	
125		Dance of Material Dadwatisms					
126		Recap of Material Deductions:		0	0	0	
127							
128							
129   Scientific research expenses claimed in year from Form T661   53,815   0   53,815   130   Bad debts   36,467   0   36,467   131   0   0   0   0   0   132   0   0   0   0   0   133   0   0   0   0   0   0   134   0   0   0   0   0   0   135   0   0   0   0   0   0   136   0   0   0   0   0   0   137   0   0   0   0   0   0   138   0   0   0   0   0   0   0   138   0   0   0   0   0   0   0   139   0   0   0   0   0   0   0   0   0							
130   Bad debts   36,467   0   36,467   131   0   0   0   0   132   0   0   0   0   133   0   0   0   0   0   134   0   0   0   0   0   135   0   0   0   0   0   136   0   0   0   0   137   0   0   0   0   0   0   138   0   0   0   0   0   0   138   0   0   0   0   0   0   138   0   0   0   0   0   0   140   Charitable donations   325,000   0   325,000   141   0   0   0   0   0   0   142   0   0   0   0   0   0   143   0   0   0   0   0   0   144   0   0   0   0   0   0   145   145   0   0   0   0   0   0   0   145   145   0   0   0   0   0   0   145   145   0   0   0   0   0   0   148   0   0   0   0   0   0   0   0   0		Scientific research expenses claimed in year from Form T661					
131							
133   0   0   0   0   0   134   0   0   0   0   0   135   0   0   0   0   0   135   0   0   0   0   0   136   0   0   0   0   0   137   0   0   0   0   0   138   0   0   0   0   0   0   138   0   0   0   0   0   0   139   0   0   0   0   0   0   140   Charitable donations   325,000   0   325,000   141   0   0   0   0   0   0   142   0   0   0   0   0   0   142   0   0   0   0   0   0   144   0   0   0   0   0   0   144   0   0   0   0   0   0   144   0   0   0   0   0   0   145   0   0   0   0   0   0   0   0   0	131			0	0	0	
133   0   0   0   0   0   134   0   0   0   0   0   135   0   0   0   0   0   135   0   0   0   0   0   136   0   0   0   0   0   137   0   0   0   0   0   138   0   0   0   0   0   0   138   0   0   0   0   0   0   139   0   0   0   0   0   0   140   Charitable donations   325,000   0   325,000   141   0   0   0   0   0   0   142   0   0   0   0   0   0   142   0   0   0   0   0   0   144   0   0   0   0   0   0   144   0   0   0   0   0   0   144   0   0   0   0   0   0   145   0   0   0   0   0   0   0   0   0	132				0	0	
134	133						
136	134						-
137	135						
138       0       0       0         139       0       0       0         140 Charitable donations       325,000       0       325,000         141       0       0       0         142       0       0       0         143       0       0       0         144       0       0       0         145       0       0       0         146       Total Deductions exceed materiality level       415,282       0       415,282         147       Other deductions less than materiality level       0       0       0         148       Total Deductions       415,282       0       415,282	136						
139	137						
140 Charitable donations     325,000     0     325,000       141     0     0     0       142     0     0     0       143     0     0     0       144     0     0     0       145     0     0     0       146 Total Deductions exceed materiality level     415,282     0     415,282       147 Other deductions less than materiality level     0     0     0       148 Total Deductions     415,282     0     415,282							
141     0     0     0       142     0     0     0       143     0     0     0       144     0     0     0       145     0     0     0       146     Total Deductions exceed materiality level     415,282     0     415,282       147     Other deductions less than materiality level     0     0     0       148     Total Deductions     415,282     0     415,282	_	Charitable denotions					
142		Unamable UUHatiUHS					
143     0     0     0       144     0     0     0       145     0     0     0       146 Total Deductions exceed materiality level     415,282     0     415,282       147 Other deductions less than materiality level     0     0     0       148 Total Deductions     415,282     0     415,282							
144     0     0     0       145     0     0     0       146 Total Deductions exceed materiality level     415,282     0     415,282       147 Other deductions less than materiality level     0     0     0       148 Total Deductions     415,282     0     415,282	142						
145     0     0     0       146 Total Deductions exceed materiality level     415,282     0     415,282       147 Other deductions less than materiality level     0     0     0       148 Total Deductions     415,282     0     415,282	144						
146       Total Deductions exceed materiality level       415,282       0       415,282         147       Other deductions less than materiality level       0       0       0         148       Total Deductions       415,282       0       415,282							
147 Other deductions less than materiality level         0         0         0           148 Total Deductions         415,282         0         415,282		Total Deductions exceed materiality level					
148 Total Deductions         415,282         0         415,282						0	
						415,282	
	149						

								 	 ,
	A A	В	С	D	E	F	G	Н	
	SIMPIL RRR FILING				14	largion 2005	1		
3	Corporate Tax Rates Exemptions, Deductions, o	r Threehol	de		V	ersion 2005. RRR # 2.1.8			
<u>3</u> 4	Utility Name: HALTON HIL					11111 # Z. I.O			
	Reporting period: 2005								
3	, 5,								
7						Table 1			
	Rates Used in 2005 RAM PI	Ls Applica				,			
	Income Range		0		400,001	4 400 555			
	RAM 2005	Vas-	to		to	>1,128,000			
11 12	Income Tax Rate	Year	400,000		1,128,000				
	Proxy Tax Year	2005							
	Federal (Includes surtax)	2000	13.12%		17.75%	22.12%			
	Ontario		5.50%		9.75%	14.00%			
16			18.62%	0.00%	27.50%	36.12%			
7									
18	Capital Tax Rate		0.300%		Input in C18				
	LCT rate		0.175%		Input in C19				
20	Surtax		1.12%		Input in C20				
	Ontario Capital Tax	MAX	7,500,000		Input in C21				
21	Exemption **	\$7.5MM	.,,						
	Federal Large	MAX	50,000,000		Input in C22				
22	Corporations Tax Exemption **	\$50MM	50,000,000		Input in C22				
	**Exemption amounts must	agree with	the Board-a	pproved 200	5 RAM PII e	filing			
24 24	_xomption uniounts must	. ag. 00 witi	o boaru-a	pp. 0 100 200	C TO MIN I ILO	······9			
25						Table 2			
	Expected Rates and Exemp	tions for 2	005						
	Income Range		0	300,001	400,001				
	Expected Rates 2005	.,	to	to	to	>1,128,000			
29	la a a a a a a a a a a a a a a a a a a	Year	300,000	400,000	1,128,000				
	Income Tax Rate	2005							
	Current year Federal (Includes surtax)	2005	13.12%	22.12%	22.12%	22.12%			
	Ontario		5.50%	5.50%	9.75%	14.00%			
34			18.62%	27.62%	31.87%	36.12%			
35	Dionada rato		10.0270	27.0270	01.0170	00.1270			
	Capital Tax Rate		0.300%		Input in C36				
	LCT rate		0.175%		Input in C37				
38	Surtax		1.12%		Input in C38				
	Ontario Capital Tax	MAX	7,500,000		Input in C39				
39	Exemption ***	\$7.5MM	7,000,000						
	Federal Large	MAX	50,000,000		Input in C40				
40	Corporations Tax Exemption ***	\$50MM	50,000,000		input in C40				
	***Allocation of exemptions	must com	ply with the I	Board's insti	uctions rea	arding			
	regulated activities.		, , ,						
43	=					Table 3			
44	Input Information from Utili	ty's Actual							
44 45	Input Information from Utili Income Range	ty's Actual	0	300,001	400,001	4 4 2 2 2 2			
44 45 46			0 to	300,001 to	to	>1,128,000			
44 45 46 47	Income Range	ty's Actual Year	0	300,001		>1,128,000			
44 45 46 47 48	Income Range Income Tax Rate	Year	0 to	300,001 to	to	>1,128,000			
44 45 46 47 48 49	Income Range Income Tax Rate Current year		0 to	300,001 to	to 1,128,000				
44 45 46 47 48 49 50	Income Range Income Tax Rate	Year	0 to 300,000	300,001 to 400,000	to	>1,128,000 20.41% 13.37%			
44 45 46 47 48 49 50	Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario	Year	0 to 300,000	300,001 to 400,000 22.12%	to 1,128,000 22.12%	20.41%			
44 45 46 47 48 49 50 51	Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario	Year	0 to 300,000 13.12% 5.50%	300,001 to 400,000 22.12% 5.50%	to 1,128,000 22.12% 9.75%	20.41% 13.37%			
44 45 46 47 48 49 50 51 52 53	Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate	Year	0 to 300,000 13.12% 5.50%	300,001 to 400,000 22.12% 5.50%	to 1,128,000 22.12% 9.75% 31.87% Input in C54	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate	Year	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175%	300,001 to 400,000 22.12% 5.50%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax	Year 2005	0 to 300,000 13.12% 5.50% 18.62%	300,001 to 400,000 22.12% 5.50%	to 1,128,000 22.12% 9.75% 31.87% Input in C54	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax	Year 2005 MAX	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12%	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55	Income Range  Income Tax Rate  Current year Federal (Includes surtax) Ontario Blended rate  Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption *	Year 2005	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175%	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large	Year 2005 MAX	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax	Year  2005  MAX \$7.5MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12%	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56 57	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *  Include copies of the acture	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 50 51 52 53 54 55 56 57	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *  Include copies of the acture	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
444 454 4647 4849 505 515 525 55 55 56 57 58 59 60 61	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *  * Include copies of the acture Checklist.	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *  * Include copies of the acture Checklist.	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56 57	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *  * Include copies of the acture Checklist.	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56 57	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *  * Include copies of the acture Checklist.	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			
44 45 46 47 48 49 50 51 52 53 54 55 56 57	Income Range  Income Tax Rate  Current year  Federal (Includes surtax)  Ontario  Blended rate  Capital Tax Rate  LCT rate  Surtax  Ontario Capital Tax  Exemption *  Federal Large  Corporations Tax  Exemption *  * Include copies of the acture Checklist.	Year  2005  MAX \$7.5MM  MAX \$50MM	0 to 300,000 13.12% 5.50% 18.62% 0.300% 0.175% 1.12% 6,955,533 45,995,000	300,001 to 400,000 22.12% 5.50% 27.62%	to 1,128,000 22.12% 9.75% 31.87% Input in C54 Input in C55 Input in C56 Input in C57	20.41% 13.37% 33.78%			