

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	4,000	4,000			
Prior years					
Taxation year		ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2001-07-31					
2000-07-31					
1999-07-31					
1998-07-31					*
1997-07-31					
1996-07-31					
1995-07-31					
1994-07-31					
1993-07-31					
1992-07-31					
1991-07-31					
1990-07-31					
1989-07-31					
1988-07-31					*
Total					
B+C+D+G				Total ITC utilized	4,000

* The ITC end of year includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit will only expire at the beginning of the subsequent fiscal period. Consequently, this amount will be posted on line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 of the subsequent fiscal year.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	75,134	75,134			
Prior years					
Taxation year		ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2001-07-31					
2000-07-31					
1999-07-31					
1998-07-31					*
1997-07-31					
1996-07-31					
1995-07-31					
1994-07-31					
1993-07-31					
1992-07-31					
1991-07-31					
1990-07-31					
1989-07-31					
1988-07-31					*
Total					

B+C+D+G

Total ITC utilized

75,134

* The ITC end of year includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit will only expire at the beginning of the subsequent fiscal period. Consequently, this amount will be posted on line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 of the subsequent fiscal year.



Canada Revenue
Agency

Agence du revenu
du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2007-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Provide only one number per shareholder					
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100	200	300	350	400	500
1 Hydro One Inc.	86999 4731 RC0001			100.000	
2					
3					
4					
5					
6					
7					
8					
9					
10					



PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2007-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool Calculation (LRIP)*; whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- Parts, subsections, and paragraphs mentioned in this schedule refer to the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3		
Taxable dividends paid in the tax year included in Schedule 3	8,000,000	
Total taxable dividends paid in the tax year	100 8,000,000	
Total eligible dividends paid in the tax year	150	
GRIP at the end of the year (line 590 on Schedule 53) (if negative, enter "0")	160 22,132,824	
Excessive eligible dividend designation (line 150 minus line 160)		A
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (line A multiplied by 20%)	x 20 % 190	
Enter the amount from line 190 at line 710 of the T2 return.		

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3		
Taxable dividends paid in the tax year included in Schedule 3		
Total taxable dividends paid in the tax year	200	
Total excessive eligible dividend designations in the tax year (line A of Schedule 54)		B
Part III.1 tax on excessive eligible dividend designations – Other corporations (line B multiplied by 20%)	x 20 % 290	
Enter the amount from line 290 at line 710 of the T2 return.		

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Instructions for completing the ATTC Claim Form

- Enter the relevant details for each eligible apprentice, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each eligible apprentice.
- Enter the total tax credit claimed on line **203**, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Enter the total number of apprentices hired on line **202**, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Corporations are eligible for a 25% (30% in the case of corporations with payroll not exceeding \$400,000) refundable tax credit on wages and salaries paid or payable for services performed after May 18, 2004 by an eligible apprentice during the first 36 months of an apprenticeship.
- The maximum amount of credit that can be claimed in respect of each eligible apprentice is \$5,000 per year to a maximum of \$15,000 over the first 36 months of the apprenticeship. The maximum annual tax credit of \$5,000 is pro-rated for the number of days the apprentice was employed during the taxation year.
- The credit is *considered government assistance* and is therefore to be included in income in the year the credit is claimed.

Summary of Apprenticeship Training Tax Credit Claimed

Complete a separate entry for each eligible apprentice that is in a qualifying skilled trade and hired before January 1, 2008. This credit applies to salaries and wages paid after May 18, 2004 and before January 1, 2011 to eligible apprentices during the first 36 months of an apprenticeship.

Example: A taxpayer, with a December 31, 2004 taxation year end, hires an otherwise eligible apprentice on June 1, 2004 at a salary of \$3,500 per month. The taxpayer's salaries and wages in the preceding taxation year were \$700,000. The credit claimed is the lesser of **(1)** 25% of salaries paid to the apprentice during the period of employment ($25\% \times \$3,500 \times 7 = \$6,125$), and **(2)** \$5,000 multiplied by the number of days the apprentice was employed during the taxation year, divided by the total number of days in the calendar year ($\$5,000 \times 214/366 = \$2,923$). Hence, the credit claimed in the 2004 taxation year is \$2,923.

Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social Insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (see notes below)
434a	Lineworker		2005-05-26	19474	From 2007-01-01 To 2007-12-31	71,923	5,000
434a	Lineworker		2006-01-24	06548	From 2007-02-26 To 2007-12-31	45,255	4,233
	See schedule					172,711	14,233

If insufficient space, attach schedule

Totals 5874 289,889 5898 23,466

Corporation's salaries & wages paid in the preceding taxation year **A** \$ 1,608,759 •

Transfer to **203** on Page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8

- If **A** is \$600,000 or greater use 25%.
- If **A** is \$400,000 or less use 30%.
- If **A** is over \$400,000 but less than \$600,000 use the following formula to calculate the specified percentage:
Specified percentage = $.30 - [.05 (\text{From } \mathbf{A} \text{ } 1,608,759 \bullet - \$400,000) \div \$200,000]$

Indicated specified percentage used **25.0000 %**

* Credit claimed equals lesser of:

- EE multiplied by the specified percentage, and
- \$5,000 x number of days the apprentice was employed in the taxation year
365 (366 if leap year)

Total Number of Apprentices = 5896 5 •

Transfer to **202** on Page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8

Apprenticeship Training Tax Credit (ATTC)

CT23 Schedule 114

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social Insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (see notes below)
434a	Lineworker	Name Chad Wood SIN 495 139 792	2004-09-23	07687	From 2007-02-26 To 2007-12-31	57,401	4,233
434a	Lineworker	Name Alex Archdekin SIN 520 291 584	2004-11-29	18953	From 2007-01-01 To 2007-12-31	65,819	5,000
434a	Lineworker	Name Jim Grewal SIN 510 108 525	2004-08-31	07683	From 2007-01-01 To 2007-12-31	49,491	5,000
Totals						172,711	14,233



Ministry of Revenue
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2007

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2004

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) Annual Return. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) ☐ Yes ☒ No Page 1 of 20

Corporation's Legal Name (including punctuation) Hydro One Brampton Networks Inc.			Ontario Corporations Tax Account No. (MOF) 1800040		
Mailing Address 175 Sandalwood Parkway West Brampton ON CA L7A 1E8			This Return covers the Taxation Year Start year month day 2007-01-01 End year month day 2007-12-31		
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes Date of Change year month day			Date of Incorporation or Amalgamation year month day 2000-05-01		
Registered/Head Office Address 175 Sandalwood Parkway West Brampton ON CA L7A 1E8			Ontario Corporation No. (MGS) 1414330		
Location of Books and Records 175 Sandalwood Parkway West Brampton ON CA L7A 1E8			Canada Revenue Agency Business No. If applicable, enter 86486-7635 RC0001		
Name of person to contact regarding this CT23 Return TONY PAUL		Telephone No. (905) 452-5505	Fax No. (905) 840-0967		
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS) Ontario Canada			Jurisdiction Incorporated Ontario		
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MGS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced year month day Ceased year month day <input checked="" type="checkbox"/> Not Applicable		
Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). No. of Schedule(s) If there is no change to the Directors/Officers/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). <input checked="" type="checkbox"/> No Change			Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français		
			Ministry Use 		

Certification (MGS)

I certify that all information set out in the Annual Return is true, correct and complete.

Name of Authorized Person (Print clearly or type in full)

Title ☐ Director ☐ Officer ☒ Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

Hydro One Brampton Networks Inc.

1800040

2007-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

- 1** ☒ Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- ☐ Other Private
- ☐ Public
- ☐ Non-share Capital
- ☐ Other (specify) ▼
- Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100 %
- 2** ☐ Family Farm corporation s.1(2)
- ☐ Family Fishing corporation s.1(2)
- ☐ Mortgage Investment corporation s.47
- ☐ Credit Union s.51
- ☐ Bank Mortgage subsidiary s.61(4)
- ☐ Bank s.1(2)
- ☐ Loan and Trust corporation s.61(4)
- ☐ Non-resident corporation s.2(2)(a) or (b)
- ☐ Non-resident corporation s.2(2)(c)
- ☐ Mutual Fund corporation s.48
- ☐ Non-resident owned Investment corporation s.49
- ☐ Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- ☐ Bare Trustee corporation
- ☐ Branch of Non-resident s.63(1)
- ☐ Financial institution prescribed by Regulation only
- ☐ Investment Dealer
- ☐ Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- ☒ Hydro successor, municipal electrical utility or subsidiary of either
- ☐ Producer and seller of steam for uses other than for the generation of electricity
- ☐ Insurance Exchange s.74.4
- ☐ Farm Feeder Finance Co-operative corporation
- ☐ Professional corporation (incorporated professionals only)

- ☐ This is the first year filing after incorporation or an amalgamation (if checked, attach Ontario Schedule 24.)
- ☐ Amended Return
- ☐ Taxation year end change – Canada Revenue Agency approval required
- ☐ Final taxation year up to dissolution (Note: for discontinued businesses, see guide.)
- ☐ Final taxation year before amalgamation
- ☐ The corporation has a floating fiscal year end
- ☐ There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- ☐ There was an acquisition of control to which subsection 249(4) of the federal Income Tax Act (ITA) applies since the previous taxation year
- If checked, date control was acquired year month day
- ☐ The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)
- ☐ First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)
- ☐ Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

- Yes No
- ☐ ☒ Was the corporation inactive throughout the taxation year?
- ☒ ☐ Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?
- Are you requesting a refund due to:
- ☐ ☒ the Carry-back of a Loss?
- ☐ ☒ an Overpayment?
- ☐ ☒ a Specified Refundable Tax Credit?
- ☐ ☒ Are you a member of a Partnership or Joint Venture?

Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.)

0434-398

Ontario Employer Health Tax Account no. (Use head office no.)

111437811

Specify major business activity

Electricity

Distributor

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (InLB. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	32,550,421.
Subtract: Charitable donations	–		1	350.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	–		2	1,800.
Subtract: Taxable dividends deductible, per federal Schedule 3	–		3	
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)	–		4	
Subtract: Federal Part VI.1 tax	–		5	
Subtract: Prior years' losses applied – Non-capital losses	–	From	704	
		From	715	
Net capital losses (page 16) × inclusion rate			50.000000%	
			714	
Farm losses	–	From	724	
Restricted farm losses	–	From	734	
Limited partnership losses	–	From	754	
Taxable Income (Non-capital loss)	=		10	32,548,271.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=		20	32,548,271.

Taxable Income

From 10 (or 20 if applicable)	32,548,271.	×	30	100.0000%	×	12.5%	×	33	÷	73	365	=	+	29	
				Ontario Allocation											
From 10 (or 20 if applicable)	32,548,271.	×	30	100.0000%	×	14%	×	34	÷	73	365	=	+	32	4,556,758.
				Ontario Allocation											
Income Tax Payable (before deduction of tax credits)			29	+	32							=	40	4,556,758.	

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X)

☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	–		50	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	–	53		
	=		54	
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)			55	

Ontario Business Limit Calculation

320,000 ×	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	÷	365	=	+	46	
400,000 ×	Days after Dec. 31, 2003	34	÷	365	=	+	47	400,000.
Business Limit for Ontario purposes	46	+	47	=	44	400,000.	×	Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated.
								48
								100.0000%
								45
Income eligible for the IDSBC	From	30	100.0000%	×	56	=	60	
			***Ontario Allocation				Least of	50, 54 or 45

* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

** Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

*** Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5

Income Tax continued from Page 4

		Number of Days in Taxation Year			
Calculation of IDSBC Rate	-----	7%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
				31	73	365
				=	+ 89
	-----	8.5%	x	Days after Dec. 31, 2003	Total Days
				34	73	365
				=	+ 90 8.5000
IDSBC Rate for Taxation Year	89 + 90			=	78 8.5000
Claim	-----	From 60	x	From 78	8.5000%
				=	70

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in 114 below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

*Taxable Income of the corporation	-----	From 10 (or 20 if applicable)	+ 80	32,548,271.
If you are a member of an associated group (X) 81 <input checked="" type="checkbox"/> (Yes)				
Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (If loss, enter nil)	
See schedule			+ 82	
			+ 83	
			+ 84	
Aggregate Taxable Income	80 + 82 + 83 + 84, etc.		= 85	32,548,271.

		Number of Days in Taxation Year			
320,000 x	-----			Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
				31	73	365
				=	+ 115
400,000 x	-----			Days after Dec. 31, 2003	Total Days
				34	73	365
				=	+ 116 400,000.
		115 + 116	=	400,000.	
(If negative, enter nil)	-----			- 114	400,000.
				=	86 32,148,271.

		Number of Days in Taxation Year			
Calculation of Specified Rate for Surtax	-----	4.6670%	x	Days after Dec. 31, 2002	Total Days
				38	73	365
				=	+ 97 4.6670
	From 86 32,148,271.	x	From 97 4.6670%	=	87 1,500,360.
	From 87 1,500,360.	x	From 60	÷	From 114 400,000.
				=	88
Surtax Lesser of	70 or 88			=	100

* Note: **Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

DOLLARS ONLY

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)

110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.

Eligible Canadian Profits - - - - - + 120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - From 56

Add: Adjustment for Surtax on Canadian-controlled private corporations

$$\frac{\text{From } 100}{100} \div \frac{\text{From } 30}{30} \times \frac{100.0000\%}{100.0000\%} \div \frac{\text{From } 78}{78} \times \frac{8.5000\%}{8.5000\%} = 121$$

*Ontario Allocation

Lesser of 56 or 121 - - - - - + 122

120 - 56 + 122 - - - - - = 130

Taxable Income - - - - - + From 10 32,548,271

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - From 56

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - + From 122

Subtract: Taxable Income 10 32,548,271 X Allocation % to jurisdictions outside Canada - - - - - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - 141

10 - 56 + 122 - 140 - 141 - - - - - = 142 32,548,271

Claim

$$\frac{143}{\text{Lesser of } 130 \text{ or } 142} \times \frac{\text{From } 30}{30} \times \frac{100.0000\%}{100.0000\%} \times 1.5\% \times \frac{33}{73} \div \frac{365}{365} = + 154$$

Ontario Allocation

$$\frac{143}{\text{Lesser of } 130 \text{ or } 142} \times \frac{\text{From } 30}{30} \times \frac{100.0000\%}{100.0000\%} \times 2\% \times \frac{34}{73} \div \frac{365}{365} = + 156$$

Ontario Allocation

M&P claim for taxation year 154 + 156 - - - - - = 160

* Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule) - - - - - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 Credit Claimed 180

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 - - - - - = 190 4,556,758

continued on Page 7

Hydro One Brampton Networks Inc.

1800040

2007-12-31

DOLLARS ONLY

Income Tax *continued from Page 6***Specified Tax Credits** *(Refer to Guide)***Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies to scientific research and experimental development in Ontario.*Eligible Credit From **5620** OITC Claim Form *(Attach original Claim Form)*+ **191****Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies to employment of eligible students.*Eligible Credit From **6798** CT23 Schedule 113 *(Attach Schedule 113)*+ **192** 3,910**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)***Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.* Name of Production **204**Eligible Credit From **6850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)*(Attach the original Certificate of Eligibility)*+ **193****Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.*Eligible Credit From **6598** CT23 Schedule 115 *(Attach Schedule 115)*No. of Graduates From **6596****194**+ **195****Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)***Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.*Eligible Credit From **6900** OBPTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)*+ **196****Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)***Applies to labour relating to computer animation and special effects on an eligible production.*Eligible Credit From **6700** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)*(Attach the original Certificate of Eligibility)*+ **197****Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)***Applies to qualifying R&D expenditures under an eligible research institute contract.*Eligible Credit From **7100** OBRITC Claim Form *(Attach original Claim Form)*+ **198****Ontario Production Services Tax Credit (OPSTC) (s.43.10)***Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.*Eligible Credit From **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)*(Attach the original Certificate of Eligibility)*+ **199****Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)***Applies to qualifying labour expenditures of eligible products for the taxation year.*Eligible Credit From **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)*(Attach the original Certificate of Eligibility)*+ **200****Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)***Applies to qualifying expenditures in respect of eligible Canadian sound recordings.*Eligible Credit From **7500** OSRTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)*+ **201****Apprenticeship Training Tax Credit (ATTC) (s.43.13)***Applies to employment of eligible apprentices.*Eligible Credit From **5898** CT23 Schedule 114 *(Attach Schedule 114)*No. of Apprentices From **5896****202** 5+ **203** 23,466

Other (specify)

+ **203.1****Total Specified Tax Credits** **191** + **192** + **193** + **195** + **196** + **197** + **198** + **199** + **200** + **201** + **203** + **203.1**= **220** 27,376**Specified Tax Credits** *Applied to reduce Income Tax*= **225** 27,376**Income Tax** **190** - **225** OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative)= **230** 4,529,382To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on Page 8. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on Page 17.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on Page 8.

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Total Assets of the corporation - - - - - + [240] 364,468,010 .
 Total Revenue of the corporation - - - - - + [241] .

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) [242] (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)	Ontario Corporations Tax Account No. (MCF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
			+ [243] .	+ [244] .
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249] 364,468,010 .	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			= [250] .

Determination of Applicability

Applies if either Total Assets [249] exceeds \$5,000,000 or Total Revenue [250] exceeds \$10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section Calculation: CMT below and Corporate Minimum Tax Schedule 101.

Calculation: CMT (Attach Schedule 101.)

Gross CMT Payable - - CMT Base From Schedule 101 [2135] 22,222,158 . X From [30] 100.0000 % X 4% = [276] 888,886 .
 If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule) - - - - - [277] .

Subtract: Income Tax - - - - - From [190] 4,556,758 .

Net CMT Payable (If negative, enter Nil on Page 17.) - - - - - = [280] -3,667,872 .

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from Page 7 to Income Tax Summary, on Page 17.

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to Page 17 and transfer [280] to Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.

CMT Credit Carryover available From Schedule 101 - - - - - From [2333] .

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) - - - - - + From [190] 4,556,758 .

Gross CMT Payable - - - - - + From [276] 888,886 .

Subtract: Foreign Tax Credit for CMT purposes - - - - - From [277] .

If [276] - [277] is negative, enter NIL in [290] = 888,886 .

Income Tax eligible for CMT Credit - - - - - = [300] 3,667,872 .

B. Income Tax (after deduction of specified credits) - - - - - + From [230] 4,529,382 .

Subtract: CMT credit used to reduce income taxes - - - - - [310] .

Income Tax - - - - - = [320] 4,529,382 .
 Transfer to page 17

If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2333] .

If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2333] .

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Capital Tax (Refer to Guide and Int.B. 3011R)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 and 430 are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation.

A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 580 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be

adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (IntLB. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)		+	350	51,501,490
Retained earnings (if deficit, deduct) (Int.B. 3012R)		±	351	33,541,068
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)		+	352	60,059,581
Loans and advances (Attach schedule) (Int.B. 3013R)		+	353	154,088,260
Bank loans (Int.B. 3013R)		+	354	
Bankers acceptances (Int.B. 3013R)		+	355	
Bonds and debentures payable (IntLB. 3013R)		+	356	
Mortgages payable (Int.B. 3013R)		+	357	
Lien notes payable (Int.B. 3013R)		+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (IntLB. 3013R)		+	359	
Contingent, investment, inventory and similar reserves (Int.B. 3012R)		+	360	11,668,560
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)		+	361	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)		+	362	
Subtotal		=	370	310,858,959
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)		-	371	4,710,499
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)		-	372	
Total Paid-up Capital		=	380	306,148,460
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (IntLB. 3015R)		-	381	
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation		-	382	
Net Paid-up Capital		=	390	306,148,460

Eligible Investments (Refer to Guide and Int.B. 3015R)

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)		+	402	
Mortgages due from other corporations		+	403	
Shares in other corporations (certain restrictions apply) (Refer to Guide)		+	404	
Loans and advances to unrelated corporations		+	405	
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)		+	406	
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)		+	407	
Total Eligible Investments		=	410	

continued on Page 10

Total Assets (Int.B. 3015R)

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Total Assets per balance sheet	- - - - -	+	420	364,468,010.
Mortgages or other liabilities deducted from assets	- - - - -	+	421	
Share of partnership(s)/joint venture(s) total assets (Attach schedule)	- - - - -	+	422	
Subtract: Investment in partnership(s)/joint venture(s)	- - - - -	-	423	
Total Assets as adjusted	- - - - -	=	430	364,468,010.
Amounts in 360 and 361 (if deducted from assets)	- - - - -	+	440	
Subtract: Amounts in 371, 372 and 381	- - - - -	-	441	4,710,499.
Subtract: Appraisal surplus if booked	- - - - -	-	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	- - - - -	±	443	
Total Assets	- - - - -	=	450	359,757,511.

Investment Allowance	(410 ÷ 450) × 390	- - - - -	Not to exceed	410	=	460	
Taxable Capital	390 - 460	- - - - -	=	470		306,148,460.	

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	- - -	480	
Total Assets (as adjusted)	- - - - -	From 430	364,468,010.

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004.

Financial Institutions use calculations on page 13.

Important:

If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

- OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: If the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B**B1. Calculation of Taxable Capital Deduction (TCD)**

Number of Days in Taxation Year					
Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days				
7,500,000 × 36	÷ 73	365	=	+	501
Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days				
10,000,000 × 37	÷ 73	365	=	+	502
Days after Dec. 31, 2006 and before Jan. 1, 2008	Total Days				
12,500,000 × 38	365 ÷ 73	365	=	+	504 12,500,000.
Days after Dec. 31, 2007	Total Days				
15,000,000 × 39	÷ 73	365	=	+	505
Taxable Capital Deduction (TCD) 501 + 502 + 504 + 505				=	503 12,500,000.

B2. This section applies to corporations to calculate the prorated capital tax rate.

Calculation of Capital Tax Rate

Number of Days in Taxation Year					
Days before Jan. 1, 2007	Total Days				
0.3 % × 556	÷ 73	365	=	+	511 %
Days after Dec. 31, 2005 and before Jan. 1, 2009	Total Days				
0.225 % × 557	365 ÷ 73	365	=	+	512 0.2250 %
Capital Tax Rate 511 + 512				=	516 0.2250 %

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Capital Tax Calculation *continued from Page 10***SECTION C**

This section applies if the corporation is not a member of an associated group and/or partnership.

C1. If and on page 10 are both \$3,000,000 or less, enter NIL in on page 12 and complete the return from that point.**C2.** If Taxable Capital in is equal to or less than the TCD in , enter NIL in on page 12 and complete the return from that point.**C3.** If Taxable Capital in exceeds the TCD in , complete the following calculation and transfer the amount from to on page 12, and complete the return from that point.

+	From <input type="text" value="470"/>	•																	
-	From <input type="text" value="503"/>	•																	
=	<input type="text" value="471"/>	•																	

x From % x From % x = +

Ontario Allocation Capital Tax Rate Days in taxation year
 365 (366 if leap year) If floating taxation year, refer to Guide.

Transfer to on page 12 and complete the return from that point

SECTION DThis section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either or and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ (X if applicable) All corporations that you are associated with do not have a permanent establishment in Canada.

If Taxable Capital on page 10 is equal to or less than the TCD on page 10, enter NIL in on page 12 and complete the return from that point.

If Taxable Capital on page 10 exceeds the TCD on page 10, proceed to Section E, enter the TCD amount in in Section E, and complete Section E and the return from that point.

D2. ☒ (X if applicable) One or more of the corporations that you are associated with maintains a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group may file an election under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

D2. Calculation is on next page

continued on Page 12

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D2. Calculation Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 + From 470 306,148,460.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada:

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada (if insufficient space, attach schedule)

Ontario Corporations Tax
Account No. (MOF)
(if applicable)

Taxation Year End

Taxable Capital

<u>See schedule</u>		+ 531	891,184,569
		+ 532	
		+ 533	
Aggregate Taxable Capital	470 + 531 + 532 + 533 , etc.	= 540	1,197,333,029

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year is NIL.

Enter NIL in **523** in section E below, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E below.

$$\text{From } 470 \quad 306,148,460 \div \text{From } 540 \quad 1,197,333,029 \times \text{From } 503 \quad 12,500,000 = 541 \quad 3,112,767$$

Transfer to **542** in Section E below

Ss.69(2.1) Election Filed

 **591** (X if applicable) **Election filed.** Attach a copy of Schedule 591 with this CT23 Return.
Proceed to **Section F** below.

SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate Taxable Capital 540 above, exceeds the TCD 503 on page 10.

Complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point.

$$\begin{array}{rcl}
 + & \text{From } \boxed{470} & \underline{306,148,460.} \\
 - & \boxed{542} & \underline{3,112,767.} \\
 = & \boxed{471} & \underline{303,035,693.} \times \text{From } \boxed{30} \frac{\boxed{100.0000}}{\text{Ontario Allocation}} \% \times \text{From } \boxed{516} \frac{0.2250}{\text{Capital Tax Rate}} \% \times \frac{\boxed{555} \frac{\text{Days in taxation year}}{365}}{\boxed{365} \text{ (366 if leap year)}} = + \boxed{523} \underline{681,830.}
 \end{array}$$

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From 470 _____		x	From 30 100.0000 %	x	From 518 0.2250 %	= +	581 _____
			Ontario Allocation		Capital Tax Rate		
- Capital tax deduction from 995 relating to your corporation's Capital Tax deduction, on Schedule 591						-	From 995 _____
						=	562 _____
							Total Capital Tax for the taxation year
Capital Tax			562 _____	x	$\frac{\text{Days in taxation year}}{\text{365 (366 if leap year)}}$	=	563 _____
							Transfer to 543 and complete the return from that point

* If floating taxation year, refer to Guide.

Capital Tax	before application of specified credits	- - - - -	=	543	681,830.
	Subtract: Specified Tax Credits applied to reduce capital tax payable (<i>Refer to Guide</i>)	- - - - -	-	546	.
Capital Tax	543 - 546 (<i>amount cannot be negative</i>)	- - - - -	=	550	681,830.

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Capital Tax continued from Page 12**Calculation of Capital Tax for Financial Institutions****1.1 Credit Unions only**

For taxation years commencing after May 4, 1999 enter NIL in [550] on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

$$\begin{array}{rcl}
 \text{[565]} & \times & \text{[567]} \% \times \text{From [30] } \frac{100.0000}{100.0000} \% \times \frac{\text{[555]} \text{ Days in taxation year}}{365} = + \text{[569]} \\
 \text{Lesser of adjusted} & & \text{Capital Tax Rate (1)} \\
 \text{Taxable Paid Up Capital} & & \text{(Refer to Guide)} \\
 \text{and Basic Capital Amount} & & \text{Ontario Allocation} \\
 \text{in accordance with} & & \\
 \text{Division B.1} & &
 \end{array}$$

$$\begin{array}{rcl}
 \text{[570]} & \times & \text{[571]} \% \times \text{From [30] } \frac{100.0000}{100.0000} \% \times \frac{\text{[555]} \text{ Days in taxation year}}{365} = + \text{[574]} \\
 \text{Adjusted Taxable} & & \text{Capital Tax Rate (2)} \\
 \text{Paid Up Capital} & & \text{(Refer to Guide)} \\
 \text{in accordance with} & & \text{Ontario Allocation} \\
 \text{Division B.1 in excess} & & \\
 \text{of Basic Capital Amount} & &
 \end{array}$$

$$\text{Capital Tax for Financial Institutions - other than Credit Unions (before Section 2)} \quad \text{[569]} + \text{[574]} = \text{[575]}$$

* If floating taxation year, refer to Guide.

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

$$\begin{array}{rcl}
 \text{Allowable Credit for Eligible Investments} & - & \text{[585]} \\
 \text{Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) } & \square & \text{Yes}
 \end{array}$$

$$\text{Capital Tax - Financial Institutions} \quad \text{[575]} - \text{[585]} = \text{[586]}$$

Transfer to [543] on Page 12

Premium Tax (s.74.2 & 74.3) (Refer to Guide)

$$\begin{array}{rcl}
 \text{(1) Uninsured Benefits Arrangements} & - & \text{[587]} \times 2\% = \text{[588]} \\
 \text{Applies to Ontario-related uninsured benefits arrangements.} & &
 \end{array}$$

$$\begin{array}{rcl}
 \text{(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under} & & \\
 \text{(1) above, add both taxes together and enter total tax in [588].)} & & \\
 \text{Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with} & & \\
 \text{unlicensed insurers.} & &
 \end{array}$$

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \quad - \text{[589]}$$

$$\text{Premium Tax} \quad \text{[588]} - \text{[589]} = \text{[590]}$$

Transfer to page 17

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**Reconcile net income (loss) for federal income tax purposes
with net income (loss) for Ontario purposes if amounts differ**

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1

± 600 32,550,421
Transfer to Page 15

Add:

Federal capital cost allowance	- - - - -	+ 601	13,505,850
Federal cumulative eligible capital deduction	- - - - -	+ 602	2,130,475
Ontario taxable capital gain	- - - - -	+ 603	
Federal non-allowable reserves. Balance beginning of year	- - - - -	+ 604	646,162
Federal allowable reserves. Balance end of year	- - - - -	+ 605	
Ontario non-allowable reserves. Balance end of year	- - - - -	+ 606	11,668,560
Ontario allowable reserves. Balance beginning of year	- - - - -	+ 607	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+ 608	
Federal resource allowance (Refer to Guide)	- - - - -	+ 609	
Federal depletion allowance	- - - - -	+ 610	
Federal foreign exploration and development expenses	- - - - -	+ 611	
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	- - - - -	+ 617	
Management fees, rents, royalties and similar payments to non-arm's length non-residents ▼			

Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days		
612	× 5 / 12.5 ×	33	÷ 73	365 = + 633
Days after Dec. 31, 2003		Total Days		
612	× 5 / 14 ×	34	365 ÷ 73	365 = + 634

Total add-back amount for Management fees, etc. 633 + 634 = + 613

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661
excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615 358,932

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616

Federal allowable business investment loss + 620

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 28,309,979 640 28,309,979
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	- - - - -	+ 650	13,505,850
Ontario cumulative eligible capital deduction	- - - - -	+ 651	2,130,475
Federal taxable capital gain	- - - - -	+ 652	
Ontario non-allowable reserves. Balance beginning of year	- - - - -	+ 653	646,162
Ontario allowable reserves. Balance end of year	- - - - -	+ 654	
Federal non-allowable reserves. Balance end of year	- - - - -	+ 655	11,668,560
Federal allowable reserves. Balance beginning of year	- - - - -	+ 656	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	- - - - -	+ 657	
Ontario depletion allowance	- - - - -	+ 658	
Ontario resource allowance (Refer to Guide)	- - - - -	+ 659	
Ontario current cost adjustment (Attach schedule)	- - - - -	+ 661	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	- - - - -	+ 675	

Subtotal of deductions for this page 650 to 659 + 661 + 675 681 27,951,047
Transfer to Page 15

continued on Page 15

Hydro One Brampton Networks Inc.

1800040

2007-12-31

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss)**for Ontario purposes if amounts differ**

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 From \pm **600** 32,550,421.Total of Additions on page 14 From $=$ **640** 28,309,979.Sub Total of deductions on page 14 From $=$ **681** 27,951,047.**Deduct:****Ontario New Technology Tax Incentive (ONTTI) Gross-up**

(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year

662**ONTTI Gross-up deduction calculation:**

Gross-up of CCA

$$\left[\begin{array}{l} \text{From } \mathbf{662} \\ \times \\ \text{From } \mathbf{30} \end{array} \right] \times \left[\begin{array}{l} \mathbf{100} \\ \mathbf{100.0000} \end{array} \right] - \text{From } \mathbf{662} = \mathbf{663}$$

Ontario Allocation

Workplace Child Care Tax Incentive (WCCT)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\left[\begin{array}{l} \mathbf{665} \\ \times \\ \text{From } \mathbf{30} \end{array} \right] \times 30\% \times \left[\begin{array}{l} \mathbf{100} \\ \mathbf{100.0000} \end{array} \right] = \mathbf{666}$

Ontario allocation

Workplace Accessibility Tax Incentive (WATI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\left[\begin{array}{l} \mathbf{667} \\ \times \\ \text{From } \mathbf{30} \end{array} \right] \times 100\% \times \left[\begin{array}{l} \mathbf{100} \\ \mathbf{100.0000} \end{array} \right] = \mathbf{668}$

Ontario allocation

Number of Employees accommodated

669**Ontario School Bus Safety Tax Incentive (OSBSTI)**

(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures: $\left[\begin{array}{l} \mathbf{670} \\ \times \\ \text{From } \mathbf{30} \end{array} \right] \times 30\% \times \left[\begin{array}{l} \mathbf{100} \\ \mathbf{100.0000} \end{array} \right] = \mathbf{671}$

Ontario allocation

Educational Technology Tax Incentive (ETTI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\left[\begin{array}{l} \mathbf{672} \\ \times \\ \text{From } \mathbf{30} \end{array} \right] \times 15\% \times \left[\begin{array}{l} \mathbf{100} \\ \mathbf{100.0000} \end{array} \right] = \mathbf{673}$

Ontario allocation

Ontario allowable business investment loss + **678**Ontario Scientific Research Expenses claimed in year in **477** from Ont. CT23 Schedule 161 + **679** 358,932.Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) + **677**Total of other deductions allowed by Ontario (Attach schedule) + **664**Total of Deductions **681** + **663** + **666** + **668** + **671** + **673** + **678** + **679** + **677** + **664** = 28,309,979 **680** 28,309,979.Net income (loss) for Ontario Purposes **600** + **640** - **680** = **690** 32,550,421.

Transfer to Page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add:						
Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
		26,295				
Subtract:						
Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 (6)	719	729	739	749	759
		26,295				

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1999-07-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 2000-07-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 2001-07-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2001-12-31	820	830	840	853	873
804 5th preceding taxation year 2002-12-31	821	831	841	854	874
805 4th preceding taxation year 2003-12-31	822	832	842	855	875
806 3rd preceding taxation year 2004-12-31	823	833	843	856	876
807 2nd preceding taxation year 2005-12-31	824	834	844	857	877
808 1st preceding taxation year 2006-12-31	825	835	845	858	878
809 Current taxation year 2007-12-31	826	836	846	859	879
Total	829	839	849	869	889

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Hydro One Brampton Networks Inc.

1800040

2007-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under any Act administered by the Ministry of Finance.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - 1) the first day of the taxation year after the loss year,
 - 2) the day on which the corporation's return for the loss year is delivered to the Minister, or
 - 3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a predecessor corporation, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

Total amount of loss

Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income

Predecessor Ontario Corporation's Tax Account No. (MOF)

Taxation Year Ending year month day

i) 3rd precedingii) 2nd precedingiii) 1st preceding

Total loss to be carried back

Balance of loss available for carry-forward

Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
910	920	930	940
	26,295		
911	921	931	941
912	922	932	942
913	923	933	943
From 706	From 716	From 726	From 736
919	929	939	949
	26,295		

Summary

Income Tax - - - - - + From 230 or 320 4,529,382

Corporate Minimum Tax - - - - - + From 280

Capital Tax - - - - - + From 550 681,830

Premium Tax - - - - - + From 590

Total Tax Payable - - - - - = 950 5,211,212

Subtract: Payments - - - - - - 960 5,637,917

Capital Gains Refund (s.48) - - - - - - 985

Qualifying Environmental Trust Tax Credit (Refer to Guide) - - - - - - 985

Specified Tax Credits (Refer to Guide) - - - - - - 955

Other, specify - - - - - - *

Balance - - - - - = 970 -426,705

If payment due - - - - - Enclosed * 990

If overpayment: Refund (Refer to Guide) - - - - - = 975

year month day
Apply to 2008-12-31 980 426,705
(Includes credit interest)

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

TONY PAUL

Title

CONTROLLER

Full Residence Address

c/o 175 Sandalwood Parkway, W

Brampton

ON CA L7A 1E8

Signature

Date

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the Minister of Finance and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)

Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)

NBV per F/S (not including CIP)	233,444,223	00
Less: Land	-8,146,892	00
UCC	-237,999,510	00
NBV - Goodwill (UCC bump up at acqn.)	60,059,581	00
CEC	-28,304,887	00
25% Permanent Difference	-14,975,729	00
Deferred Debt Cost-Accounting (1425/247900)	633,713	00
Total	4,710,499	00

Attached Schedule with Total

Contingent, investment, inventory and similar reserves (Int.B. 3012R)

Title Contingent, investment, inventory and similar reserves (Int.B. 3012R)

Description	Amount
<u>schedule 13 closing balance</u>	<u>11,668,560|00</u>
Total	11,668,560 00

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Page 1 of 3

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Part 1: Calculation of CMT Base

Banks – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life Insurance corporations – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± [2100] 10,422,068.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes + [2101]

Provision for deferred income taxes (credits) / benefit of future income taxes + [2102]

Equity income from corporations + [2103]

Share of partnership(s)/joint venture(s) income + [2104]

Dividends received/receivable deductible under fed.s.112 + [2105]

Dividends received/receivable deductible under fed.s.113 + [2106]

Dividends received/receivable deductible under fed.s.83(2) + [2107]

Dividends received/receivable deductible under fed.s.138(6) + [2108]

Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) x 3 + [2109]

Subtotal = - [2110]

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes + [2111] 11,800,090.

Provision for deferred income taxes (debits) / cost of future income taxes + [2112]

Equity losses from corporations + [2113]

Share of partnership(s)/joint venture(s) losses + [2114]

Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) + [2115]

Subtotal = 11,800,090. + [2116] 11,800,090.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85 + [2117] or - [2118]

** Fed.s.85.1 + [2119] or - [2120]

** Fed.s.97 + [2121] or - [2122]

** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years + [2123] or - [2124]

** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years + [2125] or - [2126]

** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years + [2127] or - [2128]

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income - [2150]

Capital gains on eligible donations of publicly-listed securities and ecologically sensitive land made after May 1, 2006 (to the extent reflected in net income/loss) - [2155]

Subtotal (Additions) = + [2129]

Subtotal (Subtractions) = - [2130]

** Other adjustments ± [2131]

Subtotal ± [2100] - [2110] + [2116] + [2129] - [2130] ± [2131] = [2132] 22,222,158.

** Share of partnership(s)/joint venture(s) adjusted net income/loss ± [2133]

Adjusted net income (loss) (if loss, transfer to [2202] in Part 2: Continuity of CMT Losses Carried Forward.) = [2134] 22,222,158.

Deduct: * CMT losses: pre-1994 Loss + From [2210]

* CMT losses: other eligible losses + [2211]

..... = - [2135]

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this schedule.

CMT Base = [2136] 22,222,158.

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT)**CT23 Schedule 101**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year NOTES (1), (2)		+ 2201	
Add: Current year's losses	+ 2202		
Losses from predecessor corporations on amalgamation NOTE (3)	+ 2203		
Losses from predecessor corporations on wind-up NOTE (3)	+ 2204		
Amalgamation (X) 2205 <input type="checkbox"/> Yes Wind-up (X) 2206 <input type="checkbox"/> Yes			
Subtotal	=		+ 2207
Adjustments (attach schedule)			+ 2208
CMT losses available	2201 + 2207 ± 2208		= 2209
Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210		
Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)	+ 2211		
Losses expired during the year	+ 2212		
Subtotal	=		- 2213
Balances at End of Year NOTE (5)	2209 - 2213		= 2214

Notes:

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))
- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2213 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 + 2290.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1999-07-31	2260	2280
2241	8th preceding taxation year 2000-07-31	2261	2281
2242	7th preceding taxation year 2001-07-31	2262	2282
2243	6th preceding taxation year 2001-12-31	2263	2283
2244	5th preceding taxation year 2002-12-31	2264	2284
2245	4th preceding taxation year 2003-12-31	2265	2285
2246	3rd preceding taxation year 2004-12-31	2266	2286
2247	2nd preceding taxation year 2005-12-31	2267	2287
2248	1st preceding taxation year 2006-12-31	2268	2288
2249	Current taxation year 2007-12-31	2269	2289
Totals		2270	2290

The sum of amounts 2270 + 2290
must equal amount in 2214.

CT23 Schedule 101

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Part 4: Continuity of CMT Credit Carryovers

Balance at Beginning of year NOTE (1) + 2301 []

Add: Current year's CMT Credit (280 on page 8 of the CT23
or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 or 347 []

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8.
(Life Insurance corporations only.
Others enter NIL.) + From 312 []

Subtract Income Tax
(190 on page 6 of the CT23 or
page 4 of the CT8) - From 190 []

Subtotal (If negative, enter NIL) ... = [] - 2305 []

Current year's CMT credit (If negative, enter NIL) 280 or 347 - 2305 ... = [] + 2310 []

CMT Credit Carryovers from predecessor corporations NOTE (3) + 2325 []

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

Subtotal 2301 + 2310 + 2325 = 2330 []

Adjustments (Attach schedule) ± 2332 []

CMT Credit Carryover available 2330 ± 2332 = 2333 []

Transfer to Page 8 of the CT23 or Page 6 of the CT8

Subtract: CMT Credit utilized during the year to reduce income tax
(310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351 []

CMT Credit expired during the year + 2334 []

Subtotal = [] - 2335 []

Balance at End of Year NOTE (4) 2333 - 2335 = 2336 []

Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- (3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (4) Amount in 2336 must equal sum of 2370 + 2390 .

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1999-07-31	2360	2380
2341	8th preceding taxation year 2000-07-31	2361	2381
2342	7th preceding taxation year 2001-07-31	2362	2382
2343	6th preceding taxation year 2001-12-31	2363	2383
2344	5th preceding taxation year 2002-12-31	2364	2384
2345	4th preceding taxation year 2003-12-31	2365	2385
2346	3rd preceding taxation year 2004-12-31	2366	2386
2347	2nd preceding taxation year 2005-12-31	2367	2387
2348	1st preceding taxation year 2006-12-31	2368	2388
2349	Current taxation year 2007-12-31	2369	2389
Totals		2370	2390

The sum of amounts 2370 + 2390
must equal amount in 2336 .

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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CMT Losses Carried Forward Workchart

(i) Continuity of Pre-1994 CMT Losses

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Predecessors' Pre-1994 Loss Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993			
Pre-1994 Loss (per schedule)			
Less: Claimed in prior taxation years commencing after 1993			
Pre-1994 Loss available for the current year			
Less: Deducted in the current year			
(max. = adj. net income for the year)			
Expired after 10 years			
Pre-1994 Loss Carryforward			

(ii) Continuity of Other Eligible CMT Losses – Filing Corporation
(for losses occurring in tax years commencing after 1993)

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1998-07-31					
9th Prior Year	1999-07-31					
8th Prior Year	2000-07-31					
7th Prior Year	2001-07-31					
6th Prior Year	2001-12-31					
5th Prior Year	2002-12-31					
4th Prior Year	2003-12-31					
3rd Prior Year	2004-12-31					
2nd Prior Year	2005-12-31					
1st Prior Year	2006-12-31					
Total						

Predecessor Corporations Only – Amalgamation

Indicate the amounts of eligible CMT losses from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1998-07-31						
1999-07-31						
2000-07-31						
2001-07-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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CMT Losses Carried Forward Workchart (continued)

Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1998-07-31						
1999-07-31						
2000-07-31						
2001-07-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

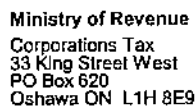
Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

CMT Credit Carryovers Workchart

Filing Corporation						
	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1998-07-31					
9th Prior Year	1999-07-31					
8th Prior Year	2000-07-31					
7th Prior Year	2001-07-31					
6th Prior Year	2001-12-31					
5th Prior Year	2002-12-31					
4th Prior Year	2003-12-31					
3rd Prior Year	2004-12-31					
2nd Prior Year	2005-12-31					
1st Prior Year	2006-12-31					
Total						

Predecessor Corporations Only – Amalgamation						
Indicate the amounts of CMT credit carryovers from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.						
Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1998-07-31						
1999-07-31						
2000-07-31						
2001-07-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
Total						

Predecessor Corporations Only – Wind-Up						
Indicate the amounts of CMT credit carryovers from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.						
Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1998-07-31						
1999-07-31						
2000-07-31						
2001-07-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
Total						



Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

Transfer to 85 of the CT23



Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

CORPORATE TAXPREP - 2008 V.1 Page 1 of 1



Ministry of Revenue
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Ontario Charitable Donations and Gifts

Schedule 2

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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■ For use by a corporation to claim any of the following:

- Charitable donations;
- Gifts to Her Majesty in right of Ontario, to Ontario crown agencies, or to Ontario Crown foundations;
- Gifts to Canada or a province;
- Gifts of certified cultural property; or
- Gifts of certified ecologically sensitive land.

■ The donations and gifts are eligible for a five year carry-forward.

■ Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as described under subsection 87(1) and 88(1) of the federal *Income Tax Act* (Canada).

■ For donations and gifts made after March 22, 2004, subsection 34(1.1) of the *Corporations Tax Act* parallels subsection 110.1(1.2) of the *Income Tax Act* and provides as follows:

- where a particular corporation has undergone a change of control, for taxation years that end on or after the change of control, no corporation can claim a deduction for a gift made by a particular corporation to a qualified donee before the change of control;
- if a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the change of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.

■ File one completed copy of this schedule with your CT23.

Part 1 – Charitable Donations

Charitable Donations at end of preceding taxation year	+		A
Deduct: Donations expired after 5 taxation years	-		B
Charitable donations at beginning of taxation year	=		C
Add: Donations transferred on amalgamation or wind-up of subsidiary	+		D
Total current year charitable donations made	+	350	E
Subtotal D + E	=	350	F
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	-		G
Total donations available C + F - G	=	350	H
Deduct: Amount applied against taxable income (amount U, Part 2)	-	350	U
Charitable donations closing balance	=		I

Part 2 – Maximum Deduction Calculation for Donations

Ontario net income for tax purposes multiplied by 75%	=	24,412,816	J
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Note: For credit unions the Ontario net income for tax purposes is the amount before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Ontario taxable capital gains arising in respect of gifts of capital property	+		K
---	---	--	---

Ontario taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) ITA	+		L
--	---	--	---

Add the lesser of:

1. The amount of the recapture of capital cost allowance in respect of charitable gifts

2. The lesser of:

2a. Proceeds of dispositions less outlays and expenses

2b. The capital cost

The lesser of N and O

The lesser of M and P

Subtotal K + L + Q

25% X

Maximum deduction allowable J + S

Claim for charitable donations (not exceeding the lesser of H from Part 1, T and net income for tax purposes)

Enter in 1 of the CT23

CORPORATE TAXPREP - 2008 V.1 Page 2 of 3

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Part 6 – Gifts of certified cultural property

Gifts of certified cultural property at the end of the preceding taxation year	+	
Deduct: Gifts of certified cultural property expired after five years	.....	-
Gifts of certified cultural property at the beginning of the taxation year	.....	=
Add: Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary	.....	+
Total current year gifts of certified cultural property	.....	+
Subtotal	.....	=
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	.....	-
Total gifts of certified cultural property available	.....	=
Deduct: Amount applied against taxable income	.....	-
Gifts of certified cultural property closing balance	.....	=

Part 7 – Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	.....	+
Deduct: Gifts of certified ecologically sensitive land expired after five years	.....	-
Gifts of certified ecologically sensitive land at the beginning of the taxation year	.....	=
Add: Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary	.....	+
Total current year gifts of certified ecologically sensitive land	.....	+
Subtotal	.....	=
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	.....	-
Total gifts of certified ecologically sensitive land available	.....	=
Deduct: Amount applied against taxable income	.....	-
Gifts of certified ecologically sensitive land closing balance	.....	=

Part 8 – Analysis of balance by year of origin

Year of origin	Charitable donations	Gifts to Her Majesty in right of Ontario	Gifts to Canada or a province other than Ontario	Gifts of certified cultural property	Gifts of certified ecologically sensitive land
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
Totals					



Ministry of Revenue
Corporations Tax
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Ontario Summary of Dispositions of Capital Property

2005 and later taxation years

Schedule 6

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

- For a corporation that has disposed of capital property or claimed an allowable business investment loss, or both, in the taxation year.
- This schedule may be used to make a designation under section 34(10) of the *Corporations Tax Act* provided the corporation has made a designation under paragraph 111(4) (e) of the *Income Tax Act* (Canada), if control of the corporation has been acquired by a person or group of persons.

Part A: Designation under section 34(10) of the *Corporations Tax Act*

Complete part A if there are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e) of the *Income Tax Act* (Canada) or section 34(10) of the *Corporations Tax Act*.

Property	Class #	Date of disposition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Other adjustments	Designated amount	Gain or loss

Part B: Inter-provincial asset transfers

Complete part B if there was any disposition shown on the schedule as a result of a federal election under section 85 of the *Income Tax Act* (Canada) that transferred assets to a non-arm's length corporation with a permanent establishment in another Canadian jurisdiction.

Property	Class #	Corporation name of transferee/or	Date of disposition YYYY/MM/DD	Cost of asset in other jurisd.	Name of other jurisdiction	Allocation ratio to other jurisdictions	Ontario elected amount	Gain or loss
						%		
						%		
						%		
						%		

Part 1 – Shares

1 Types of capital property			2 Date of acquisition YYYY/MM/DD	3 Date of disposition YYYY/MM/DD	4 Proceeds of disposition	5 Ontario adjusted cost base	6 Outlays and expenses	7 Ontario gain or (loss) (col. 4 less cols. 5 & 6)
No. of shares	Name of corporation	Class of shares						
1								
Totals								A

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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1 Types of capital property	2 Date of acquisition YYYY/MM/DD	3 Date of disposition YYYY/MM/DD	4 Proceeds of disposition	5 Ontario adjusted cost base	6 Outlays and expenses	7 Ontario gain or (loss) (col. 4 less cols. 5 & 6)
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Part 2 – Real Estate (Do not include losses on depreciable property)

Municipal address	2	3	4	5	6	7
1						
Totals						B

Part 3 – Bonds

Face value	Maturity date YYYY/MM/DD	Name of issuer	2	3	4	5	6	7
1								
Totals								C

Part 4 – Other properties (Do not include losses on depreciable property)

Description	2	3	4	5	6	7
1 Enerconnect Partnership Interest	1997-11-01		27,705	54,000		-26,295
2						
Totals						-26,295 D

Part 5 – Personal-use property

Description of capital property	2	3	4	5	6	7
1						

Note: Losses are not deductible

Net gain or (loss) E

Part 6 – Listed personal property

Description	2	3	4	5	6	7
1						

Deduct: Unapplied listed personal property losses from other years

Net gain or (loss) F

Note: Net listed personal property losses may only be applied against personal property gains.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

Part 7 – Property qualifying for and resulting in an allowable business investment loss

1 Name of small business corporation	Shares – enter 1 Debt – enter 2	2 Date of acquisition YYYY/MM/DD	3 Date of disposition YYYY/MM/DD	4 Proceeds of disposition	5 Ontario adjusted cost base	6 Outlays and expenses	7 Ontario loss (col. 4 less cols. 5 & 6)
1							
Totals							
Net Loss							G

Note: Properties listed in Part 7 should not be included in any other Part of Schedule 6.

Allowable business investment loss **G** × 50 % = **G1**
 Transfer to **678** of the CT23 or CT8

Determining capital gains and capital losses

Total of A to F (Do not include F if it is a loss)	-26,295
Add: Amount (if any) of capital gain reserve opening balance from Schedule 13	+
Capital gain dividend received in the year	+
Subtotal	= -26,295
Deduct: Amount (if any) of capital gain reserve closing balance from Schedule 13	-
Gain or Loss (excluding Allowable Business Investment Losses)	= -26,295 H

Determining taxable capital gains

Gain or Loss (excluding Allowable Business Investment Losses)	-26,295 H
Deduct:	
Gain on donations (made to charities other than private foundations) of securities listed on a prescribed stock exchange	
realized prior to May 2, 2006	× 50 % -
realized after May 1, 2006	-
Gain on donation of ecologically sensitive land	
realized prior to May 2, 2006	× 50 % -
realized after May 1, 2006	-
Gains or Loss	-26,295 I
Include 100% of the losses in box 711 of the CT23 or CT8	
Taxable capital gains	-26,295 I × 50 % = J
Transfer to 603 of the CT23 or CT8	

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	159,895,852			0	159,895,852		159,895,852	4	0	0	6,395,834	153,500,018
2	32,107,086			0	32,107,086		32,107,086	6	0	0	1,926,425	30,180,661
8	636,218	84,571		0	720,789	42,286	678,503	20	0	0	135,701	585,088
10	2,371,572	1,605,558		3,117	3,974,013	801,221	3,172,792	30	0	0	951,838	3,022,175
45	913,778	87,212		0	1,000,990	43,606	957,384	45	0	0	430,823	570,167
12	117,901	552,619		0	670,520	276,310	394,210	100	0	0	394,210	276,310
47	27,129,810	23,370,871	-14,850	0	50,435,831	11,660,436	38,775,395	8	0	0	3,102,032	47,333,799
3	1,095,267	1,593,825	-316,897	0	2,372,195	796,913	1,575,282	5	0	0	78,764	2,293,431
50		328,084		0	328,084	164,042	164,042	55	0	0	90,223	237,861
Totals	224,267,484	27,572,740	-331,747	3,117	251,505,360	13,784,814	237,720,546				13,505,850	237,999,510

Enter in boxes 650 650 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.



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Ontario Cumulative Eligible Capital Deduction
Schedule 10 Page 1 of 2

For taxation years 2002 and later

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) = + 30,420,984 **A**

Add: Cost of eligible capital property acquired during the taxation year + 19,171 **B**

Other adjustments + **C**

B + C = 19,171 x 3 / 4 = 14,378 **D**

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 x 1 / 2 = - **E**

D minus E (if negative, enter zero) = 14,378 **F**

Amount transferred on amalgamation or wind-up of subsidiary + **G**

Subtotal A + F + G = 30,435,362 **H**

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year + **I**

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the Income Tax Act (Canada) + **J**

Other adjustments + **K**

I + J + K = x 3 / 4 = - **L**

Ontario cumulative eligible capital balance H minus L = 30,435,362 **M**

If **M** is negative, enter zero at line **Q** and proceed to **Part 2**, page 2.

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business **N**

From **M** 30,435,362

From **N** -

Current year deduction M minus N = 30,435,362 x 7 % = + 2,130,475 **O**

N + O = 2,130,475 **P**

Note: The maximum current year deduction is 7%. Any amount up to the maximum deduction of 7% may be claimed. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance M minus P (if negative, enter zero) = 28,304,887 **Q**

See page 2 - Part 2

Ontario Cumulative Eligible Capital Deduction
Schedule 10 Page 2 of 2

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Part 2 – Amount to be included in income arising from disposition

Complete this part only if the amount at line M is negative.

Amount from line M above. <i>Show this as a positive amount; not negative.</i>	.....	R
Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	+	1
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA	+	2
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	+	3
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	-	4
Deduct line 4 from line 3 (if negative, enter zero)	= ▷ +	5
Total lines 1 + 2 + 5	=	6
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 1	.....	7
Amounts at Line Z from Ontario Schedule 10 of previous taxation years ending after February 27, 2000 (This will be Line T in earlier versions of this schedule.)	+	8
Total lines 7 + 8	= ▷ -	9
Deduct line 9 from line 6 (if negative, enter zero)	= ▷ -	S
R minus S (if negative, enter zero)	=	T
From Line 5 $\times 1 / 2$	= -	U
T minus U (if negative, enter zero)	=	V
From V $\times 2 / 3$	=	W
Lesser of R and S	= +	Z
Amount to be included in income W + Z	=	



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Ontario Continuity of Reserves Schedule 13

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 – Capital gains reserves

Description of property	Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
1					
Totals	A	B			C

The total capital gains reserve at the beginning of the taxation year A plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary B, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year C, should also be entered on Schedule 6.

Part 2 – Other reserves

Description	Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
Reserve for doubtful debts					
Reserve for undelivered goods and services not rendered					
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts					
Other tax reserves					
Totals	D	E			F

The amount from D plus the amount from E should be entered in **607** of the CT23.

The amount from F should be entered in **654** of the CT23.

Part 3 – Continuity of non-deductible reserves

Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
OPEB	4,999,000		344,000			5,343,000
Legal Claim Provision	246,869			246,869		
Allow. for Doubtful Accounts						
Regulatory Assets	-4,599,707		10,925,267			6,325,560
Reserves from Part 2						
Totals	646,162		11,269,267	246,869		11,668,560

Enter in box **653** of the CT23

Enter in box **606** of the CT23



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Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161
Page 1 of 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

This schedule is used to calculate Ontario Scientific Research and Experimental Development Expenditures (SR & ED). The rules used in the calculation of Ontario SR & ED follow the federal rules with the exception of the new Ontario measure introduced in the 2001 Ontario Budget and implemented in Bill 127 which received Royal Assent on December 5, 2001.

This schedule must be completed by all corporations performing qualified Ontario SR & ED in a "specified taxation year" or in the taxation year immediately preceding the first specified taxation year of the corporation and filed with the current CT23 or CT8. Other corporations may use this schedule, if they have claimed or are claiming a different SR & ED amount for Ontario than for federal income tax purposes.

- **"Specified Taxation Year" (STY)** is the taxation year of the corporation that begins after February 29, 2000 and ends after December 31, 2000.
 - **"Investment Tax Credit Amount" (ITC)** means, in respect of a corporation for a taxation year, an amount deducted by the corporation for a preceding taxation year under subsection 127(5) or (6) of the *Income Tax Act* (Canada) (ITA).
 - **"Qualified Ontario SR & ED Expenditure" (QORD)** means,
 - A. A qualified expenditure within the meaning of subsection 12(1) of the *Corporations Tax Act* (CTA) that is made or incurred by a corporation in a STY or in the taxation year immediately preceding the first STY of the corporation, or
 - B. An expenditure made or incurred by a partnership in a fiscal period that ends in a STY of a corporation if,
 - the corporation is member of the partnership at any time in the STY, and
 - the expenditure would be a qualified expenditure within the meaning of subsection 12(1) of the CTA if it were made by a corporation.
 - **"Ontario Allocation Factor" (OAF)** has the meaning given to that expression by subsection 12(1) of the CTA.
-
- If a corporation includes a federal ITC amount in determining the amount of the Ontario pool of deductible SR & ED expenditures for a STY, the following amounts are adjusted by the OAF:
 - Amount of recaptured federal ITC relating to QORD for property disposed of in the preceding taxation year in 442 on page 2.
 - Amount of federal ITC relating to QORD claimed federally in the preceding taxation year(s) in 462 on page 2.
 - Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year in 465 on page 2.
-
- Federal ITCs earned on shared-use equipment (SUE) reduce the capital cost of the property acquired for federal and Ontario income tax purposes in the taxation year after the taxation year in which the ITC is claimed federally. The amount of the federal ITC that relates to QORD on SUE is added to the SR & ED pool for Ontario purposes in the taxation year after the taxation year in which the ITC is claimed federally.

**Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161**

Page 2 of 5

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Ontario Pool of Deductible SR & ED Expenditures for the current taxation year

Total allowable SR & ED expenditures (capital and current) (From line 400 federal T661 (T2 SCH32))	+	400	358,932.
Less: Government and non-government assistance (From line 430 federal T661 (T2 SCH32))	-	430	
Preceding year's amount of federal ITC claimed for SR & ED (From line 435 federal T661 (T2 SCH32))	-	435	
Sale of SR & ED capital assets and other deductions (From line 440 federal T661 (T2 SCH32))	-	440	
Amount of recaptured federal ITC (From line 453 federal T661 (T2 SCH32)) relating to QORD for property disposed of in the preceding taxation year		442	
Gross-up for Ontario allocation factor From 442 \div 100.0000% (From 30 of the CT23 or CT8)	-	444	
Subtotal: 400 - 430 - 435 - 440 - 444	=	445	358,932.
Add: Repayments of government and non-government assistance (From line 445 federal T661 (T2 SCH32))	+	446	
SR & ED expenditure pool transferred on amalgamation or wind-up (From line 452 federal T661 (T2 SCH32))	+	452	
Amount of federal ITC recaptured in the preceding taxation year (From line 453 federal T661 (T2 SCH32))	+	453	
Preceding year's balance in pool of deductible Ontario SR & ED expenditures (From 480 of the preceding taxation year)	+	460	
Federal ITC relating to QORD claimed federally in the preceding taxation year(s)	+	462	
		(From 575 on Page 3)	
Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year	+	465	
Subtotal 462 + 465	=	468	
Gross-up for Ontario allocation factor From 468 \div 100.0000% (From 30 of the CT23 or CT8)	+	470	
Subtotal: 445 + 446 + 452 + 453 + 460 + 470			
(If the amount in 473 is negative, enter zero, in 475, 477 and add 473 to 615 of the 2002 CT23 or CT8 or 616 of the 2003 or later CT23 or CT8. If the amount in 473 is positive, enter the amount in 475.) = 473 358,932.			
Amount available for deduction	=	475	358,932.
Deduction claimed in the taxation year for Ontario (Enter the SR & ED expenditure pool deduction claimed in the taxation year in 679 of the CT23 or CT8)	-	477	358,932.
Ontario current taxation year closing balance in pool of deductible SR & ED expenditures 475 - 477	=	480	
(Transfer this amount to 460 as the carry forward amount for the next taxation year.)			

**Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161**

Page 3 of 5

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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**Calculation of Preceding Taxation Year Amount and Account Balances - Federal ITC from SR & ED
Expenditures relating to QORD.**

- This page is used to calculate the amount of the federal ITC that relates to SR & ED performed in Ontario for certain taxation years and is used to increase the amount of the Ontario SR & ED pool on page 2.
- All amounts on this page are based on the preceding taxation year since the amount of the federal ITC that relates to QORD can only be used to increase the Ontario pool for SR & ED in the current taxation year if there was a federal ITC claimed for federal purposes in the preceding taxation year that related to QORD.
- Do not include amounts of federal ITCs that relate to QORD that were allocated from a partnership. These amounts are added to your SR & ED pool for Ontario in the taxation year that they are allocated from a partnership to a corporation, not in the year after they are claimed federally.

Opening Balance:

(Enter amount 590 from Schedule 161 of the preceding taxation year, if any) + 500

Add: Amount of federal ITC earned, relating to QORD
(QORD portion of line 540 federal T2 SCH31 for the preceding taxation year) + 510
Amount of federal ITC earned, relating to QORD, transferred on amalgamation or wind-up
(QORD portion of line 530 federal T2 SCH31 for the preceding taxation year) + 520

Subtotal: 500 + 510 + 520 = 535

Deduct: Amount of federal ITC, relating to QORD, claimed federally
(QORD portion of line 560 federal T2 SCH31 for the preceding taxation year) + 540
Amount of federal ITC, relating to QORD, carried back federally to a preceding taxation year(s)
(QORD portion of line P federal T2 SCH31 for the preceding taxation year) + 550
A refund of federal ITC, relating to QORD, claimed federally
(QORD portion of line 610 federal T2 SCH31 for the preceding taxation year) + 560
Amount of federal ITC, relating to QORD, deemed as a remittance of co-op corporations
(QORD portion of line 510 federal T2 SCH31 for the preceding taxation year) + 570

Subtotal: 540 + 550 + 560 + 570 = 575

(Transfer this amount to 462 on Page 2)

Deduct: Amount of federal ITC, relating to QORD, expired per the ITA after 10 taxation years
(QORD portion of line 515 federal T2 SCH31 for the preceding taxation year) - 580

Closing Balance: 535 - 575 - 580 = 590

(Transfer this amount to 500 as the opening balance for the next taxation year.)

**Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161**

Page 4 of 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

Continuity Schedule for Federal ITC relating to SR & ED Expenditures for the Preceding Taxation Year

- All amounts on this page are based on the preceding taxation year.
- Amounts on this page should tie into Part 12 of federal T2 SCH31 completed for the preceding taxation year.

Yr. of Origin (Oldest yr. first) yyyy mm dd	Opening Balance	Additions	Deductions (other than amounts that were allocated from a partnership)	Deductions (only amounts that were allocated from a partnership)	Closing Balance
1997-07-31					
1998-07-31					
1999-07-31					
2000-07-31					
2001-07-31					
2001-12-31					
2002-12-31					
2003-12-31					
2004-12-31					
2005-12-31					
2006-12-31					
Totals (see note 1, 2 and 3)	725	740	755	770	785

Notes:

1. The amount in **725** should equal the amount of the investment tax credit at the end of the preceding taxation year less line **515** in Part 12 of the federal T2 SCH31 for the preceding taxation year.
2. The amount in **785** should equal the closing balance in line **620** in Part 12 of the federal T2 SCH31 for the preceding taxation year.
3. It is important that the amounts in the deductions columns on this page correctly reflect the year of origin of the federal ITC claimed because only amounts relating to QORD can be used to increase the Ontario SR & ED pool.

**Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161**

Page 5 of 5

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Continuity Schedule for the Amount of Federal ITC from SR & ED Expenditures relating to QORD for the Preceding Taxation Year

- This page is required to record the amount of the ITC that relates to QORD by year of origin.
- All amounts on this page are based on the preceding taxation year.
- Do not include amounts of federal ITCs that relate to QORD that were **allocated from a partnership** (see text at the top of page 3).

Yr. of Origin (Oldest yr. first) yyyy mm dd	Opening Balance	Additions	Deductions	Closing Balance
2000-07-31				
2001-07-31				
2001-12-31				
2002-12-31				
2003-12-31				
2004-12-31				
2005-12-31				
2006-12-31				
Totals (see note 1 - 6)	825	840	855	870

Notes:

1. The amount in **825** should equal **500** on page 3.
2. The amount in **840** should equal the total of **510** and **520** on page 3.
3. The amount in **855** should equal **575** on page 3.
4. The amount in **870** should equal **590** on page 3.
5. Any deductions that are recorded in the deduction column on this page must be taken out of the same year of origin as indicated in the deduction column on page 4. These deductions must be related to QORD and must not have been allocated from a partnership.
6. The amount of federal ITC relating to QORD will expire if the federal ITC it relates to expires before it is claimed federally.

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2007-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

[illegible]

Transfer to box 540 of the CT23

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Instructions for completing the CETC Claim Form

- Enter the relevant details for each qualifying work placement, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each qualifying work placement.
- Enter the total tax credit claimed on line **192**, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
 - The maximum amount of credit that can be claimed in respect of each work placement is \$1,000.
- Ensure you have the following documentation (Do not include with the form or tax return.):
 - a letter of certification from the Ontario college, university other post-secondary institution, containing information as specified by the Minister, stating that the student is enrolled in a qualifying education program; or
 - a voucher for leading-edge technology programs, other than an apprenticeship, stating that the educational program meets the definition of a qualifying program in leading-edge technology and that the work performed by that student during the work placement is in a related field.
- The credit is considered government assistance and is therefore to be included in income in the year the credit is claimed.

Summary of Co-operative Education Tax Credit Claimed

Complete a separate entry for each student work placement which ended during the corporation's taxation year. The tax credit is for co-op work placements and leading-edge technology work placements. A work placement is generally considered to be a full-time work assignment for up to 4 months in duration.

Example: If a corporation, with a December 31, 2001 taxation year end, hires an eligible student from September 1, 2001 until April 30, 2002, this would be considered 2 work placements. The first work placement is September 1, 2001 to December 31, 2001 and would be claimed in the 2001 taxation year. The second placement is January 1, 2002 to April 30, 2002 and must be claimed in the 2002 taxation year.

Qualifying Work Placements

Name of University/ College and Education Program	Name of Student	Social Insurance No. of Student	Work Placement Start and End Dates year month day	Eligible Costs of Placement (ECP)	* Credit Claimed (See notes below) (max. \$1,000 per work placement)
Georgian College			From 2007-01-02	9,552	955
			To 2007-04-27		
Georgian College			From 2007-09-04	9,552	955
			To 2007-12-31		
See schedule			From	21,421	2,000
			To		
If insufficient space, attach schedule			5774	5798	
Totals			40,525	3,910	

If insufficient space, attach schedule

Transfer to **192** on Page 7 of the CT23 Long
or Page 4 of the CT23 Short,
or Page 4 of the CT8

Note: Enter corporation's salaries & wages paid in the preceding taxation year **A** \$ **1,608,759**

If **A** is \$600,000 or greater use 10%. If **A** is \$400,000 or less use 15%.

If **A** is over \$400,000 but less than \$600,000 use the following formula to calculate the rate:

Rate = .15 - [.05 (From **A** **1,608,759** - \$400,000) ÷ \$200,000]

Indicate rate used: **10.0000**%. *Credit claimed equals ECP multiplied by rate.

Cooperative Education Tax Credit (CETC)
CT23 Schedule 113

Corporation's Legal Name Hydro One Brampton Networks Inc.	Ontario Corporations Tax Account No. (MOF) 1800040	Taxation Year End 2007-12-31
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Qualifying Work Placements

Qualifying Work Placements							
Name of University/ College and Education Program	Name of Student	Social Insurance No. of Student	Work Placement Start and End Dates			Eligible Costs of Placement (ECP)	Credit Claimed (max. \$1,000 per work placement)
			year	month	day		
Georgian College	Phillip Lavallee	534 314 828	From	2007-09-04		10,850	1,000
			To	2007-12-21			
Georgian College	Garrett St. Pierre	538 645 755	From	2007-09-04		10,571	1,000
			To	2007-12-31			
			From				
			To				
Totals						21,421	2,000

2008

Tax Returns and

Financial Statements

T2 CORPORATION INCOME TAX RETURN

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Ontario (for tax years ending before 2009), Quebec, or Alberta. If the corporation is located in one of the other provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see www.cra.gc.ca or Guide T4012, *T2 Corporation - Income Tax Guide*.

055 Do not use this area

Identification

Business Number (BN) 001 86486 7635 RC0001

Corporation's name

002 Hydro One Brampton Networks Inc.

Address of head office

Has this address changed since the last time you filed your T2 return? 010 1 Yes ☐ 2 No ☒

(If yes, complete lines 011 to 018)

011 175 Sandalwood Parkway West

012 City Province, territory, or state

015 Brampton 016 ON

Country (other than Canada) Postal code/Zip code

017 018 L7A 1E8

Mailing address (if different from head office address)

Has this address changed since the last time you filed your T2 return? 020 1 Yes ☐ 2 No ☒

(If yes, complete lines 021 to 028)

021 c/o

022 City Province, territory, or state

025 026

Country (other than Canada) Postal code/Zip code

027 028

Location of books and records

Has the location of books and records changed since the last time you filed your T2 return? 030 1 Yes ☐ 2 No ☒

(If yes, complete lines 031 to 038)

031 032 City Province, territory, or state

035 036

Country (other than Canada) Postal code/Zip code

037 038

040 Type of corporation at the end of the tax year

1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation

2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)

3 ☐ Public corporation

If the type of corporation changed during the tax year, provide the effective date of the change.

043 YYYY MM DD

To which tax year does this return apply?

Tax year start Tax year-end

060 2008-01-01 061 2008-12-31

YYYY MM DD YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? 063 1 Yes ☐ 2 No ☒

If yes, provide the date control was acquired 065 YYYY MM DD

Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)? 066 1 Yes ☐ 2 No ☒

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after: Incorporation? 070 1 Yes ☐ 2 No ☒ Amalgamation? 071 1 Yes ☐ 2 No ☒

If yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 1 Yes ☒ 2 No ☐ If no, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☐

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085 1 ☐ Exempt under paragraph 149(1)(e) or (l)

2 ☐ Exempt under paragraph 149(1)(i)

3 ☐ Exempt under paragraph 149(1)(t)

4 ☐ Exempt under other paragraphs of section 149

Do not use this area

092

093

094

095

096

100

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	150
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	160
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	161
Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	151
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	162
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	163
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input checked="" type="checkbox"/>	164
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input checked="" type="checkbox"/>	165
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	166
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<input type="checkbox"/>	167
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	<input type="checkbox"/>	168
Did the corporation have any foreign affiliates during the year?	<input type="checkbox"/>	169
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	<input type="checkbox"/>	170
Has the corporation had any non-arm's length transactions with a non-resident?	<input type="checkbox"/>	171
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	173
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	172
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	201
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	<input checked="" type="checkbox"/>	202
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	203
Is the corporation claiming any type of losses?	<input type="checkbox"/>	204
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	205
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	206
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	<input type="checkbox"/>	207
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	208
Does the corporation have any property that is eligible capital property?	<input checked="" type="checkbox"/>	210
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	212
Is the corporation claiming reserves of any kind?	<input type="checkbox"/>	213
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	216
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	217
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	218
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	220
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	221
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	227
Is the corporation claiming an investment tax credit?	<input checked="" type="checkbox"/>	231
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input checked="" type="checkbox"/>	232
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input checked="" type="checkbox"/>	233
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input checked="" type="checkbox"/>	234
Is the corporation claiming a surtax credit?	<input type="checkbox"/>	237
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	238
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	242
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	243
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	244
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	249
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	250
Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	253
Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	254
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	255

Attachments - continued from page 2

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	T1134-A
Did the corporation have any controlled foreign affiliates?	258	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	T1135
the corporation transfer or loan property to a non-resident trust?	260	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265 <input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268 <input checked="" type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269	54

Additional information

Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first-time filers)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (Only complete if yes was entered at line 281)	282		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	283	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284 Electricity Distrib	285 100.000 %	
	286	287 %	
	288	289 %	
Did the corporation immigrate to Canada during the tax year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible? e corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide date the corporation ceased to be eligible	293	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
	294	YYYY MM DD	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	300	25,349,977	A
Deduct: Charitable donations from Schedule 2	311	5,113	
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction *	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal		5,113	
Subtotal (amount A minus amount B) (if negative, enter "0")		25,344,864	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
able income (amount C plus amount D)	360	25,344,864	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		25,344,864	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7	400	25,349,977	A
Taxable income from line 360, minus 10/3 of the amount on line 632*, minus 3 times the amount on line 636**, and minus any amount that, because of federal law, is exempt from Part I tax	405	25,344,86	

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

$$400,000 \times \frac{\text{Number of days in the tax year after 2006 and before 2009}}{\text{Number of days in the tax year}} \times \frac{366}{366} = 400,000 \quad 1$$

$$500,000 \times \frac{\text{Number of days in the tax year after 2008}}{\text{Number of days in the tax year}} \times \frac{366}{366} = \quad 2$$

Add amounts at lines 1 and 2 400,000 4

Business limit (see notes 1 and 2 below) 410 C

- Notes:**
- For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
 - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 415 *** 303,980 D = 11,250 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") 425 F

Small business deduction

Amount A, B, C, or F whichever is the least 415 x $\frac{\text{Number of days in the tax year before January 1, 2008}}{\text{Number of days in the tax year}} \times 16\% = \quad 5$

Amount A, B, C, or F whichever is the least 415 x $\frac{\text{Number of days in the tax year after December 31, 2007}}{\text{Number of days in the tax year}} \times 17\% = \quad 6$

Total of amounts 5 and 6 – enter on line 9 430 G

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

*** Large corporations

- If the corporation is not associated with any corporations in both the current and the previous tax years, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] 435 H

Amount H 435 x $\frac{\text{Number of days in the tax year in 2006}}{\text{Number of days in the tax year}} \times 5\% = \quad I$

Amount H 435 x $\frac{\text{Number of days in the tax year in 2007}}{\text{Number of days in the tax year}} \times 7\% = \quad J$

Note: Resource deduction is no longer available for tax years starting after December 31, 2006.

Resource deduction – Total of amounts I and J 438 K

Enter amount K on line 10.

- General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360						25,344,864	A	
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27					B			
Amount QQ from Part 13 of Schedule 27					C			
Taxable resource income from line 435					D			
Amount used to calculate the credit union deduction from Schedule 17					E			
Amount from line 400, 405, 410, or 425, whichever is the least					F			
Aggregate investment income from line 440					G			
Total of amounts B, C, D, E, F, and G						25,344,864	H	
Amount A minus amount H (if negative, enter "0")							I	
Amount I	25,344,864	x	Number of days in the tax year before January 1, 2008		x	7 %	=	J
			Number of days in the tax year	366				
Amount I	25,344,864	x	Number of days in the tax year after December 31, 2007, and before January 1, 2009	366	x	8.5 %	=	2,154,313 K
			Number of days in the tax year	366				
Amount I	25,344,864	x	Number of days in the tax year after December 31, 2008, and before January 1, 2010		x	9 %	=	L
			Number of days in the tax year	366				
Amount I	25,344,864	x	Number of days in the tax year after December 31, 2009, and before January 1, 2011		x	10 %	=	L1
			Number of days in the tax year	366				
General tax reduction for Canadian-controlled private corporations - Total of amounts J, K, L, and L1								2,154,313 M
Enter amount M on line 638.								

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation, and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from line 360 (for tax years starting after May 1, 2006, amount Z)								N
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27						O		
Amount QQ from Part 13 of Schedule 27						P		
Taxable resource income from line 435						Q		
Amount used to calculate the credit union deduction from Schedule 17						R		
Total of amounts O, P, Q, and R								S
Amount N minus amount S (if negative, enter "0")								T
Amount T		x	Number of days in the tax year before January 1, 2008		x	7 %	=	U
			Number of days in the tax year	366				
Amount T		x	Number of days in the tax year after December 31, 2007, and before January 1, 2009	366	x	8.5 %	=	V
			Number of days in the tax year	366				
Amount T		x	Number of days in the tax year after December 31, 2008, and before January 1, 2010		x	9 %	=	W
			Number of days in the tax year	366				
Amount T		x	Number of days in the tax year after December 31, 2009, and before January 1, 2011		x	10 %	=	W1
			Number of days in the tax year	366				
General tax reduction - Total of amounts U, V, W, and W1								X
Enter amount X on line 639.								

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income **440** x 26 2 / 3 % = A
from Schedule 7

Foreign non-business income tax credit from line 632

Deduct:

Foreign investment income **445** x 9 1 / 3 % = B
from Schedule 7 (if negative, enter "0")

Amount A minus amount B (if negative, enter "0") C

Taxable income from line 360 **25,344,864**

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least

Foreign non-business
income tax credit
from line 632 x 25 / 9 =

Foreign business
income tax credit
from line 636 x 3 =
▶ **25,344,864**

x 26 2 / 3 % = **6,758,630** D

Part I tax payable minus investment tax credit refund (line 700 minus line 780) **4,930,564**

Deduct: Corporate surtax from line 600 **4,930,564** ▶ **4,930,564** E

Net amount **450** F

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**
Deduct: Dividend refund for the previous tax year **465** G

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from Schedule 3

Net refundable dividend tax on hand transferred from a predecessor corporation on
amalgamation, or from a wound-up subsidiary corporation **480** H

Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H **485**

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 of Schedule 3 **10,000,000** x 1 / 3 **3,333,333** I

Refundable dividend tax on hand at the end of the tax year from line 485 above J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784)

Part I tax

Base amount of Part I tax -- Taxable income (line 360 or amount Z, whichever applies) multiplied by 38.00 % **550** 9,631,048 A

Corporate surtax calculation

Base amount from line A above 9,631,048 1

Deduct:

10 % of taxable income (line 360 or amount Z, whichever applies) 2,534,486 2

Investment corporation deduction from line 620 below 3

Federal logging tax credit from line 640 below 4

Federal qualifying environmental trust tax credit from line 648 below 5

For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 a 6

28.00 % of taxed capital gains b 6

Part I tax otherwise payable (line A plus lines C and D minus line F) 2,534,486 7

Total of lines 2 to 6 7,096,562 8

Net amount (line 1 minus line 7) 7,096,562 8

Corporate surtax*

Line 8 7,096,562 x Number of days in the tax year before January 1, 2008 x 4 % = **600** B
Number of days in the tax year 366

* The corporate surtax is zero effective January 1, 2008.

Recapture of investment tax credit from Schedule 31 **602** C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 i

Taxable income from line 360 25,344,864

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least 25,344,864 ii

Net amount 25,344,864

Refundable tax on CCPC's investment income -- 6 2 / 3 % of whichever is less: amount i or ii **604** D

Subtotal (add lines A, B, C, and D) 9,631,048 E

Deduct:

Small business deduction from line 430 608 2,534,486 9

Federal tax abatement 616

Manufacturing and processing profits deduction from Schedule 27 620

Investment corporation deduction 628

Taxed capital gains **624** 628

Additional deduction -- credit unions from Schedule 17 632

Federal foreign non-business income tax credit from Schedule 21 636

Federal foreign business income tax credit from Schedule 21 636

Resource deduction from line 438 638 2,154,313 10

General tax reduction for CCPCs from amount M 639

General tax reduction from amount X 640

Federal logging tax credit from Schedule 21 644

Federal political contribution tax credit 648

Federal political contributions **646** 648

Federal qualifying environmental trust tax credit 652 11,685

Investment tax credit from Schedule 31 4,700,484 F

Subtotal 4,700,484

Part I tax payable -- Line E minus line F 4,930,564 G

Enter amount G on line 700.

Summary of tax and credits

Federal tax

Part I tax payable	700	4,930,564
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		4,930,564

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . **750** ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)
Net provincial or territorial tax payable (except Ontario [for tax years ending before 2009], Quebec, and Alberta) . . . **760**
Provincial tax on large corporations (New Brunswick and Nova Scotia) . . . **765**

Total tax payable 770 4,930,564 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	4,930,564
Total credits	890	4,930,564 B

Refund code **894** Overpayment

Balance (line A minus line B)

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** Branch number
914 Institution number **918** Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid

Enclosed payment **898**

896 1 Yes ☐ 2 No ☒

Certification

I, **950** PAUL **951** TONY **954** CONTROLLER
Last name in block letters First name in block letters Position, office, or rank
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.
955 June 29/09 **956** (905) 452-5505
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number
Is the contact person the same as the authorized signing officer? If no, complete the information below **957** 1 Yes ☒ 2 No ☐
958 TONY PAUL **959**
Name in block letters Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French.
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

990 1

Name of corporation contact	Tony Paul
phone number	(905) 840-6300

Transfer				
Account number	Taxation year end	Amount	Effective interest date	Description
From:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				



NOTES CHECKLIST

Corporation's name Hydro One Brampton Networks Inc.	Business Number 86486 7635 RC0001	Tax year-end Year Month Day 2008-12-31
--	--	--

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI) for Corporations* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule, and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

Part 1 – Information on the accountant preparing or reporting on the financial statements

Does the accountant have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accountant connected* with the corporation? **097** 1 Yes ☐ 2 No ☒

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note: If the accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report	1	<input checked="" type="checkbox"/>
Completed a review engagement report	2	<input type="checkbox"/>
Conducted a compilation engagement	3	<input type="checkbox"/>

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** 1 Yes ☐ 2 No ☒

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:

Prepared the tax return (financial statements prepared by client)	110 1	<input checked="" type="checkbox"/>
Prepared the tax return and the financial information contained therein (financial statements have not been prepared)	2	<input type="checkbox"/>

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If **yes**, complete lines 102 to 107 below:

Are any values presented at other than cost?	102 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Has there been a change in accounting policies since the last return?	103 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Are subsequent events mentioned in the notes?	104 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Is re-evaluation of asset information mentioned in the notes?	105 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Is contingent liability information mentioned in the notes?	106 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>
Is information regarding commitments mentioned in the notes?	107 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

If **yes**, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)?	109 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
--	---

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation Income Tax Guide.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items per financial statements		10,955,284	A
Add:			
Provision for income taxes – current	101	8,199,870	
Amortization of tangible assets	104	16,173,566	
Charitable donations and gifts from Schedule 2	112	5,113	
Scientific research expenditures deducted per financial statements	118	3,972	
Non-deductible meals and entertainment expenses	121	16,228	
Reserves from financial statements – balance at the end of the year	126	20,059,448	
Subtotal of additions		44,458,197	44,458,197
Other additions:			
Recapture of SR&ED expenditures – Form T661	231	66,907	
Miscellaneous other additions:			
600 Depreciation expensed via OM&A	290	284,132	
601 Add back capital tax accrued	291	694,022	
602 Federal apprenticeship credit-2007 taxed in 2008	292	4,000	
604 Amortization of debt discount		10,404	
Total	294	10,404	
Subtotal of other additions	199	1,059,465	1,059,465
Total additions	500	45,517,662	45,517,662
Deduct:			
Capital cost allowance from Schedule 8	403	14,717,358	
Cumulative eligible capital deduction from Schedule 10	405	1,981,713	
Reserves from financial statements – balance at the beginning of the year	414	13,223,428	
Subtotal of deductions		29,922,499	29,922,499
Other deductions:			
Miscellaneous other deductions:			
700 Deduct OPEB costs capitalized included in Sch013	390	268,761	
701 Deduct actual capital tax per CT23	391	713,414	
702 2008 ITC recorded-to be taxed in 2009	392	10,000	
703 Deduct environmental costs paid-not on Sch013	393	117,163	
704 Removal costs		80,009	
Specified credits not deducted included in income.		11,123	
Total	394	91,132	
Subtotal of other deductions	499	1,200,470	1,200,470
Total deductions	510	31,122,969	31,122,969
Net income (loss) for income tax purposes – enter on line 300 of the T2 return		25,349,977	

* For reference purposes only

SCH 1 E (08)

Canada



Canada Revenue Agency
Agence du revenu du Canada

SCHEDULE 2

CHARITABLE DONATIONS AND GIFTS

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

- For use by corporations to claim any of the following:
 - charitable donations;
 - gifts to Canada, a province, or a territory;
 - gifts of certified cultural property;
 - gifts of certified ecologically sensitive land; or
 - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
 - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
 - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- Under proposed changes, the eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- Under proposed changes, a gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation – Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount (\$100 or more only)		
Brampton Safe City			4,7
Brampton Caledon Community Living Charitable			20
		Subtotal	4,963
		Add: Total donations of less than \$100 each	150
		Total donations in current tax year	5,113
	Federal	Quebec	Alberta
Charitable donations at the end of the previous tax year			
Deduct: Charitable donations expired after five tax years	239		
Charitable donations at the beginning of the tax year	240		
Add:			
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250		
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1)	210	5,113	
	Subtotal (line 250 plus line 210)	5,113	5,113
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	255		
Total charitable donations available	5,113	A 5,113	5,113
Deduct: Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)	260	5,113	5,113
Charitable donations closing balance	280		

- Amounts carried forward - Charitable donations

Year of origin:		Federal	Quebec	Alberta
1 st prior year	2007			
2 nd prior year	2006			
3 rd prior year	2005			
4 th prior year	2004			
5 th prior year	2003			
6 th prior year *	2002			
Total (to line A)				

* These donations expired in the current year.

- Part 2 - Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes* multiplied by 75 %		19,012,483	B
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		C
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)	227		D
The amount of the recapture of capital cost allowance in respect of charitable gifts	230		
Proceeds of disposition, less outlays and expenses **		E	
Capital cost **		F	
Amount E or F, whichever is less	235		
Amount on line 230 or 235, whichever is less			G
Subtotal (add amounts C, D, and G)			H
Amount H multiplied by 25 %			I
Subtotal (amount B plus amount I)		19,012,483	J
Maximum allowable deduction for charitable donations (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less)		5,113	K

* For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.
This amount must be prorated by the following calculation: eligible amount of the gift divided by the proceeds of disposition of the gift.

Part 3 - Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year			
Deduct: Gifts to Canada, a province, or a territory expired after five tax years	339		
Gifts to Canada, a province, or a territory at the beginning of the tax year	340		
Add: Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350		
Total current-year gifts made to Canada, a province, or a territory *	310		
Subtotal (line 350 plus line 310)			
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	355		
Total gifts to Canada, a province, or a territory available			
Deduct: Amount applied against taxable income (enter this amount on line 312 of the T2 return).	360		
Gifts to Canada, a province, or a territory closing balance	380		

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

	Federal	Quebec	Alberta
Gifts of certified cultural property at the end of the previous tax year			
Deduct: Gifts of certified cultural property expired after five tax years	439		
Gifts of certified cultural property at the beginning of the tax year	440		
Add: Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450		
Total current-year gifts of certified cultural property	410		
Subtotal (line 450 plus line 410)			
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455		
Total gifts of certified cultural property available			
Deduct: Amount applied against taxable income (enter this amount on line 313 of the T2 return)	460		
Gifts of certified cultural property closing balance	480		

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Quebec	Alberta
1 st prior year	2007			
2 nd prior year	2006			
3 rd prior year	2005			
4 th prior year	2004			
5 th prior year	2003			
6 th prior year *	2002			
Total				

* These donations expired in the current year.

Part 5 – Gifts of certified ecologically sensitive land

	Federal	Quebec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			
Deduct: Gifts of certified ecologically sensitive land expired after five tax years	539		
Gifts of certified ecologically sensitive land at the beginning of the tax year	540		
Add: Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550		
Total current-year gifts of certified ecologically sensitive land	510		
Subtotal (line 550 plus line 510)			
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555		
Total gifts of certified ecologically sensitive land available			
Deduct: Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560		
Gifts of certified ecologically sensitive land closing balance	580		

Amounts carried forward – Gifts of certified ecologically sensitive land

Year of origin:		Federal	Quebec	Alberta
1 st prior year	2007			
2 nd prior year	2006			
3 rd prior year	2005			
4 th prior year	2004			
5 th prior year	2003			
6 th prior year *	2002			
Total				

* These donations expired in the current year.

Part 6 – Additional deduction for gifts of medicine

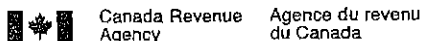
	Federal	Quebec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			
Deduct: Additional deduction for gifts of medicine expired five tax years	639		
Additional deduction for gifts of medicine at the beginning of the tax year	640		
Add: Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650		
Additional deduction for gifts of medicine for the current year:			
Proceeds of disposition	602	1	1
Cost of gifts of medicine	601	2	2
Subtotal (line 1 minus line 2)		3	3
Line 3 multiplied by 50 %		4	4
Eligible amount of gifts	600	5	5
<p>Federal</p> <p>A $\times \left(\frac{B}{C} \right) =$ Additional deduction for gifts of medicine for the current year 610</p> <p>Quebec</p> <p>A $\times \left(\frac{B}{C} \right) =$ Additional deduction for gifts of medicine for the current year</p> <p>Alberta</p> <p>A $\times \left(\frac{B}{C} \right) =$ Additional deduction for gifts of medicine for the current year</p> <p>where: A is the lesser of line 2 and line 4 the eligible amount of gifts (line 600) B is the proceeds of disposition (line 602)</p>			
Subtotal (line 650 plus line 610)			
Deduct: Adjustment for an acquisition of control	655		
Total additional deduction for gifts of medicine available			
Deduct: Amount applied against taxable income (enter this amount on line 315 of the T2 return)	660		
Additional deduction for gifts of medicine closing balance	680		

Amounts carried forward – Additional deduction for gifts of medicine

		Federal	Quebec	Alberta
Year of origin:				
1 st prior year	2007			
2 nd prior year	2006			
3 rd prior year	2005			
4 th prior year	2004			
5 th prior year	2003			
6 th prior year *	2002			
Total				

* These donations expired in the current year.

Canada



**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND
PART IV TAX CALCULATION**

SCHEDULE 3

Name of corporation Hydro One Brampton Networks Inc.	Business Number 86486 7635 RC0001	Tax year end Year Month Day 2008-12-31
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- This schedule is for the use of any corporation to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
 - taxable dividends paid for purposes of a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the sections about Schedule 3 in the *T2 Corporation Income Tax Guide*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- "1" under column B if the payer corporation is connected.
- Enter in column F1, the amount of dividends received reported in column 240 that are eligible.
- Under column F2, enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received during the taxation year

Do not include dividends received from foreign non-affiliates.

Complete if payer corporation is connected

Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)	A	B	C Business Number	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD	E Non-taxable dividend under section 83
200		205	210	220	230
1		2			
Total					

Note: If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

			If payer corporation is not connected, leave these columns blank.		
F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	F1 Eligible dividends	F2	G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	I Part IV tax before deductions $F \times 1 / 3 *$
240			250	260	270
1					
Total (enter amount of column F on line 320 of the T2 return)					
					J

For dividends received from connected corporations:

Part IV tax equals: $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$

- * Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
- Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)

Deduct:

Part IV tax payable on dividends subject to Part IV tax **320**

Subtotal

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax x 1 / 3 =

Part IV tax payable (enter amount on line 712 of the T2 return) **360**

Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund

A		B	C	D
Name of connected recipient corporation		Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations
		410	420	430
1	Hydro One Inc.	86999 4731 RC0001	2008-12-31	10,000,000
2				

Note

If your corporation's taxation year end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

Total **10,000,000**

Total taxable dividends paid in the taxation year to other than connected corporations **450**

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (total of column D above plus line 450) **460** 10,000,000

Part 4 – Total dividends paid in the taxation year

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) 10,000,000

Other dividends paid in the taxation year (total of 510 to 540) **500** 10,000,000

Total dividends paid in the taxation year

Deduct:

Dividends paid out of capital dividend account **510**

Capital gains dividends **520**

Dividends paid on shares described in subsection 129(1.2) **530**

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year **540**

Subtotal **10,000,000**

Total taxable dividends paid in the taxation year for purposes of a dividend refund

Canada

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under regulation 1101(5q)?

101 1 Yes ☐ 2 No ☒

1 Class number (See Note)	2 Description	3 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	4 Cost of acquisitions during the year (new property must be available for use)**	5 Net adjustments**	6 Proceeds of dispositions during the year (amount not to exceed the capital cost)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	8 Reduced undepreciated capital cost	9 CCA rate %	10 Recapture of capital cost allowance (line 107 of Schedule 1)	11 Terminal loss (line 404 of Schedule 1)	12 Capital cost allowance (column 7 multiplied by column 8; or a lower amount) (line 403 of Schedule 1)****	13 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
200		201	203	205	207	211		212	213	215	217	220
1		153,500,018	1,283,556	-4,255	0	641,778	154,137,541	4	0	0	6,165,502	148,613,817
2		30,180,661			0		30,180,661	6	0	0	1,810,840	28,369,821
3		585,088	84,367		0	42,184	627,271	20	0	0	125,454	544,001
4		3,022,175	208,556		5,123	101,717	3,123,891	30	0	0	937,167	2,286,441
5		570,167			0		570,167	45	0	0	256,575	313,592
6		276,310	184,032		0	92,016	368,326	100	0	0	368,326	92,016
7		47,333,799	24,506,713		9,263	12,248,725	59,582,524	8	0	0	4,766,602	67,064,647
8		2,293,431			0		2,293,431	5	0	0	114,672	2,178,759
9		237,861	150,534		0	75,267	313,128	55	0	0	172,220	216,175
	Total	237,999,510	26,417,758	-4,255	14,386	13,201,687	251,196,940				14,717,358	249,681,269

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.

Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.

*** The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance - General Comments*.

**** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

Hydro One Brampton Networks Inc.
Account/ Business No.: 864867635

Year Ended: 2008-12-31

Sch.08
Supplementary

Subsection 13(7.4) Election

Included in this return is an election under subsection 13(7.4) with respect to amounts that would normally be included in income under paragraph 12(1)(x). The amount in respect of which the election was made, and so was not included in income but was the amount by which the cost of depreciable property was reduced, is \$16,082,800.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporations(s)

	Name 100	Country of residence (if other than Canada) 200	Business Number (Canadian corporation only) (see note 1) 300	Relationship code (see note 2) 400	Number of common shares owned 500	% of common shares owned 550	Number of preferred shares owned 600	% of preferred shares owned 650	Book value of capital stock 700
1.	Hydro One Inc.		86999 4731 RC0001	1	2,000	100.000			51,501,490
2.	Hydro One Networks Inc.		87086 5821 RC0001	3					
3.	Hydro One Remote Communities In		87083 6269 RC0001	3					
4.	Hydro One Telecom Inc.		86800 1066 RC0001	3					
5.	Hydro One Telecom Link Limited		88786 7513 RC0001	3					
6.	Hydro One Lake Erie Link Managem		87892 1519 RC0001	3					
7.	Hydro One Lake Erie Link Company		87560 6519 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.

Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

Canada

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")	200	28,304,887	A
Add: Cost of eligible capital property acquired during the taxation year	222	7,069	
Other adjustments	226		
Subtotal (line 222 plus line 226)		7,069	
		$\times 3 / 4 =$	5,302 B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	$\times 1 / 2 =$	C
		5,302	
amount B minus amount C (if negative, enter "0")			5,302 D
Amount transferred on amalgamation or wind-up of subsidiary	224		E
Subtotal (add amounts A, D, and E)	230	28,310,189	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H
Other adjustments	246		I
(add amounts G,H, and I)		$\times 3 / 4 =$	248 J
Cumulative eligible capital balance (amount F minus amount J)		28,310,1	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249		
amount K		28,310,189	
less amount from line 249			
Current year deduction		28,310,189	
		$\times 7.00 \% =$	250 1,981,713 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		1,981,713	1,981,713 L
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	26,328,476	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

N

C
P
C
F
S
T

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
1	OPEB	5,343,000		396,000		5,739,000
2	Legal Claim Provision			2,500		2,500
3	Allow. for Doubtful Accounts					
4	Regulatory Accounts	6,325,560		5,337,520		11,663,080
5	Other Regulatory Liabilities			1,100,000		1,100,000
6	Enviromental Liabilites		1,554,868			1,554,868
7						
	Reserves from Part 2 of Schedule 13					
	Totals	11,668,560	1,554,868	6,836,020		20,059,448

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

DEFERRED INCOME PLANS

Name of corporation	Business Number	Tax year end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

Type of plan (see note 1)	Amount of contribution \$ (see note 2)	Registration number (RPP, RSUBP, and DPSP only)	Name of EPSP trust	Address of EPSP trust	T4PS slip(s) filed by: (see note 3) (EPSP only)
100	200	300	400	500	600
1	1,095,120	0345983	Ontario Municipal Employees Retirement Sy.	1 University Ave Suite 1000 Toronto ON CA M5J 2P1	

Note 1: Enter the applicable code number:

- 1 – RPP
- 2 – RSUBP
- 3 – DPSP
- 4 – EPSP

Note 2: You do not need to add to Schedule 1 any payments you made to deferred income plans. To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule **1,095,120 A**

Less:

Total of all amounts for deferred income plans deducted in your financial statements **1,095,120 B**

Deductible amount for contributions to deferred income plans
(amount A minus amount B) (if negative, enter "0") **C**

Enter amount C on line 417 of Schedule 1

Note 3: T4PS slip(s) filed by: 1 – Trustee
2 – Employer

Canada



INVESTMENT TAX CREDIT – CORPORATIONS

General information

- For use by a corporation that during a tax year:
 - earned an investment tax credit (ITC);
 - is claiming a deduction against its Part I tax payable;
 - is claiming a refund of credit earned during the current tax year;
 - is claiming a carryforward of credit from previous tax years;
 - is transferring a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
 - is requesting a credit carryback; or
 - is subject to a recapture of ITC.
- References to parts, sections, and subsections on this schedule are from the federal *Income Tax Act* and the federal *Income Tax Regulations*. References to interpretation bulletins and information circulars are to the latest versions.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward for credits earned in tax years that end after 1997 and a ten-year carryforward for credits earned in tax years that end before 1998. The apprenticeship job creation tax credit can only be carried back to tax years that end after May 1, 2006.
- Investments or expenditures, as defined in subsection 127(9) and Part XLVI of the federal *Income Tax Regulations*, that earn the ITC are:
 - qualified property (Parts 4 to 7);
 - qualified expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). Complete and file Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
 - pre-production mining expenditures (Parts 18 to 20);
 - apprenticeship job creation expenditures (Parts 21 to 23); and
 - child care spaces expenditures (Parts 24 to 28).
- Attach a completed copy of this schedule with the *T2 Corporation Income Tax Return*.
- For more information on ITCs, see the section called "Investment Tax Credit" in the *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release. Also, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures*.
- For information on SR&ED, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures*; Information Circular 86-4, *Scientific Research and Experimental Development*; Pamphlet T4052, *An Introduction to the Scientific Research and Experimental Development Program*; and T4088, *Guide to Form T661 Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, "investment" means:
The capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be "available for use" before a claim for an ITC can be made.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which the expenditures or capital costs were incurred.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 of the Act is not applicable for the agreement to share any income or loss. For more information, see Interpretation Bulletin IT-151. Special rules apply to specified and limited partners.
- For SR&ED expenditures made after February 22, 2005, the expression "in Canada" includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone. For SR&ED expenditures made before February 23, 2005, the expression "in Canada" generally includes the 12 nautical mile territorial sea.

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

- Part 1 – Investments, expenditures and percentages

Investments	Specified percentage
Qualified property acquired primarily for use in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, the Gaspé Peninsula, or a prescribed offshore region	10 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC) throughout the tax year, this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate.	
If you are a corporation that is not a CCPC throughout the current tax year that incurred qualified expenditures for SR&ED in any area in Canada after 1995	20 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures after 2004:	10 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment after May 1, 2006	10 %
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? **101** 1 Yes ☐ 2 No ☒

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC throughout the current tax year and the taxable income (before any loss carrybacks) for its previous tax year cannot be more than its qualifying income limit for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying corporation**, you will earn a 100% refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

Some CCPCs that are not qualifying corporations may also earn a 100% refund on their share of any ITCs earned at the 35% rate on qualified current expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified capital expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- one or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- any combination of persons referred to in a) or b) above.

- Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? **102** 1 Yes ☐ 2 No ☒

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide to the General Index of Financial Information (GIFI) for Corporations*. Enter contributions on line 350 of Part 8.

QUALIFIED PROPERTY

Part 4 – Eligible investments for qualified property from the current tax year

CCA* class number	Description of investment	Date available for use	Location used (province)	Amount of investment
105	110	115	120	125

*CCA: capital cost allowance

Total investment – enter in formula on line 240 in Part 5

Part 5 – Calculation of current-year credit and account balances – ITC from investments in qualified property

ITC at the end of the previous tax year

Deduct:

Credit deemed as a remittance of co-op corporations 210

Credit expired* 215

Subtotal 220

ITC at the beginning of the tax year

Add:

Credit transferred on amalgamation or wind-up of subsidiary 230

ITC from repayment of assistance 235

Total current-year credit: total of column 125 x 10 % = 240

Credit allocated from a partnership 250

Subtotal B

Total credit available

Deduct:

Credit deducted from Part I tax (enter on line B1 in Part 30) 260

Credit carried back to the previous year(s) (from Part 6) A

Credit transferred to offset Part VII tax liability 280

Subtotal (

Credit balance before refund B

Deduct:

Refund of credit claimed on investments from qualified property (from Part 7) 310

ITC closing balance of investments from qualified property 320

* The credit expires after 20 tax years if it was earned in a tax year ending after 1997 and 10 tax years if it was earned in a tax year ending before 1998.

Part 6 – Request for carryback of credit from investments in qualified property

	Year	Month	Day		
1st previous tax year				Credit to be applied	901
2nd previous tax year				Credit to be applied	902
3rd previous tax year				Credit to be applied	903
Total (enter on line A in Part 5)					

Part 7 – Calculation of refund for qualifying corporations on investments from qualified property

Current-year ITCs (total of lines 240 and 250 in Part 5) C

Credit balance before refund (amount B from Part 5) D

Refund (40 % of amount C or D, whichever is less) E

Enter amount E or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

SR&ED**Part 8 – Qualified expenditures for SR&ED**

Current expenditures (including contributions to agricultural organizations for SR&ED)*	350	5,975
Capital expenditures	360	4,255
Repayments made in the year (from line 560 on Form T661)	370	
Total (this must equal the amount from line 570 on Form T661)*	380	10,230

* Do not file form T661 if you are only claiming contributions made to agricultural organizations for SR&ED.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if the corporation is a CCPC throughout the current tax year.

Note: A CCPC that calculates SR&ED expenditure limit for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** 1 Yes ☒ 2 No ☐

Complete lines 390, 395 and 398, if you answered no to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).

a) Enter your taxable income for the previous tax year* (prior to any loss carry-backs applied).	390	20,000,000
b) Enter your reduced business limit** for the current tax year* (this amount cannot be more than the amount at line 4 on page 4 of the T2 return).	395	
c) Enter your taxable capital employed in Canada for the previous tax year minus \$10 million. If this amount is nil or negative, enter "0". If this amount is over \$40 million, enter \$40 million.	398	

* If either of the tax years referred to at line 390 or 395 is less than 51 weeks, multiply the taxable income or the business limit by the following result: 365 divided by the number of days in these tax years. For details on the expression "Reduced business limit," see line 652 of the T2 Corporation - Income Tax Guide.

** If the corporation is claiming only a portion of the business limit from line 4 on page 4 of the T2 return because of its association with other corporations, calculate your reduced business limit as if the corporation was not associated in the current tax year. Enter the result at line 395.

Part 10 – Calculation of SR&ED expenditure limit for a CCPC throughout the current tax year

For stand-alone corporations:

Calculation 1: tax year ends before February 26, 2008.

[((\$6,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x ((line 395 from Part 9) divided by line 4 on page 4 of the T2 return)]

Calculation 2: tax year starts after February 26, 2008.

[((\$7,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x ((\$40,000,000 minus line 398 from Part 9) divided by \$40,000,000)]

Calculation 3: tax year includes February 26, 2008.

AA + [(BB minus AA) x (CC divided by DD)] where,

AA = [(\$6,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x ((line 395 from Part 9) divided by line 4 on page 4 of the T2 return)];

BB = [(\$7,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x ((\$40,000,000 minus line 398 from Part 9) divided by \$40,000,000)];

CC = number of days in the tax year after February 25, 2008;

DD = number of days in the tax year.

Enter the amount from Calculation 1, 2 or 3, whichever is applicable

*G

For associated corporations:

If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49

400

*H

Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Line G or H \times Number of days in the tax year $\frac{366}{365}$ =

Your SR&ED expenditure limit for the year (enter the amount from line G, H, or I, whichever applies)

410

Amount G or H cannot be more than \$3,000,000 (\$2,000,000 if tax year ending before February 26, 2008).

- Part 11 - Calculation of investment tax credits on SR&ED expenditures

Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)*

420		x	35 %	=	J
430	5,975	x	20 %	=	1,195
Line 350 minus line 410 (if negative, enter "0")					
Line 410 minus line 350 (if negative, enter "0")					
Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above*					
440		x	35 %	=	M
450	4,255	x	20 %	=	851
Line 360 minus line L (if negative, enter "0")					

Repayments (amount from line 370 in Part 8)

460		x	35 %	=	
480		x	20 %	=	
Total					O

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Current-year SR&ED ITC (total of lines J, K, M, N, and O; enter on line 540 in Part 12) 2,046

* For corporations that are not CCPCs throughout the year, enter "0" on lines J and M.

- Part 12 - Calculation of current-year credit and account balances - ITC from SR&ED expenditures

ITC at the end of the previous tax year

Deduct:

Credit deemed as a remittance of co-op corporations	510	
Credit expired*	515	
Subtotal	520	

ITC at the beginning of the tax year

Add:

Credit transferred on amalgamation or wind-up of subsidiary	530	
Total current-year credit	540	2,046
Credit allocated from a partnership	550	
Subtotal	2,046	2,046

Total credit available 2,046

Deduct:

Credit deducted from Part I tax (enter on line B2 in Part 30)	560	2,046
Credit carried back to the previous year(s) (from Part 13)		P
Credit transferred to offset Part VII tax liability	580	
Subtotal	2,046	2,046

Credit balance before refund

Deduct:

Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies)	610	
ITC closing balance on SR&ED	620	

* The credit expires after 20 tax years if it was earned in a tax year ending after 1997 and 10 tax years if it was earned in a tax year ending before 1998.

- Part 13 - Request for carryback of credit from SR&ED expenditures

	Year	Month	Day	
1st previous tax year				Credit to be applied 911
2nd previous tax year				Credit to be applied 912
3rd previous tax year				Credit to be applied 913
Total (enter on line P in Part 12)				

ame of corporation

Hydro One Brampton Networks Inc.

Business Number

86486 7635 RC0001

Tax year-end
Year Month Day
2008-12-31

RECAPTURE – CHILD CARE SPACES

Part 28 – Calculating the recapture of ITC for corporations and corporate partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
 - disposed of or leased to a lessee; or
 - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))

792

ZZZ

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC

795

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property

797

Amount from line 795 or line 797, whichever is less

000

Corporate partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26 on page 13. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line PPP below.

Corporate partner's share of the excess of ITC 799

PPP

Total recapture of child care spaces investment tax credit – Add lines ZZZ, 000, and PPP
Enter amount QQQ on line A2 in Part 29.

QQQ

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC from line 00 in Part 17

A1

Recaptured child care spaces ITC from line QQQ in Part 28 above

A2

Total recapture of investment tax credit – Add lines A1 and A2
Enter amount A3 on line 602 of the T2 return.

A3

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5)

B1

ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12)

2,046

B2

ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19)

B3

ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22)

9,639

B4

ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26)

B5

Total ITC deducted from Part I tax (add lines B1, B2, B3, B4, and B5)

11,685

B6

Enter amount B6 at line 652 of the T2 return.

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Provide only one number per shareholder					
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	200	300	350	400	500
1 Hydro One Inc.	86999 4731 RC0001			100.000	
2					
3					
4					
5					
6					
7					
8					
9					
10					



GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro One Brampton Networks Inc.	86486 7635 RC0001	2008-12-31

On: 2008-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006?
Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? ☐ Yes ☐ No
If the answer to question 3 is yes, complete Part 5.

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC ☐ Yes ☒ No
If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation ☐ Yes ☒ No
If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? ☐ Yes ☐ No
If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? ☐ Yes ☐ No
If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Corporations that wound-up a subsidiary ☐ Yes ☒ No
If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? ☐ Yes ☐ No
If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? ☐ Yes ☐ No
If the answer to question 11 is yes, complete Part 3.

- Part 1 - Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year	100	22,132,824	A
Taxable income for the year (DICs enter "0")*	110	25,344,864	B
Income for the credit union deduction* (amount E in Part 3 of Schedule 17)	120		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less*	130		
Subtotal (add lines 120 and 130)			C
For a CCPC, aggregate investment income (line 440 of the T2 return)*	D		
Line B minus line C (if negative enter "0")		25,344,864	E
Amount from line D or E, whichever is less	140		F
Income taxable at the general corporate rate (line B minus lines C and F)	150	25,344,864	
After-tax income (line 150 multiplied by 68 %)	190	17,234,508	G
Eligible dividends received in the tax year	200		
Dividends deductible under section 113 received in the tax year	210		
Subtotal (add lines 200 and 210)			H
GRIP addition:			
Becoming a CCPC (line PP from Part 4)	220		
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230		
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240		
Subtotal (add lines 220, 230, and 240)		290	I
Subtotal (add lines A, G, H, and I)		39,367,332	J
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.			
Subtotal (line 300 minus line 310)			K
GRIP before adjustment for specified future tax consequences (line J minus line K) (amount can be negative)	490	39,367,332	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)	560		
GRIP at the end of the tax year (line 490 minus line 560)	590	39,367,332	
Enter this amount on line 160 on Schedule 55.			

* Note: For lines 110, 120, 130 and D, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

- Part 2 - GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560 or leave it blank.

First previous tax year 2007-12-31

Taxable income before specified future tax consequences from the current tax year	32,548,271	J1
Enter the following amounts before specified future tax consequences from the current tax year:		
Income for the credit union deduction (amount E in Part 3 of Schedule 17)		K1
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less		L1
Aggregate investment income (line 440 of the T2 return)		M1
Subtotal (add lines K1, L1, and M1)		N1
Subtotal (line J1 minus line N1) (if negative, enter "0")	32,548,271	O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R1

Aggregate investment income (line 440 of the T2 return) S1

Subtotal (add lines Q1, R1, and S1) T1

Subtotal (line P1 minus line T1) (if negative, enter "0") U1

Subtotal (line O1 minus line U1) (if negative, enter "0") V1

GRIP adjustment for specified future tax consequences to first previous tax year (line V1 multiplied by 68 %) ... **500**

Second previous tax year 2006-12-31

Taxable income before specified future tax consequences from the current tax year 24,316,024 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L2

Aggregate investment income (line 440 of the T2 return) 48,654 M2

Accelerated tax reduction (line 637 of T2 return) multiplied by 100/7 48,654

Subtotal (add lines K2, L2, and M2) 48,654 N2

Subtotal (line J2 minus line N2) (if negative, enter "0") 24,267,370 O2

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R2

Aggregate investment income (line 440 of the T2 return) S2

Accelerated tax reduction (line 637 of T2 return) multiplied by 100/7 48,654

Subtotal (add lines Q2, R2, and S2) T2

Subtotal (line P2 minus line T2) (if negative, enter "0") U2

Subtotal (line O2 minus line U2) (if negative, enter "0") V2

GRIP adjustment for specified future tax consequences to second previous tax year (line V2 multiplied by 68 %) ... **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2005-12-31

Taxable income before specified future tax consequences from

current tax year J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L3

Aggregate investment income (line 440 of the T2 return) M3

Accelerated tax reduction (line 637 of T2 return) multiplied by 100/7

Subtotal (add lines K3, L3, and M3) N3

Subtotal (line J3 minus line N3) (if negative, enter "0") O3

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R3

Aggregate investment income (line 440 of the T2 return) S3

Accelerated tax reduction (line 637 of T2 return) multiplied by 100/7

Subtotal (add lines Q3, R3, and S3) T3

Subtotal (line P3 minus line T3) (if negative, enter "0") U3

Subtotal (line O3 minus line U3) (if negative, enter "0") V3

GRIP adjustment for specified future tax consequences to third previous tax year (line V3 multiplied by 68 %) ... **540**

Total GRIP adjustment for specified future tax consequences to previous tax years: (add lines 500, 520, and 540) (if negative, enter "0") W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or DIC in its last tax year)

nb. 1 Post amalgamation ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or DIC in its last tax year. In the calculation below, corporation means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for each predecessor and each subsidiary that was a CCPC or DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year AA

Eligible dividends paid by the corporation in its last tax year BB

Excessive eligible dividend designations made by the corporation in its last tax year CC

Subtotal (line BB minus line CC) DD

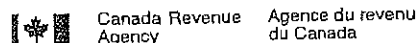
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or DIC in its last tax year) EE

(line AA minus line DD)

For you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

SCHEDULE 55



PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

of corporation Hydro One Brampton Networks Inc.	Business Number 86486 7635 RC0001	Tax year-end Year Month Day 2008-12-31
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Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool Calculation (LRIP)*; whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- Parts, subsections, and paragraphs mentioned in this schedule refer to the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____
Taxable dividends paid in the tax year included in Schedule 3	10,000,000
Total taxable dividends paid in the tax year	100 10,000,000
Eligible dividends paid in the tax year	150 _____
GRIP at the end of the year (line 590 on Schedule 53) (if negative, enter "0")	160 39,367,332
Excessive eligible dividend designation (line 150 minus line 160)	_____ A
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (line A multiplied by 20%)	x 20 % 190 _____
Enter the amount from line 190 at line 710 of the T2 return.	

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____
Taxable dividends paid in the tax year included in Schedule 3	_____
Total taxable dividends paid in the tax year	200 _____
Total excessive eligible dividend designations in the tax year (line A of Schedule 54)	_____ B
Part III.1 tax on excessive eligible dividend designations – Other corporations (line B multiplied by 20%)	x 20 % 290 _____
Enter the amount from line 290 at line 710 of the T2 return.	

SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT (SR&ED) EXPENDITURES CLAIM

Use this form:

- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:

- Schedule T2SCH31, *Investment Tax Credit – Corporations*, or
- Form T2038(IND), *Investment Tax Credit (Individuals)*.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, *Guide to Form T661*, which is available on our Web site: www.cra.gc.ca/sred.

Part 1 – General information

Complete this part for the business making the claim.

010 Name of claimant Hydro One Brampton Networks Inc.		Enter one of the following: Incorporated business: <u>86486 7635 RC0001</u> Business Number (BN)	
Tax year From: <u>2008-01-01</u> Year Month Day To: <u>2008-12-31</u> Year Month Day		Individual: Social Insurance Number (SIN)	
Total number of projects you are claiming this tax year: 1		Partnership: Partnership Identification Number (PIN)	
100 Contact person for the financial information TONY PAUL		105 Telephone number/extension (905) 452-5505	110 Fax number (905) 940-1915
115 Contact person for the technical information Ralph Williams		120 Telephone number/extension (905) 452-5516	125 Fax number (905) 840-1915

151 If this claim is filed for a partnership, was Form T5013 filed? 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
If you answered no to line 151, complete lines 153, 156 and 157.			
153	Name of Partners	156 %	157 BN or SIN
1			
2			
3			
4			
5			

Part 2 – Project information

See schedule

Complete a separate Part 2 for each project claimed this year.

CRA internal form identifier 060

Section A – Project identification

200 Project title (and identification code if applicable)

202 Project start date

Year Month

204 Completion or expected completion date

Year Month

206 Field of science or technology code
(See guide for list of codes)

Project history

208 1 ☐ Continuation of a previously claimed project

210 1 ☐ First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses?

1 ☐ Yes

2 ☐ No

If you answered yes to line 218, complete lines 200 and 221.

220 Names of the businesses

221 BN

1

2

3

The work was carried out (check any that apply)

222 1 ☐ By analysis only

226 1 ☐ In a commercial plant or facility

223 1 ☐ In a laboratory

228 1 ☐ Others, specify

229

224 1 ☐ In a dedicated research facility

Purpose of the work

230 1 ☐ To achieve technological advancement for the purpose of creating new or improving existing materials, devices, products or processes.
(Go to Section B – Experimental development)

232 1 ☐ For the advancement of scientific knowledge
(Go to Section C – Basic or applied research)

Section B – Experimental development

The technological advancement you are trying to achieve with this work will result in:

	Materials, devices, or products	Processes
The development of new	235 1 <input type="checkbox"/>	236 1 <input type="checkbox"/>
The improvement of existing	237 1 <input type="checkbox"/>	238 1 <input type="checkbox"/>

240 What technological advancements were you trying to achieve? (Maximum 35 lines)

242 What technological obstacles did you have to overcome to achieve those advancements? (Maximum 35 lines)

244 What work did you perform in the tax year to overcome those technological obstacles? (Summarize the systematic investigation) (Maximum 70 lines)

Part 2 – Project information (continued)

Section C – Basic or applied research

250 Describe the scientific knowledge that you were trying to advance. (Maximum 35 lines)

252 Summarize the work performed in the tax year, and explain how that work contributed to the advancement of scientific knowledge. (Summarize the systematic investigation) (Maximum 70 lines)

Section D – Additional project information

Who prepared the responses for Section B or Section C?

253 1 ☐ Employee directly involved in the project 254 Name

255 1 ☐ Other employee of the company 256 Name

257 1 ☐ External consultant 258 Name 259 Firm

List three key employees directly involved in the project and indicate their qualifications.

260	Names	261	Qualifications/experience and position title
1			
2			
3			

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 ☐ Yes 2 ☐ No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 ☐ Yes 2 ☐ No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 ☐ Yes 2 ☐ No

If you answered yes to line 267, complete lines 268 and 269.

268	Names of individuals or companies	269	Social Insurance Number or Business Number
1			
2			

What evidence do you have to support your claim? (Check any that apply)

You do not need to submit the evidence with the claim. However, you are required to retain them in the event of a review.

270 1 <input type="checkbox"/> Project planning documents	276 1 <input type="checkbox"/> Progress reports, minutes of project meetings
271 1 <input type="checkbox"/> Records of resources allocated to the project, time sheets	277 1 <input type="checkbox"/> Test protocols, test data, analysis of test results, conclusions
272 1 <input type="checkbox"/> Design of experiments	278 1 <input type="checkbox"/> Photographs and videos
273 1 <input type="checkbox"/> Project records, laboratory notebooks	279 1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts
274 1 <input type="checkbox"/> Design, system architecture and source code	280 1 <input type="checkbox"/> Contracts
275 1 <input type="checkbox"/> Records of trial runs	281 1 <input type="checkbox"/> Others, specify 282

Section E – Project cost

Project expenditures claimed in the year:

285	Salary or wages	\$
286	Materials consumed and transformed	\$
287	SR&ED contracts	\$
289	Overhead and other expenses (if you use the traditional method in Part 3)	\$

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITCs) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

- 160** ☒ I elect to use the proxy method
(Tip: enter "0" on line 360. Complete Part 5 and no need to track any expenditure incurred for overhead)
- 162** ☐ I choose to use the traditional method
(Tip: Enter "0" on line 355. Complete line 360, and track any expenditure incurred for overhead)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	3,184
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	3,184
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	788
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts	340	+	
b) Non-arm's length contracts	345	+	
• Lease costs of equipment used:			
a) All or substantially all (90% of the time or more) for SR&ED	350	+	
b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method)	355	+	
• Overhead and other expenditures (enter "0" if you use the proxy method)	360	+	
Third-party payments (complete Form T1263*)	370	+	
Total current SR&ED expenditures (add lines 306 to 370; do not add line 315) (Tip: Corporations may need to adjust line 118 of schedule T2SCH1)	380	=	3,972
• Capital Expenditures (see guide for what qualifies for SR&ED) (Tip: These capital expenditures should not be included on schedule T2SCH8)	390	+	4,255
Total allowable SR&ED expenditures (add lines 380 and 390)	400	=	8,227

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

Amount from line 400	420		8,227
Less			
• provincial government assistance for expenditures included on line 400	429	–	
• other government assistance for expenditures included on line 400	431	–	
• non-government assistance for expenditures included on line 400	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (see guide)	435	–	75,134
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	-66,907
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	
• Deduction claimed in the year (Tip: Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes

The resulting amount is used to calculate your refundable and/or non refundable ITCs.

Enter the breakdown between current and capital expenditures

		Current Expenditures		Capital Expenditures
Total expenditures for SR&ED (from line 380 and 390)	492	3,972	496	4,255
Add				
• payment of prior years' unpaid amounts (other than salary or wages)	500	+		
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502	+	2,003	
• expenditures on shared-use equipment (see guide)			504	+
• qualified expenditures transferred to you (complete Form T1146**)	508	+	510	+
Subtotal (add lines 492 to 508, and add lines 496 to 510)	511	=	5,975	512 = 4,255
Less				
• provincial government assistance	513	-	514	-
• other government assistance	515	-	516	-
• non-government assistance and contract payments	517	-	518	-
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	520	-		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	528	-		
• prescribed expenditures not allowed by regulations (see guide)	530	-	532	-
• other deductions (see guide)	533	-	535	-
• non-arm's length transactions				
– assistance allocated to you (complete Form T1145*)	538	-	540	-
– expenditures for non-arm's length SR&ED contracts (from line 345)	541	-		
– purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542	-	543	-
– qualified expenditures you transferred (complete Form T1146**)	544	-	546	-
Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	557	=	5,975	558 = 4,255
Qualified SR&ED expenditures (add lines 557 and 558)			559 =	10,230
Add				
• repayments of assistance and contract payments made in the year			560	+
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)			570 =	10,230

* Form T1145, *Agreement to Allocate Assistance Between Persons Not Dealing at Arm's Length for Scientific Research and Experimental Development (SR&ED)*

** Form T1146, *Agreement to Transfer Between Persons Not Dealing at Arm's Length Qualified Expenditures Incurred in Respect of Scientific Research and Experimental Development (SR&ED) Contracts*

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162). You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from line 300 and 307)	810 +	3,184
Less:		
Bonuses, remuneration based on profits, and taxable benefits that were included on line 810	812 -	102
Subtotal (line 810 minus 812)	814 =	3,082

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Name of Specified Employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits	% of the time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less
1.					
(Enter total of column 6 on line 816)					816 +
Salary base (total of lines 814 and 816)					818 = 3,082

Section B – Prescribed proxy amount (PPA)

Enter 65% of the salary base (line 818 x 65%)	820 =	2,003
Enter the amount from line 820 on line 502 in Part 4 unless the overall cap on PPA applies to you.		

Overall cap on PPA

The amount you can claim on line 502 in Part 4 is limited to the expenses of your business minus certain specific deductions such as rent for a building, capital cost allowance, and interest expense. (See the guide for an explanation)

Part 6 – Additional information

Expenditures for SR&ED performed by you (line 400 minus lines 340, 345, and 370)		605	8,227
From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.			
		Canadian (%)	Foreign (%)
Internal	600	100.000	
Parent companies, subsidiaries, and affiliated companies	602		604
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606		
Federal contracts	608		
Provincial funding	610		
SR&ED contract work performed for other companies on their behalf	612		614
Other funding (e.g., universities, foreign governments)	616		618
Enter the number of SR&ED personnel:			
Scientists and engineers		632	
Technologists and technicians		634	1
Managers and administrators		636	
Other technical supporting staff		638	

Part 7 – Claim checklist

Documents required for a complete claim. Make sure you have:

1. used the current version of this form ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 ☒
3. completed Part 2 for each project ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures ☒
5. filed a completed Form T1145, T1146, T1174* and/or T1263 including any required attachments, if applicable ☒

To expedite processing your claim, make sure you have:

1. completed Form T2, *Corporation Income Tax Return* or Form T1, *Income Tax and Benefit Return* ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable ☒
3. retained documents to support the SR&ED expenditures you claimed ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 ☒

* Form T1174, *Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)***Part 8 – Certification**

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 TONY PAUL

Name of authorized signing officer of the corporation, or individual

Signature

170

Date

175 PricewaterhouseCoopers LLP

Name of person/firm who completed this form



Ministry of Revenue
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2007

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2004

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) Annual Return. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the **Corporations Information Act** for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) ☐ Yes ☒ No **Page 1 of 20**

Corporation's Legal Name (including punctuation) Hydro One Brampton Networks Inc.			Ontario Corporations Tax Account No. (MOF) 1800040		
Mailing Address 175 Sandalwood Parkway West Brampton ON CA L7A 1E8			This Return covers the Taxation Year Start 2008-01-01 End 2008-12-31		
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of Change 2000-05-01			Date of Incorporation or Amalgamation 2000-05-01		
Registered/Head Office Address 175 Sandalwood Parkway West Brampton ON CA L7A 1E8			Ontario Corporation No. (MGS) 1414330		
Location of Books and Records			Canada Revenue Agency Business No. If applicable, enter 864867635 RC0001		
Name of person to contact regarding this CT23 Return TONY PAUL		Telephone No. (905) 452-5505	Fax No. (905) 840-0967		
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS) Ontario Canada			Jurisdiction Incorporated Ontario		
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MGS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced 2008-01-01 Ceased 2008-12-31 <input checked="" type="checkbox"/> Not Applicable		
Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). No. of Schedule(s) 1			Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English <input type="checkbox"/> French <input checked="" type="checkbox"/> anglais <input type="checkbox"/> français		
If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). <input checked="" type="checkbox"/> No Change			Ministry Use 		

Certification (MGS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person (Print clearly or type in full)

TONY PAUL

Title ☐ Director ☐ Officer ☒ Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the **Corporations Information Act** provide penalties for making false or misleading statements or omissions.

Hydro One Brampton Networks Inc.

1800040

2008-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

- 1** ☒ Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 ☐ Other Private
- 3 ☐ Public
- 4 ☐ Non-share Capital
- 5 ☐ Other (specify) ▼

Share Capital with full voting rights
owned by Canadian Residents

(nearest percent)

100 %

- 2** ☐ Family Farm corporation s.1(2)
- 2 ☐ Family Fishing corporation s.1(2)
- 3 ☐ Mortgage Investment corporation s.47
- 4 ☐ Credit Union s.51
- 5 ☐ Bank Mortgage subsidiary s.61(4)
- 6 ☐ Bank s.1(2)
- 7 ☐ Loan and Trust corporation s.61(4)
- 8 ☐ Non-resident corporation s.2(2)(a) or (b)
- 9 ☐ Non-resident corporation s.2(2)(c)
- 10 ☐ Mutual Fund corporation s.48
- 11 ☐ Non-resident owned investment corporation s.49
- 12 ☐ Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 ☐ Bare Trustee corporation
- 15 ☐ Branch of Non-resident s.63(1)
- 16 ☐ Financial institution prescribed by Regulation only
- 17 ☐ Investment Dealer
- 18 ☐ Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 ☒ Hydro successor, municipal electrical utility or subsidiary of either
- 20 ☐ Producer and seller of steam for uses other than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative corporation
- 23 ☐ Professional corporation (incorporated professionals only)

- ☐ This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)
- ☐ Amended Return
- ☐ Taxation year end change – Canada Revenue Agency approval required
- ☐ Final taxation year up to dissolution (Note: for discontinued businesses, see guide.)
- ☐ Final taxation year before amalgamation
- ☐ The corporation has a floating fiscal year end
- ☐ There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- ☐ There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year
- If checked, date control was acquired

year	month	day
------	-------	-----
- ☐ The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)
- ☐ First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)
- ☐ Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes No

- ☐ ☒ Was the corporation inactive throughout the taxation year?
- ☒ ☐ Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

- ☐ ☒ the Carry-back of a Loss?
- ☒ ☐ an Overpayment?
- ☐ ☒ a Specified Refundable Tax Credit?
- ☐ ☒ Are you a member of a Partnership or Joint Venture?

Complete if applicable

Ontario Retail Sales Tax Vendor
Permit no. (Use head office no.)

0434-398

Ontario Employer Health Tax
Account no. (Use head office no.)

111437811

Specify major business activity

Electricity

Distributor

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15) - - - - -

Subtract: Charitable donations - - - - -

Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2) - - - - -

Subtract: Taxable dividends deductible, per federal Schedule 3 - - - - -

Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R) - - - - -

Subtract: Federal Part VI.1 tax - - - - - x 3

Subtract: Prior years' losses applied - Non-capital losses - - - - -

From 715
Net capital losses (page 16) - - - - - x inclusion rate

Farm losses - - - - -

Restricted farm losses - - - - -

Limited partnership losses - - - - -

Taxable Income (Non-capital loss) - - - - -

Addition to taxable income for unused foreign tax deduction for federal purposes - - - - - + 11

Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11) - - - - - = 20 25,269,730

Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days

Days after Dec. 31, 2003 Total Days

From 10 (or 20 if applicable) 25,269,730 x 30 100.0000% x 12.5% x 33 73 366 = + 29

From 10 (or 20 if applicable) 25,269,730 x 30 100.0000% x 14% x 34 366 73 366 = + 32 3,537,762

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 3,537,762

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) - - - - - 50

Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) + 51

Add: Losses of other years deducted for federal purposes (fed.s.111) + 52

Subtract: Losses of other years deducted for Ontario purposes (s.34) - 53

= 54

Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1) - - - - - 55

Ontario Business Limit Calculation

320,000 x 31 366 = + 46

400,000 x 34 366 = + 47

Business Limit for Ontario purposes 46 + 47 = 44 500,000 x 48 100.0000% = 45 500,000

Income eligible for the IDSBC - - - - - From 30 100.0000% x 56 = 60

***Ontario Allocation Least of 50, 54 or 45

* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5

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CORPORATE TAXPREP - 2007 CTZ3 - 2009 V.1 - 080A

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)

110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.

Eligible Canadian Profits + 120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - From 56

Add: Adjustment for Surtax on Canadian-controlled private corporations

$$\frac{\text{From } 100}{100} \div \frac{\text{From } 30}{30} \times 100.0000\% \div \frac{\text{From } 78}{78} \times 8.5000\% = 121$$

*Ontario Allocation

Lesser of 56 or 121 + 122

120 - 56 + 122 = 130

Taxable Income + From 10 25,269,730

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - From 56

Add: Adjustments for Surtax on Canadian-controlled private corporations + From 122

Subtract: Taxable Income 10 25,269,730 X Allocation % to jurisdictions outside Canada - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - 141

10 - 56 + 122 - 140 - 141 = 142 25,269,730

m

		Number of Days in Taxation Year			
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
143	X From 30 100.0000% X 1.5% X	33	366	= +	154
Lesser of 130 or 142 Ontario Allocation					
143	X From 30 100.0000% X 2% X	34	366	= +	156
Lesser of 130 or 142 Ontario Allocation					

M&P claim for taxation year 154 + 156 = 160

* Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule)

170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 Credit Claimed 180

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190 3,537,762

continued on Page 7

Hydro One Brampton Networks Inc.

1800040

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DOLLARS ONLY

Income Tax continued from Page 6**Specified Tax Credits** (Refer to Guide)**Ontario Innovation Tax Credit (OITC) (s.43.3)** Applies to scientific research and experimental development in Ontario.

Eligible Credit From 5620 OITC Claim Form (Attach original Claim Form)

+ 191

Co-operative Education Tax Credit (CETC) (s.43.4) Applies to employment of eligible students.

Eligible Credit From 5798 CT23 Schedule 113 (Attach Schedule 113)

+ 192 4,840

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204

Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)

+ 193

(Attach the original Certificate of Eligibility)

Graduate Transitions Tax Credit (GTTC) (s.43.6)

Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.

Eligible Credit From 6598 CT23 Schedule 115 (Attach Schedule 115)

No. of Graduates From 6596

194

+ 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)

Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit From 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certificate of Eligibility)

+ 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)

Applies to labour relating to computer animation and special effects on an eligible production.

Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)

+ 197

(Attach the original Certificate of Eligibility)

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)

Applies to qualifying R&D expenditures under an eligible research institute contract.

Eligible Credit From 7100 OBRITC Claim Form (Attach original Claim Form)

+ 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)

Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.

Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)

+ 199

(Attach the original Certificate of Eligibility)

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)

Applies to qualifying labour expenditures of eligible products for the taxation year.

Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)

+ 200

(Attach the original Certificate of Eligibility)

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)

Applies to qualifying expenditures in respect of eligible Canadian sound recordings.

Eligible Credit From 7500 OSRTC Claim Form (Attach both the original Claim Form and the Certificate of Eligibility)

+ 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13)

Applies to employment of eligible apprentices.

Eligible Credit From 5898 CT23 Schedule 114 (Attach Schedule 114)

No. of Apprentices From 5896

202 5

+ 203 16,037

Other (specify)

+ 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1

= 220 20,877

Specified Tax Credits Applied to reduce Income Tax

= 225 20,877

Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative)

= 230 3,516,885

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on Page 8. If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on Page 17.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on Page 8.

Corporate Minimum Tax (CMT)

CT23 Page 8 of 20

DOLLARS ONLY

Total Assets of the corporation - - - - - + 240 366,965,976 •
 Total Revenue of the corporation - - - - - + 241 340,734,127 •

above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) 242 (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
			+ <u>243</u>	+ <u>244</u>
			+ <u>245</u>	+ <u>246</u>
			+ <u>247</u>	+ <u>248</u>
Aggregate Total Assets	<u>240</u> + <u>243</u> + <u>245</u> + <u>247</u> , etc.		= <u>249</u> 366,965,976 •	= <u>250</u> 340,734,127 •
Aggregate Total Revenue	<u>241</u> + <u>244</u> + <u>246</u> + <u>248</u> , etc.			

Determination of Applicability

Applies if either Total Assets 249 exceeds \$5,000,000 or Total Revenue 250 exceeds \$10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT (Attach Schedule 101.)

Gross CMT Payable - - CMT Base From Schedule 101 2136 19,155,154 • X From 30 100,0000 % X 4 % = 276 766,206 •
 If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule) - - - - - 277 •
 Credit: Income Tax - - - - - From 190 3,537,762 •

Net CMT Payable (If negative, enter Nil on Page 17.) - - - - - = 280 2,771,556 •

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from Page 7 to Income Tax Summary, on Page 17.

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to Page 17 and transfer 280 to Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.

CMT Credit Carryover available From Schedule 101 - - - - - From 2333 •

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) - - - - - + From 190 3,537,762 •
 Gross CMT Payable - - - - - + From 276 766,206 •
 Subtract: Foreign Tax Credit for CMT purposes - - - - - - From 277 •
 If 276 - 277 is negative, enter NIL in 290 = 766,206 •
 Income Tax eligible for CMT Credit - - - - - = 300 2,771,556 •

B. Income Tax (after deduction of specified credits) - - - - - + From 230 3,516,885 •
 Subtract: CMT credit used to reduce income taxes - - - - - - 310 •
 Income Tax - - - - - = 320 3,516,885 •
 Transfer to page 17

& B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2333.

If only B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2333.

Hydro One Brampton Networks Inc.

1800040

2008-12-31

DOLLARS ONLY

Capital Tax (Refer to Guide and Int.B. 3011R)

If your corporation is a Financial Institution (s.58(2)), complete lines **480** and **430** on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in **480** and **430** are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in **550** on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be

adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	- - - - -	+ 350	51,501,490.
Retained earnings (if deficit, deduct) (Int.B. 3012R)	- - - - -	+ 351	34,497,509.
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	- - - - -	+ 352	60,059,581.
Loans and advances (Attach schedule) (Int.B. 3013R)	- - - - -	+ 353	155,817,361.
Bank loans (Int.B. 3013R)	- - - - -	+ 354	.
Bankers acceptances (Int.B. 3013R)	- - - - -	+ 355	.
Bonds and debentures payable (Int.B. 3013R)	- - - - -	+ 356	.
Mortgages payable (Int.B. 3013R)	- - - - -	+ 357	.
Lien notes payable (Int.B. 3013R)	- - - - -	+ 358	.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	- - - - -	+ 359	.
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	- - - - -	+ 360	20,059.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	- - - - -	+ 361	.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	- - - - -	+ 362	.
Subtotal	- - - - -	= 370	321,935,389.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	- - - - -	- 371	4,407,469.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	- - - - -	- 372	.
Total Paid-up Capital	- - - - -	= 380	317,527,920.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	- - - - -	- 381	.
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation			
	- - - - -	- 382	.
Net Paid-up Capital	- - - - -	= 390	317,527,920.

Eligible Investments (Refer to Guide and Int.B. 3015R)

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	- - - - -	+ 402	.
Mortgages due from other corporations	- - - - -	+ 403	.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+ 404	.
Loans and advances to unrelated corporations	- - - - -	+ 405	.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+ 406	.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	- - - - -	+ 407	.
Total Eligible Investments	- - - - -	= 410	.

continued on Page 10

DOLLARS ONLY

Total Assets (Int.B. 3015R)		+	420	366,965,976
Total Assets per balance sheet		+	421	
Mortgages or other liabilities deducted from assets		+	422	
Share of partnership(s)/joint venture(s) total assets (Attach schedule)		-	423	
Less: Investment in partnership(s)/joint venture(s)		=	430	366,965,976
Total Assets as adjusted		+	440	
Amounts in 360 and 361 (if deducted from assets)		-	441	4,407,469
Subtract: Amounts in 371, 372 and 381		-	442	
Subtract: Appraisal surplus if booked		+	443	
Add or Subtract: Other adjustments (specify on an attached schedule)		=	450	362,558,507
Total Assets				
Investment Allowance $(\frac{410}{450}) \times 390$	Not to exceed 410	=	460	
Taxable Capital 390 - 460		=	470	317,527,920

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	340,734,127
Total Assets (as adjusted)	From 430	366,965,976

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004.

Financial Institutions use calculations on page 13.

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

B1. Calculation of Taxable Capital Deduction (TCD)

		Number of Days in Taxation Year			
		Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	x	36	÷ 73	366	= + 501
		Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days		
10,000,000	x	37	÷ 73	366	= + 502
		Days after Dec. 31, 2006 and before Jan. 1, 2008	Total Days		
12,500,000	x	38	÷ 73	366	= + 504
		Days after Dec. 31, 2007	Total Days		
15,000,000	x	39	366 ÷ 73	366	= + 505 15,000,000
Taxable Capital Deduction (TCD) 501 + 502 + 504 + 505				=	503 15,000,000

B2. This section applies to corporations to calculate the prorated capital tax rate.

Calculation of Capital Tax Rate

		Number of Days in Taxation Year			
		Days before Jan. 1, 2007	Total Days		
0.3 %	x	556	÷ 73	366	= + 511 %
		Days after Dec. 31, 2006 and before Jan. 1, 2009	Total Days		
0.225 %	x	557	366 ÷ 73	366	= + 512 0.2250 %
Capital Tax Rate 511 + 512				=	516 0.2250 %

continued on Page 11

Capital Tax Calculation *continued from Page 10***SECTION C**

This section applies if the corporation is **not** a member of an associated group and/or partnership.

C1. If and on page 10 are both \$3,000,000 or less, enter NIL in on page 12 and complete the return from that point.

C2. If Taxable Capital in is equal to or less than the TCD in , enter NIL in on page 12 and complete the return from that point.

C3. If Taxable Capital in exceeds the TCD in , complete the following calculation and transfer the amount from to on page 12, and complete the return from that point.

$$\begin{array}{rcl}
 + & \text{From } \text{470} & \cdot \\
 - & \text{From } \text{503} & \cdot \\
 = & \text{471} & \cdot
 \end{array}
 \times
 \begin{array}{c}
 \text{From } \text{30} \\
 \text{Ontario Allocation}
 \end{array}
 \times
 \begin{array}{c}
 \text{100.0000} \% \\
 \text{Ontario Allocation}
 \end{array}
 \times
 \begin{array}{c}
 \text{From } \text{516} \\
 \text{Capital Tax Rate}
 \end{array}
 \times
 \begin{array}{c}
 \text{Days in taxation year} \\
 \text{555} \quad \text{366} \\
 \text{366 (366 if leap year)} \\
 \text{If floating taxation year,} \\
 \text{refer to Guide.}
 \end{array}
 = + \text{523} \cdot$$

Transfer to on page 12 and complete the return from that point

SECTION D

This section applies **ONLY** to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either or and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital on page 10 is equal to or less than the TCD on page 10, enter NIL in on page 12 and complete the return from that point.

If Taxable Capital on page 10 exceeds the TCD on page 10, proceed to **Section E**, enter the TCD amount in in Section E, and complete Section E and the return from that point.

D2. ☒ (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

D2. Calculation is on next page

continued on Page 12

Hydro One Brampton Networks Inc.

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DOLLARS ONLY

Capital Tax *continued from Page 12***Calculation of Capital Tax for Financial Institutions****1.1 Credit Unions only**For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.**1.2 Other than Credit Unions**(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)

$$\begin{array}{rcl}
 \text{565} & \times & \text{567} \% \times \text{From } 30 \text{ } 100.0000 \% \times \text{555 } 366 \text{ } - - - = + \text{569} \\
 \text{Lesser of adjusted} & & \text{Capital Tax Rate (1)} & & \text{Ontario Allocation} & & \text{Days in taxation year} \\
 \text{Taxable Paid Up Capital} & & \text{(Refer to Guide)} & & * 366 & & (366 \text{ if leap year}) \\
 \text{and Basic Capital Amount} & & & & & & \\
 \text{in accordance with} & & & & & & \\
 \text{Division B.1} & & & & & &
 \end{array}$$

$$\begin{array}{rcl}
 \text{570} & \times & \text{571} \% \times \text{From } 30 \text{ } 100.0000 \% \times \text{555 } 366 \text{ } - - - = + \text{574} \\
 \text{Adjusted Taxable} & & \text{Capital Tax Rate (2)} & & \text{Ontario Allocation} & & \text{Days in taxation year} \\
 \text{Paid Up Capital} & & \text{(Refer to Guide)} & & * 366 & & (366 \text{ if leap year}) \\
 \text{in accordance with} & & & & & & \\
 \text{Division B.1 in excess} & & & & & & \\
 \text{of Basic Capital Amount} & & & & & &
 \end{array}$$

$$\text{Capital Tax for Financial Institutions - other than Credit Unions (before Section 2)} \quad \text{569} + \text{574} = \text{575}$$

* If floating taxation year, refer to Guide.

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

$$\begin{array}{rcl}
 \text{Allowable Credit for Eligible Investments} & - & \text{585} \\
 \text{Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X)} & \square & \text{Yes}
 \end{array}$$

$$\text{Capital Tax - Financial Institutions} \quad \text{575} - \text{585} = \text{586}$$

Transfer to **543** on Page 12

Premium Tax (s.74.2 & 74.3) (Refer to Guide)

$$\begin{array}{rcl}
 \text{(1) Uninsured Benefits Arrangements} & - & \text{587} \times 2 \% = \text{588} \\
 \text{Applies to Ontario-related uninsured benefits arrangements.} & &
 \end{array}$$

$$\begin{array}{rcl}
 \text{(2) Unlicensed Insurance (enter premium tax payable in } \text{588} \text{ and attach a detailed schedule of calculations. If subject to tax under} & & \\
 \text{(1) above, add both taxes together and enter total tax in } \text{588} \text{.)} & & \\
 \text{Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with} & & \\
 \text{unlicensed insurers.} & &
 \end{array}$$

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \quad - \text{589}$$

$$\text{Premium Tax} \quad \text{588} - \text{589} = \text{590}$$

Transfer to page 17

DOLLARS ONLY

**Reconcile net income (loss) for federal income tax purposes
with net income (loss) for Ontario purposes if amounts differ**

Net income (loss) for federal income tax purposes, per federal T2 Schedule 1 ± [600] 25,349,977 •
Transfer to Page 15

Add:

Federal capital cost allowance	+ [601] 14,717,358 •
Federal cumulative eligible capital deduction	+ [602] 1,981,713 •
Ontario taxable capital gain	+ [603] •
Federal non-allowable reserves, Balance beginning of year	+ [604] 13,223,428 •
Federal allowable reserves, Balance end of year	+ [605] •
Ontario non-allowable reserves, Balance end of year	+ [606] 20,059,448 •
Ontario allowable reserves, Balance beginning of year	+ [607] •
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ [608] •
Federal resource allowance (Refer to Guide)	+ [609] •
Federal depletion allowance	+ [610] •
Federal foreign exploration and development expenses	+ [611] •
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	+ [617] •
Management fees, rents, royalties and similar payments to non-arm's length non-residents ▼	

Number of Days in Taxation Year

[612] × 5 / 12.5 × [33] ÷ 73 = 366	Total Days	[633]
[612] × 5 / 14 × [34] ÷ 73 = 366	Total Days	[634]

Total add-back amount for Management fees, etc. [633] + [634] = + [613]

Federal Scientific Research Expenses claimed in year from line [460] of fed. form T661
excluding any negative amount in [473] from Ont. CT23 Schedule 161 + [615] •

Add any negative amount in [473] from Ont. CT23 Schedule 161 + [616] •

Federal allowable business investment loss + [620] •

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + [614] •

Total of Additions [601] to [611] + [617] + [613] + [615] + [616] + [620] + [614] = 49,981,947 • [640] 49,981,947 •
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under [675])	+ [650] 14,717,358 •
Ontario cumulative eligible capital deduction	+ [651] 1,981,713 •
Federal taxable capital gain	+ [652] •
Ontario non-allowable reserves, Balance beginning of year	+ [653] 13,223,428 •
Ontario allowable reserves, Balance end of year	+ [654] •
Federal non-allowable reserves, Balance end of year	+ [655] 20,059,448 •
Federal allowable reserves, Balance beginning of year	+ [656] •
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	+ [657] •
Ontario depletion allowance	+ [658] •
Ontario resource allowance (Refer to Guide)	+ [659] •
Ontario current cost adjustment (Attach schedule)	+ [661] •
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ [675] •

Subtotal of deductions for this page [650] to [659] + [661] + [675] = [681] 49,981,947 •
Transfer to Page 15

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Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ
continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - From + **600** 25,349,977 •

Total of Additions on page 14 - - - - - From = **640** 49,981,947 •

Sub Total of deductions on page 14 - - - - - From = **681** 49,981,947 •

Deduct:**Ontario New Technology Tax Incentive (ONTTI) Gross-up**

(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - **662** •**ONTTI Gross-up deduction calculation:**

Gross-up of CCA

$$\left[\begin{array}{l} \text{From} \\ \text{662} \end{array} \right] \times \left[\begin{array}{l} 100 \\ \text{From } 30 \end{array} \right] \frac{100.0000}{100.0000} = \left[\begin{array}{l} 663 \end{array} \right] \text{ Ontario Allocation}$$

Workplace Child Care Tax Incentive (WCCT)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\left[\begin{array}{l} 665 \end{array} \right] \times 30\% \times \left[\begin{array}{l} 100 \\ \text{From } 30 \end{array} \right] \frac{100.0000}{100.0000} = \left[\begin{array}{l} 666 \end{array} \right] \text{ Ontario allocation}$

Workplace Accessibility Tax Incentive (WATI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\left[\begin{array}{l} 667 \end{array} \right] \times 100\% \times \left[\begin{array}{l} 100 \\ \text{From } 30 \end{array} \right] \frac{100.0000}{100.0000} = \left[\begin{array}{l} 668 \end{array} \right] \text{ Ontario allocation}$

Number of Employees accommodated **669****Ontario School Bus Safety Tax Incentive (OSBSTI)**

(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures: $\left[\begin{array}{l} 670 \end{array} \right] \times 30\% \times \left[\begin{array}{l} 100 \\ \text{From } 30 \end{array} \right] \frac{100.0000}{100.0000} = \left[\begin{array}{l} 671 \end{array} \right] \text{ Ontario allocation}$

Educational Technology Tax Incentive (ETTI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\left[\begin{array}{l} 672 \end{array} \right] \times 15\% \times \left[\begin{array}{l} 100 \\ \text{From } 30 \end{array} \right] \frac{100.0000}{100.0000} = \left[\begin{array}{l} 673 \end{array} \right] \text{ Ontario allocation}$

Ontario allowable business investment loss - - - - - + **678** •Ontario Scientific Research Expenses claimed in year in **477** from Ont. CT23 Schedule 161 + **679** 8,227 •Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - + **677** 66,907 •Total of other deductions allowed by Ontario (Attach schedule) - - - - - + **664** •Total of Deductions **681** + **663** + **666** + **668** + **671** + **673** + **678** + **679** + **677** + **664** = 50,057,081 • **680** 50,057,081 •Net income (loss) for Ontario Purposes **600** + **640** - **680** = **690** 25,274,843 •

Transfer to Page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2) 26,295	720 (2)	730	740	750
Add: Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 (8)	719 26,295	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 2000-07-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 2001-07-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 2001-12-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2002-12-31	820	830	840	853	873
804 5th preceding taxation year 2003-12-31	821	831	841	854	874
805 4th preceding taxation year 2004-12-31	822	832	842	855	875
806 3rd preceding taxation year 2005-12-31	823	833	843	856	876
807 2nd preceding taxation year 2006-12-31	824	834	844	857	877
808 1st preceding taxation year 2007-12-31	825	835	845	858	878
809 Current taxation year 2008-12-31	826	836	846	859	879
Total	829	839	849	869	889

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Hydro One Brampton Networks Inc.

1800040

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Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under any Act administered by the Ministry of Finance.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - the first day of the taxation year after the loss year,
 - the day on which the corporation's return for the loss year is delivered to the Minister, or
 - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a predecessor corporation, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)	911	921	931	941
Taxation Year Ending year month day	912	922	932	942
i) 3 rd preceding	913	923	933	943
ii) 2 nd preceding	914	924	934	944
iii) 1 st preceding	915	925	935	945
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carry-forward	919	929	939	949

Summary

Income Tax	- - - - -	+ From 230 or 320	3,516,885.
Corporate Minimum Tax	- - - - -	+ From 280	
Capital Tax	- - - - -	+ From 550	713,414.
Premium Tax	- - - - -	+ From 590	
Total Tax Payable	- - - - -	= 950	4,230,299.
Subtract: Payments	- - - - -	- 960	5,005,881.
Capital Gains Refund (s.48)	- - - - -	- 965	
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- - - - -	- 985	
Specified Tax Credits (Refer to Guide)	- - - - -	- 955	
Other, specify	- - - - -	-	
Balance	- - - - -	= 970	-775,582.
If payment due	- - - - -	Enclosed * 990	
If overpayment: Refund (Refer to Guide)	- - - - -	= 975	
Apply to	year month day	980	775,582.
	2009-12-31		(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the Minister of Finance and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

TONY PAUL

Title

CONTROLLER

Full Residence Address

c/o 175 Sandalwood Parkway, W

Brampton

ON CA L7A 1E8

Signature

Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.



Ministry of Revenue
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance Schedule 8

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)		Taxation Year End	
Hydro One Brampton Networks Inc.		1800040		2008-12-31	

Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	153,500,018	1,283,556	-4,255	0	154,779,319	641,778	154,137,541	4	0	0	6,165,502	148,613,817
2	30,180,661			0	30,180,661		30,180,661	6	0	0	1,810,840	28,369,821
8	585,088	84,367		0	669,455	42,184	627,271	20	0	0	125,454	544,001
10	3,022,175	208,556		5,123	3,225,608	101,717	3,123,891	30	0	0	937,167	2,288,441
45	570,167			0	570,167		570,167	45	0	0	256,575	313,592
12	276,310	184,032		0	460,342	92,016	368,326	100	0	0	368,326	92,016
47	47,333,799	24,506,713		9,263	71,831,249	12,248,725	59,582,524	8	0	0	4,766,602	67,064,647
3	2,293,431			0	2,293,431		2,293,431	5	0	0	114,672	2,178,759
50	237,861	150,534		0	388,395	75,267	313,128	55	0	0	172,220	216,175
Totals	237,999,510	26,417,758	-4,255	14,386	264,398,627	13,201,687	251,196,940				14,717,358	249,681,269

Enter in boxes 650 650 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOR)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

Part 6 – Gifts of certified cultural property

Gifts of certified cultural property at the end of the preceding taxation year	.....	+
Deduct: Gifts of certified cultural property expired after five years	.....	-
Gifts of certified cultural property at the beginning of the taxation year	.....	=
Add: Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary	.....	+
Total current year gifts of certified cultural property	.....	+
Subtotal	.....	=
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	.....	-
Total gifts of certified cultural property available	.....	=
Deduct: Amount applied against taxable income	.....	-
Gifts of certified cultural property closing balance	.....	=

Part 7 – Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	.....	+
Deduct: Gifts of certified ecologically sensitive land expired after five years	.....	-
Gifts of certified ecologically sensitive land at the beginning of the taxation year	.....	=
Add: Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary	.....	+
Total current year gifts of certified ecologically sensitive land	.....	+
Subtotal	.....	=
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	.....	-
Total gifts of certified ecologically sensitive land available	.....	=
Deduct: Amount applied against taxable income	.....	-
Gifts of certified ecologically sensitive land closing balance	.....	=

Part 8 – Analysis of balance by year of origin

Year of origin	Charitable donations	Gifts to Her Majesty in right of Ontario	Gifts to Canada or a province other than Ontario	Gifts of certified cultural property	Gifts of certified ecologically sensitive land
2007-12-31					
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
Totals					

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOR)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

3 Gifts to Her Majesty in right of Ontario

For use by a corporation claiming gifts to Her Majesty in right of Ontario, to Ontario Crown Agencies, or to Ontario Crown Foundations.

or to Ontario Crown Foundations.			
Gifts to Ontario Crown Agency or Ontario Crown Foundation at end of the preceding taxation year	.....	+
Deduct: Gifts expired after 5 years	.....	-
Gifts to Ontario Crown Agency or Ontario Crown Foundation at the beginning of the taxation year	.....	=
Add: Gifts transferred on amalgamation or wind-up of a subsidiary	.....	+
Total current year gifts	.....	+
Subtotal	.....	=
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	.....	-
Total gifts available	.....	=
Deduct: Amount applied against taxable income 2 of the CT23	.....	-
Gifts to Ontario Crown Agency or Ontario Crown Foundation closing balance	.....	=

[illegible]

Total gifts to Her Majesty in right of Ontario


4 – Maximum Deduction Calculation for Gifts to Her Majesty in Right of Ontario

Deduction is the lesser of:

Deduction is the lesser of:		
1. Ontario Net Income before deductions of gifts after deducting charitable donations and gifts to Her Majesty in right of Canada or a province other than Ontario		25,269,730 V
2. Lesser of:		
2a. Ontario Net Income for the taxation year	25,274,843 W	
2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario Crown Foundation	X	
The lesser of W and X		Y
Maximum deduction allowable the lesser of V and Y		Z

Transfer to 2 of the CT23

Part 5 – Gifts to Canada or a province other than Ontario

Part 5 – Gifts to Canada or a province other than Ontario		
Gifts to Canada or a province other than Ontario at the end of the preceding year	+ <input type="text"/>
Deduct: Gifts to Canada or a province other than Ontario expired after five taxation years	- <input type="text"/>
Gifts to Canada or a province other than Ontario at the beginning of the taxation year	= <input type="text"/>
Add: Gifts to Canada or a province other than Ontario transferred on amalgamation or wind-up of a subsidiary	+ <input type="text"/>
Total current year Gifts to Canada or a province other than Ontario (Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date.)	+ <input type="text"/>
Subtotal	= <input type="text"/> 
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	- <input type="text"/>
Total gifts to Canada or a province other than Ontario available	= <input type="text"/>
Deduct: Amount applied against taxable income	- <input type="text"/>
Gifts to Canada or a province other than Ontario closing balance	= <input type="text"/>



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Corporations Tax
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Ontario Charitable Donations and Gifts Schedule 2

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOR)	Taxation Year End/
Hydro One Brampton Networks Inc.	1800040	2008-12-31

- For use by a corporation to claim any of the following:
 - Charitable donations;
 - Gifts to Her Majesty in right of Ontario, to Ontario crown agencies, or to Ontario Crown foundations;
 - Gifts to Canada or a province;
 - Gifts of certified cultural property; or
 - Gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five year carry-forward.
- Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as described under subsection 87(1) and 88(1) of the federal *Income Tax Act* (Canada).

- For donations and gifts made after March 22, 2004, subsection 34(1.1) of the *Corporations Tax Act* parallels subsection 110.1(1.2) of the *Income Tax Act* and provides as follows:
 - where a particular corporation has undergone a change of control, for taxation years that end on or after the change of control, no corporation can claim a deduction for a gift made by a particular corporation to a qualified donee before the change of control;
 - if a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the change of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- For instructions on calculating additional deductions for eligible medical gifts made after March 18, 2007, please see the Revised Guide to the 2007 CT23 Corporations Tax and Annual Return. The deduction may be claimed in box 664 of Ontario Schedule 1.
- File one completed copy of this schedule with your CT23.

Part 1 – Charitable Donations

Charitable Donations at end of preceding taxation year	+		A
Deduct: Donations expired after 5 taxation years	-		B
Charitable donations at beginning of taxation year	=		C
Add: Donations transferred on amalgamation or wind-up of subsidiary	+		D
Total current year charitable donations made	+	5,113	E
Subtotal D + E	=	5,113	
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	-		F
Total donations available C + F - G	=	5,113	H
Deduct: Amount applied against taxable income (amount U, Part 2)	-	5,113	U
Charitable donations closing balance	=		I

Part 2 – Maximum Deduction Calculation for Donations

Ontario net income for tax purposes multiplied by 75% = 18,956,132 J

Note: For credit unions the Ontario net income for tax purposes is the amount before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Ontario taxable capital gains arising in respect of gifts of capital property + K

Ontario taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) ITA + L

Add the lesser of:

1. The amount of the recapture of capital cost allowance in respect of charitable gifts M

2. The lesser of:

2a. Proceeds of dispositions less outlays and expenses N

2b. The capital cost O

The lesser of N and O P

The lesser of M and P Q

Subtotal K + L + Q R

25% X R S

Maximum deduction allowable J + S T

Claim for charitable donations (not exceeding the lesser of H from Part 1, T and net income for tax purposes) U

Enter in 1 of the CT23

Ontario Cumulative Eligible Capital Deduction
Schedule 10 Page 2 of 2

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

Part 2 – Amount to be included in income arising from disposition

Complete this part only if the amount at line M is negative.

Amount from line M above. Show this as a positive amount; not negative. _____ R

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 + _____ 1

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA + _____ 2

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 + _____ 3

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 - _____ 4

Deduct line 4 from line 3 (if negative, enter zero) = _____ 5

Total lines 1 + 2 + 5 = _____ 6

Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 1 7

Amounts at Line Z from Ontario Schedule 10 of previous taxation years ending after February 27, 2000 (This will be Line T in earlier versions of this schedule.) + _____ 8

Total lines 7 + 8 = _____ 9

Deduct line 9 from line 6 (if negative, enter zero) = _____ S

R minus S (if negative, enter zero) = _____ T

Line 5 x 1 / 2 = _____ U

T minus U (if negative, enter zero) = _____ V

From V x 2 / 3 = _____ W

Lesser of R and S = _____ Z

Amount to be included in income W + Z = _____



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Ontario Cumulative Eligible Capital Deduction Schedule 10 Page 1 of 2

For taxation years 2002 and later

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) = + 28,304,887 **A**

Add: Cost of eligible capital property acquired during the taxation year + 7,069 **B**

Other adjustments + **C**

B + C = 7,069 x 3 / 4 = 5,302 **D**

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 x 1 / 2 = - **E**

D minus E (if negative, enter zero) = 5,302 > + 5,302 **F**

Amount transferred on amalgamation or wind-up of subsidiary + **G**

..... = 28,310,189 **H**

Subtotal A + F + G = 28,310,189 **M**

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year + **I**

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the Income Tax Act (Canada) + **J**

Other adjustments + **K**

I + J + K = x 3 / 4 = - **L**

Ontario cumulative eligible capital balance H minus L = 28,310,189 **M**

If **M** is negative, enter zero at line **Q** and proceed to **Part 2**, page 2.

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business **N**

From **M** 28,310,189

From **N** -

Current year deduction M minus N = 28,310,189 x 7 % = + 1,981,713 **O**

N + O = 1,981,713 > - 1,981,713 **P**

Note: The maximum current year deduction is 7%. Any amount up to the maximum deduction of 7% may be claimed.
For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance M minus P (if negative, enter zero) = 26,328,476 **Q**

See page 2 - Part 2

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 – Capital gains reserves

Part 1 – Capital gains reserves					
Description of property	Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
1 _____					

Totals	A	B			C

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

Part 2 – Other reserves

Description	Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
Reserve for doubtful debts					
Reserve for undelivered goods and services not rendered					
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts					
Other tax reserves					
Totals	D	E			F

The amount from **D** plus the amount from **E** should be entered in **607** of the CT23.

The amount from F should be entered in **654** of the CT23.

Part 3 – Continuity of non-deductible reserves

Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
OPEB	5,343,000		396,000			5,739,000
Legal Claim Provision			2,500			2,500
Allow. for Doubtful Accounts						
See schedule	6,325,560	1,554,868	6,437,520			14,317,948
Reserves from Part 2						
Totals	11,668,560	1,554,868	6,836,020			20,059,448

Enter in box **653** of the CT23

Enter in box **606** of the CT23

Ontario Continuity of Reserves Schedule 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

Part 3 – Continuity of non-deductible reserves

Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
Regulatory Accounts	6,325,560		5,337,520			11,663,080
Other Regulatory Liabilities			1,100,000			1,100,000
Environmental Liabilities		1,554,868				1,554,868
Totals	6,325,560	1,554,868	6,437,520			14,317,948

Attached Schedule with Total

Contingent, investment, inventory and similar reserves (Int.B. 3012R)

Title Contingent, investment, inventory and similar reserves (Int.B. 3012R)

Description	Amount
schedule 13 closing balance	20,059,448|00
Total	20,059,448|00

Attached Schedule with Total

Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)

Title NBV over UCC

Description	Amount
NBV per F/S (not including CIP)	242,858,711|00
Less: Land	-8,146,891|00
UCC	-249,681,269|00
NBV - Goodwill (UCC bump up at acqn.)	60,059,581|00
CEC	-26,328,476|00
25% Permanent Difference	-14,977,496 00
Deferred Debt Cost-Accounting (1425/247900)	623,308 83
Total	4,407,468 83



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Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161
Page 1 of 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOR)	Taxation Year End/
Hydro One Brampton Networks Inc.	1800040	2008-12-31

This schedule is used to calculate Ontario Scientific Research and Experimental Development Expenditures (SR & ED). The rules used in the calculation of Ontario SR & ED follow the federal rules with the exception of the new Ontario measure introduced in the 2001 Ontario Budget and implemented in Bill 127 which received Royal Assent on December 5, 2001.

This schedule must be completed by all corporations performing qualified Ontario SR & ED in a **specified taxation year** or in the taxation year immediately preceding the first specified taxation year of the corporation and filed with the current CT23 or CT8. Other corporations may use this schedule, if they have claimed or are claiming a different SR & ED amount for Ontario than for federal income tax purposes.

- **Specified Taxation Year (STY)** is the taxation year of the corporation that begins after February 29, 2000 and ends before January 1, 2009.
 - **Investment Tax Credit Amount (ITC)** means, in respect of a corporation for a taxation year, an amount deducted by the corporation for a preceding taxation year under subsection 127(5) or (6) of the *Income Tax Act* (Canada) (ITA).
 - **Qualified Ontario SR & ED Expenditure (QORD)** means,
 - A. A qualified expenditure within the meaning of subsection 12(1) of the *Corporations Tax Act* (CTA) that is made or incurred by a corporation in a STY or in the taxation year immediately preceding the first STY of the corporation, or
 - B. An expenditure made or incurred by a partnership in a fiscal period that ends in a STY of a corporation if,
 - the corporation is member of the partnership at any time in the STY, and
 - the expenditure would be a qualified expenditure within the meaning of subsection 12(1) of the CTA if it were made by a corporation.
 - **Ontario Allocation Factor (OAF)** has the meaning given to that expression by subsection 12(1) of the CTA.
-
- If a corporation includes a federal ITC amount in determining the amount of the Ontario pool of deductible SR & ED expenditures for a STY, the following amounts are adjusted by the OAF:
 - Amount of recaptured federal ITC relating to QORD for property disposed of in the preceding taxation year in 442 on page 2.
 - Amount of federal ITC relating to QORD claimed federally in the preceding taxation year(s) in 462 on page 2.
 - Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year in 465 on page 2.
-
- Federal ITCs earned on shared-use equipment (SUE) reduce the capital cost of the property acquired for federal and Ontario income tax purposes in the taxation year after the taxation year in which the ITC is claimed federally. The amount of the federal ITC that relates to QORD on SUE is added to the SR & ED pool for Ontario purposes in the taxation year after the taxation year in which the ITC is claimed federally.

**Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161**

Page 2 of 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOR)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

Ontario Pool of Deductible SR & ED Expenditures for the current taxation year

Total allowable SR & ED expenditures (capital and current)
(From line 400 federal T661 (T2 SCH32)) + 400 8,227.

Less: Government and non-government assistance
(From line 430 federal T661 (T2 SCH32)) - 430

Preceding year's amount of federal ITC claimed for SR & ED
(From line 435 federal T661 (T2 SCH32)) - 435 75,134.

Sale of SR & ED capital assets and other deductions
(From line 440 federal T661 (T2 SCH32)) - 440

Amount of recaptured federal ITC (From line 453 federal T661 (T2 SCH32))
relating to QORD for property disposed of in the preceding taxation year 442

Gross-up for Ontario allocation factor From 442 $\div 100.0000\%$ - - - = - 444
(From 30 of the CT23 or CT8)

Subtotal: 400 - 430 - 435 - 440 - 444 = 445 -66,907.

Add: Repayments of government and non-government assistance
(From line 445 federal T661 (T2 SCH32)) + 446

SR & ED expenditure pool transferred on amalgamation or wind-up
(From line 452 federal T661 (T2 SCH32)) + 452

Amount of federal ITC recaptured in the preceding taxation year
(From line 453 federal T661 (T2 SCH32)) + 453

Preceding year's balance in pool of deductible Ontario SR & ED expenditures
(From 480 of the preceding taxation year) + 460

Federal ITC relating to QORD claimed federally in the preceding
taxation year(s) + 462 75,134.
(From 575 on Page 3)

Amount of federal ITC relating to QORD allocated from partnerships
in the current taxation year + 465

Subtotal 462 + 465 = 468 75,134.

Gross-up for Ontario allocation factor From 468 75,134 $\div 100.0000\%$ - - - = + 470 75,134.
(From 30 of the CT23 or CT8)

Subtotal: 445 + 446 + 452 + 453 + 460 + 470
(If the amount in 473 is negative, enter zero, in 475, 477 and add 473 to 615 of the 2002 CT23 or CT8
or 616 of the 2003 or later CT23 or CT8. If the amount in 473 is positive, enter the amount in 475.) = 473 8,227.

Amount available for deduction = 475 8,227.

Deduction claimed in the taxation year for Ontario
(Enter the SR & ED expenditure pool deduction claimed in the taxation year in 679 of the CT23 or CT8) - 477 8,227.

**Ontario current taxation year closing balance
in pool of deductible SR & ED expenditures** 475 - 477 = 480
(Transfer this amount to 460 as the carry forward amount for the next taxation year.)

**Ontario Scientific Research and
Experimental Development Expenditures
T23 Schedule 161**

Page 3 of 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOR)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

**Calculation of Preceding Taxation Year Amount and Account Balances - Federal ITC from SR & ED
Expenditures relating to QORD.**

- This page is used to calculate the amount of the federal ITC that relates to SR & ED performed in Ontario for certain taxation years and is used to increase the amount of the Ontario SR & ED pool on page 2.
- All amounts on this page are based on the preceding taxation year since the amount of the federal ITC that relates to QORD can only be used to increase the Ontario pool for SR & ED in the current taxation year if there was a federal ITC claimed for federal purposes in the preceding taxation year that related to QORD.
- **Do not include amounts** of federal ITCs that relate to QORD that were **allocated from a partnership**. These amounts are added to your SR & ED pool for Ontario in the taxation year that they are allocated from a partnership to a corporation, not in the year after they are claimed federally.

Opening Balance:

(Enter amount **590** from Schedule 161 of the preceding taxation year, if any) + **500**

Add: Amount of federal ITC earned, relating to QORD
(QORD portion of line **540** federal T2 SCH31 for the preceding taxation year) + **510** 75,134.

Amount of federal ITC earned, relating to QORD, transferred on amalgamation or wind-up
(QORD portion of line **530** federal T2 SCH31 for the preceding taxation year) + **520**

Subtotal: **500** + **510** + **520** = **535** 75,134.

Deduct: Amount of federal ITC, relating to QORD, claimed federally
(QORD portion of line **560** federal T2 SCH31 for the preceding taxation year) + **540** 75,134.

Amount of federal ITC, relating to QORD, carried back federally to a preceding taxation year(s)
(QORD portion of line P federal T2 SCH31 for the preceding taxation year) + **550**

A refund of federal ITC, relating to QORD, claimed federally
(QORD portion of line **610** federal T2 SCH31 for the preceding taxation year) + **560**

Amount of federal ITC, relating to QORD, deemed as a remittance of co-op corporations
(QORD portion of line **510** federal T2 SCH31 for the preceding taxation year) + **570**

Subtotal: **540** + **550** + **560** + **570** = **575** 75,134.
(Transfer this amount to **462** on Page 2)

Deduct: Amount of federal ITC, relating to QORD, expired per the ITA after 10 taxation years
(QORD portion of line **515** federal T2 SCH31 for the preceding taxation year) - **580**

Closing Balance: **535** - **575** - **580** = **590**
(Transfer this amount to **500** as the opening balance for the next taxation year.)

**Ontario Scientific Research and
Experimental Development Expenditures
CT23 Schedule 161**

Page 4 of 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOR)	Taxation Year End
Hydro One Brampton Networks Inc.	1800040	2008-12-31

Continuity Schedule for Federal ITC relating to SR & ED Expenditures for the Preceding Taxation Year

- All amounts on this page are based on the preceding taxation year.
- Amounts on this page should tie into Part 12 of federal T2 SCH31 completed for the preceding taxation year.

Yr. of Origin (Oldest yr. first) yyyy mm dd	Opening Balance	Additions	Deductions (other than amounts that were allocated from a partnership)	Deductions (only amounts that were allocated from a partnership)	Closing Balance
1998-07-31					
1999-07-31					
2000-07-31					
2001-07-31					
2001-12-31					
2002-12-31					
2003-12-31					
2004-12-31					
2005-12-31					
2006-12-31					
2007-12-31		75,134	75,134		
Totals (see note 1, 2 and 3)	725	740 75,134	755 75,134	770	785

Notes:

1. The amount in 725 should equal the amount of the investment tax credit at the end of the preceding taxation year less line 515 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
2. The amount in 785 should equal the closing balance in line 620 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
3. It is important that the amounts in the deductions columns on this page correctly reflect the year of origin of the federal ITC claimed because only amounts relating to QORD can be used to increase the Ontario SR & ED pool.

Hydro One Brampton Networks Inc.

Financial Statements

December 31, 2008

AUDITORS' REPORT

To the Shareholder of **Hydro One Brampton Networks Inc.**

We have audited the balance sheet of **Hydro One Brampton Networks Inc.** (the Company) as at December 31, 2008, and the statements of operations and comprehensive income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for December 31, 2007 were reported on by another firm of chartered accountants.

A handwritten signature in dark ink, appearing to read "KPMG LLP", with a horizontal line drawn underneath it.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
February 27, 2009

HYDRO ONE BRAMPTON NETWORKS INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

<i>Year ended December 31 (Canadian dollars in thousands)</i>	2008	2007
Revenues		
Distribution	336,478	336,557
Other (Note 14)	4,256	3,943
	340,734	340,500
Costs		
Purchased power (Note 14)	275,848	275,963
Operation, maintenance and administration (Note 14)	19,073	16,771
Depreciation and amortization (Note 3)	16,316	15,616
	311,237	308,350
Income before financing charges and provision for payments in lieu of corporate income taxes	29,497	32,150
Financing charges (Notes 4 and 14)	10,342	9,928
Income before provision for payments in lieu of corporate income taxes	19,155	22,222
Provision for payments in lieu of corporate income taxes (Notes 5 and 14)	8,200	11,800
Net income and comprehensive income	10,955	10,422

STATEMENTS OF RETAINED EARNINGS

<i>Year ended December 31 (Canadian dollars in thousands)</i>	2008	2007
Retained earnings, January 1	33,541	31,119
Net income	10,955	10,422
Dividends (Notes 13 and 14)	(10,000)	(8,000)
Retained earnings, December 31	34,496	33,541

See accompanying Notes to Financial Statements.

HYDRO ONE BRAMPTON NETWORKS INC.

BALANCE SHEETS

<i>December 31 (Canadian dollars in thousands)</i>	2008	2007
Assets		
Current assets:		
Accounts receivable (net of allowance for doubtful accounts - \$610; 2007 - \$568) (Note 14)	55,024	61,307
Regulatory assets (Note 7)	595	887
Materials and supplies (Note 2)	1,226	1,634
	<u>56,845</u>	<u>63,828</u>
Fixed assets (Note 6):		
Fixed assets in service	456,865	432,504
Less: accumulated depreciation	214,006	199,060
	<u>242,859</u>	<u>233,444</u>
Construction in progress	1,249	2,647
Future use components and spares (Note 2)	3,111	3,554
	<u>247,219</u>	<u>239,645</u>
Other long-term assets:		
Goodwill (Note 13)	60,060	60,060
Regulatory assets (Note 7)	2,842	935
	<u>62,902</u>	<u>60,995</u>
Total assets	<u>366,966</u>	<u>364,468</u>

See accompanying Notes to Financial Statements.

HYDRO ONE BRAMPTON NETWORKS INC.
BALANCE SHEETS (continued)

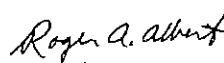
<i>December 31 (Canadian dollars in thousands)</i>	2008	2007
Liabilities		
Current liabilities:		
Bank indebtedness	5,411	2,746
Accounts payable and accrued charges (Note 14)	53,439	59,920
Accrued interest	844	844
Employee future benefits other than pension (Note 11)	150	105
	<u>59,844</u>	<u>63,615</u>
Long-term debt (Notes 8, 9 and 14)	142,377	142,366
Other long-term liabilities:		
Regulatory liabilities (Note 7)	12,139	8,147
Employee future benefits other than pension (Note 11)	5,589	5,238
Environmental liabilities (Note 12)	960	-
	<u>18,688</u>	<u>13,385</u>
Total liabilities	<u>220,909</u>	<u>219,366</u>
Contingencies and commitment (Notes 16 and 17)		
Shareholder's equity (Note 13)		
Contributed surplus	60,060	60,060
Common shares (authorized: unlimited; issued: 2,000)	51,501	51,501
Retained earnings	34,496	33,541
Total shareholder's equity	<u>146,057</u>	<u>145,102</u>
Total liabilities and shareholder's equity	<u>366,966</u>	<u>364,468</u>

See accompanying Notes to Financial Statements.

On behalf of the Board of Directors:



Laura Formusa
Chair



Roger Albert
Director

HYDRO ONE BRAMPTON NETWORKS INC.
STATEMENTS OF CASH FLOWS

<i>Year ended December 31 (Canadian dollars in thousands)</i>	2008	2007
Operating activities		
Net income	10,955	10,422
Adjustments for non-cash items:		
Depreciation and amortization (excluding removal costs)	16,622	15,820
Change in regulatory assets and liabilities (excluding stranded meters)	3,215	11,433
Amortization of debt transaction costs	11	9
	30,803	37,684
Changes in non-cash balances related to operations (Note 15)	1,566	4,759
Net cash from operating activities	32,369	42,443
Financing Activities		
Dividends paid	(10,000)	(8,000)
Net cash used in financing activities	(10,000)	(8,000)
Investing activities		
Capital expenditures	(25,552)	(30,882)
Other	518	3
Net cash used in investing activities	(25,034)	(30,879)
Net change in cash and cash equivalents	(2,665)	3,564
Cash and cash equivalents, January 1	(2,746)	(6,310)
Cash and cash equivalents, December 31 (Note 15)	(5,411)	(2,746)

See accompanying Notes to Financial Statements.

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

Hydro One Brampton Networks Inc. (Hydro One Brampton or the Company) was incorporated on April 25, 2000 under the *Business Corporations Act* (Ontario). Up to October 31, 2006, the Company was a wholly owned subsidiary of Hydro One Brampton Inc. Hydro One Brampton Inc. was legally dissolved on January 30, 2007. As a consequence, the Company is now a wholly owned subsidiary of Hydro One Inc. (Hydro One). The principal business of the Company is the ownership, operation and management of electricity distribution systems and facilities within the City of Brampton, Ontario. The Ontario Energy Board (OEB) regulates the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements are prepared in accordance with accounting principles generally accepted in Canada (Canadian GAAP).

The Company follows the "push down" basis of accounting for goodwill whereby the goodwill values that arose in the purchase equation, when the Company was acquired, were pushed down to the accounts of the Company.

Rate-setting

The rates of the electricity distribution business of the Company are subject to regulation by the OEB and these rates are based on a revenue requirement that includes a rate of return of 9.00%. In 2006, the OEB initiated a process of establishing an Incentive Regulation Mechanism (IRM) for the years 2007 to 2010. Hydro One Brampton applied for distribution rate adjustments in 2007 based on an OEB-approved formula that considers inflation and efficiency targets. In April 2007, the OEB approved the Company's submission and the revised rates were implemented effective May 1, 2007. On November 1, 2007, Hydro One Brampton filed an application for 2008 rates on the basis of the OEB's cost of capital and second generation IRM policies. On March 19, 2008, the OEB released its decision and the revised rates, including an amount of 67 cents per month per metered customer for smart meters, were approved with an implementation date of May 1, 2008.

The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company. Such change in timing involves the application of rate regulated accounting, giving rise to the recognition of regulatory assets and liabilities. The Company's regulatory assets represent certain amounts receivable from future customers and costs that have been deferred for accounting purposes because it is probable that they will be recovered in future rates. In addition, the Company has recorded regulatory liabilities which represent amounts for revenues and expenses incurred in different periods than would be the case had the Company been unregulated. The Company continually assesses the likelihood of recovery of each of its regulatory assets and continues to believe that it is probable that the OEB will factor its regulatory assets and liabilities into the setting of future rates. If, at some future date, the Company judges that it is no longer probable that the OEB will include a regulatory asset or liability in future rates, the appropriate carrying amount will be reflected in results of operations in the period that the assessment is made. Specific regulatory assets and liabilities are disclosed in Note 7.

Revenue Recognition

Distribution revenues attributable to the sale and delivery of electricity are recognized as electricity is delivered to customers. Distribution revenues reflect actual consumption billed, actual consumption yet to be billed, and an estimate for unbilled (unread) consumption. Unbilled revenue that relates to actual unbilled consumption is calculated using preliminary meter reading data and actual billing rates and an estimate for the price for energy. Unbilled revenues that relate to energy used by consumers from the last meter reading dates during the period to the end of the year are estimated based on historical consumption. Unbilled revenues included within accounts

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

receivable as at December 31, 2008 amounted to \$27,760 thousand (2007 - \$31,346 thousand). Actual results could differ from estimates of unbilled electricity usage.

Corporate Income and Capital Taxes

Under the *Electricity Act, 1998*, the Company is required to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario) as modified by the *Electricity Act, 1998*, and related regulations.

The Company provides for payments in lieu of corporate income taxes using the taxes payable method, as directed by the OEB. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of Hydro One Brampton at that time.

Inter-Company Demand Facility

Hydro One maintains pooled bank accounts for its use and for the use of its subsidiaries, including the Company. The Company earns interest on positive inter-company balances based on the average of the bankers' acceptance rate at the beginning and end of the month, less 0.02%. The Company is charged interest on overdraft inter-company balances based on the same bankers' acceptance rate, plus 0.15%.

Materials and Supplies

Materials and supplies represent consumables, spare parts and construction material held for internal construction and maintenance of fixed assets. These assets are carried at the lower of average cost or net realizable value.

Effective January 1, 2008, the Company retrospectively adopted Canadian Institute of Chartered Accountants' (CICA) Handbook Section 3031, *Inventories*, with reclassification of comparative prior period amounts. This new section requires that certain major spare parts and standby equipment be reclassified from inventory to fixed assets. The new Handbook section also allows previously recorded impairment losses taken on inventory to be reversed if there is evidence that the net realizable value has subsequently recovered.

The Company already includes certain major standby equipment as in-service fixed assets and depreciates these assets over their useful lives. Upon adoption of the new section, the Company has reclassified \$3,554 thousand in 2007 asset components and equipment previously classified as materials and supplies inventory to fixed assets. Future use components and spares are not depreciated until they are transferred to active capital projects and those projects are placed in-service.

Fixed Assets

Fixed assets are capitalized at cost, which comprises materials, labour, engineering, overheads, depreciation on service equipment and the OEB-approved allowance for funds used during construction applicable to major capital construction activities.

Fixed assets in service consist of land and land rights, buildings, distribution equipment, transformers and meters, trucks and equipment, and office and computer equipment. Major spare parts and standby equipment have been reclassified from materials and supplies to fixed assets, retrospectively, to conform with new accounting guidelines effective January 1, 2008.

Some of the Company's distribution assets, particularly those located on unowned easements and rights-of-way, may have asset retirement obligations, conditional or otherwise. The majority of the Company's easements and rights-of-way are either of perpetual duration or are automatically renewed annually. Land rights with finite terms

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

are generally subject to extension or renewal. As the Company expects to use the majority of its installed assets for an indefinite period, no removal date can be determined and consequently a reasonable estimate of the fair value of any related asset retirement obligations cannot be made at this time. If, at some future date, it becomes possible to estimate the fair value cost of disposing of assets that the Company is legally required to remove, an asset retirement obligation will be recognized at that time.

Construction in Progress

Overhead costs, including corporate functions and services costs, are capitalized on a fully allocated basis, consistent with an OEB-approved methodology. Financing costs are capitalized on fixed assets under construction based on the OEB's approved allowance for funds used during construction (2008 – 5.32%; 2007 – 4.95%).

Depreciation

The capital costs of fixed assets are depreciated on a straight-line basis over their estimated service lives as follows:

	Depreciation Rate
Land rights	2.00%
Buildings	2.00%
Distribution equipment	2.50% - 6.67%
Transformers and meters	4.00% - 6.67%
Trucks and equipment	12.50% - 20.00%
Office and computer equipment	10.00% - 20.00%

In accordance with group depreciation practices, the original cost of normal fixed asset retirements is charged to accumulated depreciation, with no gain or loss reflected in results of operations. Gains and losses on sales of fixed assets and losses on premature retirements are charged to results of operations as adjustments to depreciation expense. Depreciation expense also includes the costs incurred to remove fixed assets.

The estimated service lives of fixed assets are subject to periodic review. Any changes arising from such a review are implemented on a remaining service life basis consistent with their inclusion in rates.

Goodwill

Goodwill arose upon the acquisition of the Company by Hydro One and the application of push down accounting resulted in the recognition of contributed surplus in the Company's accounts. The carrying value of goodwill is evaluated for impairment on an annual basis, or more frequently if circumstances require. Goodwill impairment is assessed based on a comparison of the fair value of the reporting unit to the underlying carrying value of the reporting unit's net assets, including goodwill, with any write-down of the carrying value of goodwill being charged to results of operations. The Company has determined that its goodwill is not impaired.

Financial Instruments

Comprehensive Income

Comprehensive income is composed of the Company's net income and other comprehensive income (OCI). The Company did not have any transactions impacting OCI in the year or in prior years and hence, the Company has no accumulated OCI.

Financial Assets and Liabilities

All financial instruments are classified into one of the following five categories: held-to-maturity investments, loans and receivables, held-for-trading, other liabilities or available-for-sale. All financial instruments, including derivatives, are carried at fair value on the Balance Sheet except for loans and receivables, held-to-maturity

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

investments and other financial liabilities, which are measured at amortized cost. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in financing charges in the period which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in OCI until the instrument is derecognized or impaired. The Company has classified its financial instruments as follows:

Bank indebtedness	Other liabilities
Accounts receivable	Loans and receivables
Accounts payable and accrued charges	Other liabilities
Long-term accounts payable and accrued charges	Other liabilities
Long-term debt	Other liabilities

Derivatives and Hedge Accounting

All derivative instruments, including embedded derivatives, are carried at fair value on the Balance Sheet unless exempted from derivative treatment as a normal purchase and sale or when it is deemed that the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. All changes in fair value are recorded in financing charges unless cash flow hedge accounting is used, in which case changes in fair value are recorded in OCI to the extent that the hedge is effective.

The Company does not engage in derivative trading or speculative activities.

Transaction Costs

Transaction costs for financial assets and liabilities that are other than held-for-trading, are added to the carrying value of the asset or liability and then amortized over the expected life of the instrument using the effective interest method.

Financial Instrument Disclosures and Presentation

Effective January 1, 2008, the Company adopted two new accounting standards comprising CICA Handbook Sections 3862, *Financial Instruments Disclosures* and 3863, *Financial Instruments Presentation*. The adoption of the new disclosure standard required an increased emphasis on disclosure about the risks associated with recognized and unrecognized financial instruments. These additional disclosures are provided in Note 9. The adoption of the new standard on presentation carried forward unchanged the presentation requirements from Section 3861, *Financial Instruments Disclosure and Presentation*, and therefore adoption of this new standard did not have any impact on the Financial Statements.

Capital Disclosures

Effective January 1, 2008, the Company adopted a new accounting standard comprising CICA Handbook Section 1535, *Capital Disclosures*. The adoption of the new standard required the disclosure of qualitative and quantitative information about the Company's capital and how it is managed. These disclosures are provided in Note 10.

Employee Future Benefits

Employee future benefits for all employees of the Company include pension, group life insurance, health care and long-term disability.

The Company accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Employee future benefits other than pension are recorded on an accrual basis. Costs are determined by independent actuaries using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. Past service costs

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

from plan amendments and actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the employees covered.

Employee future benefit costs are attributed to labour and are charged to operations, maintenance and administration or capitalized as part of the cost of fixed assets.

Environmental Costs

The Company recognizes a liability for estimated future expenditures associated with the assessment and remediation for the phase-out and destruction of polychlorinated biphenyl (PCB) contaminated mineral oil from electrical equipment, based on the present value of these estimated future expenditures. As the Company anticipates that the related expenditures will continue to be recoverable in future rates, a regulatory asset has been recognized to reflect the future recovery of these costs from customers. The Company reviews its estimates of future environmental expenditures on an ongoing basis.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses for the year. Actual results could differ from estimates, including changes as a result of future decisions made by the OEB or the Province of Ontario (the Province).

Emerging Accounting Changes

Income Taxes

In August 2007, the Canadian Accounting Standards Board (AcSB) issued a decision, effective January 1, 2009, to withdraw the temporary exemption in CICA Handbook Section 1100, *Generally Accepted Accounting Principles*, which permits the recognition and measurement of assets and liabilities arising from rate regulation. Further, CICA Handbook Section 3465, *Income Taxes*, was amended to require the recognition of future income tax liabilities and assets for regulated enterprises that were previously not subject to these provisions. Consequently, the Company will be required to reflect on its Balance Sheet, the effect of applying the liability method when accounting for payments in lieu of corporate income taxes and a corresponding regulatory liability. The Company is currently assessing the impact of the AcSB's decision on its Balance Sheet.

Goodwill and Intangibles

In November 2007, the AcSB approved new CICA Handbook Section 3064, *Goodwill and Intangible Assets*, replacing Sections 3062, *Goodwill and Other Intangible Assets*, and 3450, *Research and Development Costs*. The new section is applicable to Hydro One Brampton Networks' annual Financial Statements for the 2009 fiscal year. The Company is currently evaluating the classification of certain assets currently classified as fixed assets in service to determine if they meet the definition of intangible assets. It is not anticipated that the new section will have any impact on goodwill or result in any impact on the Company's results of operations.

3. DEPRECIATION AND AMORTIZATION

<i>Year ended December 31 (Canadian dollars in thousands)</i>	2008	2007
Depreciation of fixed assets in service	15,951	15,099
Amortization of regulatory assets	259	426
Fixed asset removal costs	80	64
Amortization of land rights	26	27
	16,316	15,616

HYDRO ONE BRAMPTON NETWORKS INC.
NOTES TO FINANCIAL STATEMENTS (continued)

4. FINANCING CHARGES

<i>Year ended December 31 (Canadian dollars in thousands)</i>	2008	2007
Interest on long-term debt	9,939	9,939
Amortization of debt transaction costs	11	9
Plus (less):		
Interest accreted on regulatory accounts	500	143
Interest capitalized on construction in progress	(94)	(60)
Interest income	(14)	(103)
	10,342	9,928

5. PROVISION FOR PAYMENTS IN LIEU OF CORPORATE INCOME TAXES

The provision for payments in lieu of corporate income taxes (PILs) differs from the amount that would have been recorded using the combined Canadian Federal and Ontario statutory income tax rate. A reconciliation between the statutory and effective tax rates is provided as follows:

<i>Year ended December 31 (Canadian dollars in thousands)</i>	2008	2007
Income before provision for PILs	19,155	22,222
Federal and Ontario statutory income tax rate	33.50%	36.12%
Provision for PILs at statutory rate	6,417	8,027
Increase (decrease) resulting from:		
Net temporary differences:		
Regulatory accounts	2,157	4,134
Employee future benefits other than pension expense in excess of cash payments	43	55
Capital cost allowance in excess of depreciation and amortization	(111)	(49)
Other	(311)	(319)
Net temporary differences	1,778	3,821
Net permanent differences:		
Government hiring credits	-	(56)
Other	5	8
Net permanent differences	5	(48)
Provision for PILs	8,200	11,800
Effective income tax rate	42.81%	53.10%

Future income taxes have not been recorded in the accounts as they are expected to reduce future revenues consistent with the OEB direction to follow the taxes payable method. As at December 31, 2008, future income tax assets of \$4,617 thousand (2007 – \$2,628 thousand), based on substantively enacted income tax rates, have not been recorded.

In the absence of rate regulated accounting, the Company's provision for PILs would have been recognized using the liability method rather than the taxes payable method. As a result, the provision for PILs would have been lower by approximately \$1,989 thousand (2007 – \$3,121 thousand), including the impact of a change in the substantively enacted rates.

HYDRO ONE BRAMPTON NETWORKS INC.
NOTES TO FINANCIAL STATEMENTS (continued)

6. FIXED ASSETS

<i>December 31</i> <i>(Canadian dollars in thousands)</i>	Fixed Assets in Service	Accumulated Depreciation	Construction in Progress	Components and Spares	Total
2008					
Land and land rights	9,536	220	-	-	9,316
Buildings	26,289	7,460	-	-	18,829
Distribution equipment	289,433	141,052	1,249	3,111	152,741
Transformers and meters	113,453	52,800	-	-	60,653
Trucks and equipment	11,413	7,497	-	-	3,916
Office and computer equipment	6,741	4,977	-	-	1,764
	456,865	214,006	1,249	3,111	247,219
2007					
Land and land rights	9,529	194	-	-	9,335
Buildings	25,021	6,900	-	-	18,121
Distribution equipment	276,720	131,108	2,647	3,554	151,813
Transformers and meters	103,712	49,815	-	-	53,897
Trucks and equipment	11,205	6,890	-	-	4,315
Office and computer equipment	6,317	4,153	-	-	2,164
	432,504	199,060	2,647	3,554	239,645

Financing costs are capitalized on fixed assets under construction, including allowance for funds used during construction on regulated assets, and were \$94 thousand in 2008 (2007 - \$60 thousand).

7. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities arise as a result of the rate-making process. The Company has recorded the following regulatory assets and liabilities (see Note 2):

<i>December 31 (Canadian dollars in thousands)</i>	2008	2007
Regulatory assets:		
Environmental	1,555	-
Stranded meters	1,346	508
Regulatory asset recovery account	-	887
Other regulatory assets	536	427
Total regulatory assets	3,437	1,822
Less: current portion	595	887
Long-term regulatory assets	2,842	935
Regulatory liabilities:		
Retail settlement variance accounts	10,556	7,276
Regulatory asset recovery account	604	-
PILs variance	596	496
Smart meters	383	375
Long-term regulatory liabilities	12,139	8,147

In the absence of rate regulated accounting, interest would not have been accreted on these regulatory assets and liabilities, and net financing charges would have been lower in 2008 by \$500 thousand (2007 - \$143 thousand).

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

Regulatory assets

Environmental

The Company records a liability for the estimated future expenditures required to remediate past environmental contamination. Because such expenditures are expected to be recoverable in future rates, the Company has recognized an equivalent amount as a regulatory asset. This regulatory asset is expected to be amortized to results of operations on a basis consistent with the pattern of actual expenditures expected to be incurred up to the year 2025. The OEB has the discretion to examine and assess the prudence and the timing of recovery of all of the Company's future regulatory expenditures. In the absence of rate regulated accounting, operation, maintenance and administration expense in 2008 would have been higher by \$1,652 thousand (2007 - \$nil). In addition, amortization expense in 2008 would have been lower by \$117 thousand (2007 - \$nil).

Stranded meters

On January 16, 2007 the OEB approved the use of a deferral account to record the stranded costs of conventional or accumulation meters removed at the time of installation of smart meters. The net book value of conventional meters removed from service was reclassified from fixed assets to regulatory assets. The remaining value less any proceeds of disposition will be amortized over the same period as the remaining useful life, had they remained in service.

Regulatory asset recovery account

On March 21, 2005, the OEB approved the Company's request to continue to recover regulatory asset balances including interest, recognized prior to 2004. On April 12, 2006, final approval was received from the OEB for the recovery of the December 2004 regulatory asset balances. Recoveries from May 2006 to April 2008 exceeded these balances and disposition of the resulting regulatory liability is subject to a future OEB proceeding. In the absence of rate regulated accounting, amortization of regulatory assets in the amount of \$142 thousand (2007 - \$426 thousand) would not have been recorded and amortization expense would have been lower by the same amount.

Regulatory liabilities

Retail settlement variance accounts

Retail settlement variance accounts (RSVA) consist of amounts deferred under the provisions of *Article 490* of the OEB's Accounting Procedures Handbook. The Company has accumulated a net liability in its RSVA and anticipates that the OEB will include the net balance of this regulatory account in future rates.

PILs variance

Effective May 1, 2006, the OEB established a PILs variance account in accordance with the OEB's 2006 Electricity Distribution Rate Handbook and related guidance. The purpose of this account is to capture the tax impact of any differences affecting 2006 PILs included in rates that arise from changes in tax rules or tax re-assessments. Disposition of this account balance is subject to OEB review.

Smart meters

On March 21, 2006, the OEB approved the establishment of regulatory deferral accounts for smart meter-related expenditures and a monthly customer charge of 28 cents per metered customer was reflected in the Company's revenue requirement. Consistent with the OEB's direction and pending further guidance, the Company recognized a regulatory asset consisting of the net balance of capital and operating expenditures for smart meters less recoveries received from customers. In April 2007, as part of its decision regarding the Company's 2007 distribution rate applications, the OEB increased the monthly customer charge effective May 1, 2007 to 67 cents per metered customer.

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

On August 8, 2007, the OEB issued a decision on its combined proceeding to determine recoverability of expenditures incurred by distributors. Expenditures associated with the minimum functionality for advanced metering infrastructure incurred by the Company were approved for recovery. As a result of this decision, smart meter expenditures are no longer deferred as regulatory assets. Such expenditures are now classified as capital or are charged to results of operations consistent with the Company's standard accounting practices.

The OEB decision also required that related revenues be based upon a calculated revenue requirement specific to smart meters. As a result, the carrying value of the smart meter regulatory liability account represents the difference between revenue recorded on this basis and actual recoveries received under existing rate adders. In the absence of rate regulated accounting, operation, maintenance and administration expense would have been lower by \$nil (2007 – lower by \$25 thousand) and revenues would have been lower by \$8 thousand (2007 – \$103 thousand).

8. DEBT

The long-term debt, net of deferred transaction costs described below, of \$142,377 thousand (2007 - \$142,366 thousand) is a promissory note payable to Hydro One bearing interest at a rate of 6.95% per annum until maturity on June 1, 2032. The note is subject to redemption or repurchase by the Company before maturity, in whole or in part. On issuance of this promissory Note, \$773 thousand of transaction costs incurred by Hydro One were transferred to the Company. These transaction costs are presented net with long-term debt and are being amortized over the 30-year term of the note. The unamortized balance at December 31, 2008 was \$623 thousand (2007- \$634 thousand).

9. CARRYING AND FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying values of all financial instruments, except long-term debt, approximate fair value. The fair value of long-term debt, based on year-end quoted market prices for the same or similar debt of the same remaining maturities, is provided in the following table:

<i>December 31 (Canadian dollars in thousands)</i>	2008		2007	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	143,000	152,223	143,000	176,576

Financial Instrument Disclosures

Exposure to market risk, credit risk and liquidity risk arises in the normal course of the Company's business.

Market Risk

Market risk refers primarily to the risk of losses that result from changes in commodity prices, foreign exchange rates and interest rates. The Company does not have commodity risk and its foreign exchange risk is currently insignificant. Hydro One Brampton is exposed to fluctuations in interest rates as the regulated rate of return for the Company's distribution business is derived using a formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. The Company estimates that a 1% decrease in the forecast long-term Government of Canada bond yield used in the current OEB formula for determining the Company's rate of return on equity would reduce its results of operations by approximately \$1,200 thousand.

Credit Risk

Financial assets create credit risk that a counter-party will fail to discharge an obligation, causing a financial loss. The Company's revenue is earned from a broad base of customers. As a result, Hydro One Brampton did not earn a significant amount of revenue from any individual customer. As at December 31, 2008, there were no significant balances of accounts receivable due from any single customer.

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

In the year, the Company's provision for bad debts increased slightly to \$610 thousand (2007 - \$568 thousand). Minor adjustments and write-offs were determined on the basis of a review of overdue accounts, taking into consideration historical experience. As at December 31, 2008, approximately 5% of the Company's accounts receivable was aged more than 60 days.

The Company manages its counter-party credit risk through various techniques including, entering into transactions with highly rated counter-parties, limiting total exposure levels with individual counterparties, entering into agreements with the contractual right of offset, and monitoring the financial condition of counterparties. The Company's credit risk for accounts receivable is limited to the carrying amount on the Balance Sheet.

Liquidity Risk

Liquidity risk refers to the Company's ability to meet its financial obligations as they come due. Short-term liquidity is provided through cash and cash equivalents on hand, funds from operations, and the Inter-company Demand Facility arrangement with Hydro One. The short-term liquidity available to the Company should be sufficient to fund normal operating requirements.

As at December 31, 2008, accounts payable and accrued liabilities in the amount of \$53,439 thousand are expected to be settled in cash at their carrying amounts within the next year. Long-term debt maturing over the next twelve months is \$nil thousand. Interest payments over the next twelve months on the Company's outstanding debt amount to \$9,938 thousand.

As at December 31, 2008, the Company has issued long-term debt in the amount of \$143,000 thousand and the Company is required to make interest payments in the amount of \$9,938 thousand.

10. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholder's equity, short-term and long-term debt, and cash and cash equivalents. The Company's capital structure as at December 31, 2008 and December 31, 2007 was as follows:

<i>(Canadian dollars in thousands)</i>	2008	2007
Cash and cash equivalents	5,411	2,746
Long-term debt	142,377	142,366
Contributed Surplus	60,060	60,060
Common Shares	51,501	51,501
Retained Earnings	34,496	33,541
	146,057	145,102
Total Capital	293,845	290,214

For the purposes of this table and the Statements of Cash Flows, "cash and cash equivalents" refers to the Balance Sheet item "bank indebtedness."

11. EMPLOYEE FUTURE BENEFITS

Employees of the Company participate in OMERS, a multi-employer public sector pension fund. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and salary. The Company accounts for its participation as a defined contribution plan. During 2008, the Company contributed \$1,095 thousand to the plan (2007 - \$1,016 thousand).

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

The Company also provides certain medical and life insurance benefits to its retired employees and their dependents. The Company recognizes these post-retirement costs in the period in which the employees render services. Costs are determined by independent actuaries using the projected benefit method pro-rated on service and based on assumptions that reflect management's best estimates. Past service costs from plan amendments are amortized on a straight-line basis and cumulative actuarial gains and losses are amortized over the expected average remaining service life of the employees covered using the 10% corridor method. The measurement date used to determine the accrued benefit obligation is December 31.

Net periodic post-retirement benefit costs of \$477 thousand (2007 - \$445 thousand) are attributed to labour. In 2008, \$208 thousand (2007 - \$195 thousand) was charged to operations and \$269 thousand (2007 - \$250 thousand) was capitalized as part of the cost of fixed assets.

Information about the Company's post-retirement benefit plan is as follows:

<i>December 31 (Canadian dollars in thousands)</i>	2008	2007
Accrued benefit liability, beginning of year	5,343	4,999
Net periodic post-retirement benefit cost	477	445
Benefits paid	(81)	(101)
Accrued benefit liability, end of year	5,739	5,343

During 2008, the Company had an actuarial gain of \$1,351 thousand as a result of updating year-end assumptions. The net accumulated unamortized actuarial gain at December 31, 2008 was \$1,891 thousand (2007 - \$545 thousand).

Components of net periodic post-retirement benefit cost are as follows:

<i>December 31 (Canadian dollars in thousands)</i>	2008	2007
Current service cost	212	193
Interest cost	270	252
Actuarial (gain) on benefit obligation	(1,351)	(239)
Costs arising in the period	(869)	206
Differences between costs arising in the period and costs recognized in the period in respect of:		
Actuarial loss	1,346	239
Net periodic post-retirement benefit cost	477	445
Effect of 1% increase in health care cost trends on:		
Accrued benefit obligation, December 31	262	401
Service and interest costs	55	47
Effect of 1% decrease in health care cost trends on:		
Accrued benefit obligation, December 31	(233)	(347)
Service and interest costs	(48)	(41)

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

The significant actuarial assumptions used in measuring the accrued benefit obligation are as follows:

	2008	2007
Expected annual remaining service life of employees	14 years	14 years
Discount rate for the expense for the year ended December 31	5.50%	5.25%
Discount rate for accrued benefit obligation as at December 31	7.25%	5.50%
Rate of compensation scale escalation (without merit)	4.00%	4.00%
Rate of increase of long-term supplementary medical costs is 9.00% per annum in 2008 grading down to 4.5% per annum in and after 2023.	9.00%	4.50%
Rate of increase of prescription drugs is 9.00% per annum in 2008 grading down to 4.50% per annum in and after 2023.	9.00%	9.75%
Rate of increase of dental costs is 5.00% per annum.	5.00%	4.50%

12. ENVIRONMENTAL LIABILITIES

On September 17, 2008, Environment Canada published its final regulations governing the management, storage and disposal of polychlorinated biphenyls (PCBs). These regulations were enacted under the *Canadian Environmental Protection Act, 1999*. The new regulations impose timelines for disposal of PCBs based on different types of equipment, in-use status and PCB contamination thresholds. Under the regulations, all PCBs in concentrations of 500 parts per million (ppm) or more, except pole-top transformers and their pole-top auxiliary electrical equipment and light ballasts, must be disposed of by the end of 2009. PCBs in concentrations of 50 ppm or more in pole-top transformers and their pole-top auxiliary electrical equipment, light ballasts and other electrical equipment must be disposed of by the end of 2025. In addition, liquids with 2 ppm or more that have been removed from equipment cannot be reused.

Management judges that the Company has very limited PCB-contaminated assets in excess of 500 ppm (priority will be given to targeting inspection and testing work toward identifying and removing PCBs in assets as quickly as operationally feasible). Assets to be disposed of primarily consist of pole and pad mount distribution transformers and light ballasts which require disposal by 2025.

Management's best estimate of the future expenditures to comply with the final regulations as at December 31, 2008 was \$1,944 thousand. These expenditures will be incurred over the period from 2009 to 2025.

As Hydro One Brampton anticipates that the related expenditures will continue to be recoverable in future rates, an environmental regulatory asset in the amount of \$1,555 thousand has been recorded to reflect the probability of future recovery of these PCB expenditures from customers.

In determining the amounts to be recorded as environmental liabilities, the Company has estimated the current cost of completing mitigation work and has made assumptions as to when the future expenditures will actually be incurred to generate future cash flow information. A long-term inflation assumption of approximately 3% has been used to express current cost estimates as estimated future expenditures. These future expenditures are discounted using a factor of 5.14%. The factors used in estimating the Company's environmental liability represents management's best estimate. However, it is reasonably possible that numbers or volumes of contaminated assets, current cost estimates, inflation assumptions and assumed pattern of annual cash flows may differ significantly from our assumptions. In addition, the availability of critical resources such as skilled labour and replacement assets and the ability to take maintenance outages in critical facilities may influence the timing of expenditures.

HYDRO ONE BRAMPTON NETWORKS INC.
NOTES TO FINANCIAL STATEMENTS (continued)

Estimated environmental liabilities are reviewed annually or more frequently if significant changes in regulation or other relevant factors occur. Estimate changes are accounted for prospectively.

<i>December 31 (Canadian dollars in thousands)</i>	2008
Environmental liabilities, January 1	-
Environmental liability recorded	1,652
Interest accretion	20
Expenditures	(117)
Environmental liabilities, December 31	1,555
Less: current portion included in accounts payable and accrued charges	(595)
	960

Estimated future environmental expenditures for each of the five years subsequent to December 31, 2008 and in total thereafter are as follows: 2009 - \$626 thousand; 2010 - \$482 thousand; 2011 - \$44 thousand; 2012 - \$45 thousand; 2013 - \$47 thousand and thereafter - \$700 thousand.

There are uncertainties in estimating future environmental costs due to potential external events such as changing regulations and advances in remediation technologies. The Company continuously reviews factors affecting its cost estimates as well as the environmental condition of the various properties. The actual cost of investigation or remediation may differ from current estimates.

13. SHARE CAPITAL

Common Shares

The Company is authorized to issue an unlimited number of common shares. 2,000 shares have been issued to date.

Contributed Surplus

Contributed surplus represents \$60,060 thousand in goodwill recognized upon Hydro One's 2001 purchase and pushed down to the accounts of the Company.

Dividends

Common dividends are declared at the sole discretion of the Company's Board of Directors and are recommended by management based upon results of operations, financial condition, cash requirements and other relevant factors such as industry practice and shareholder expectations.

Common dividends declared and paid during 2008 were \$10,000 thousand (2007 - \$8,000 thousand).

14. RELATED PARTY TRANSACTIONS

Hydro One and its subsidiaries including Hydro One Networks Inc. (Hydro One Networks), the OEFC, Ontario Power Generation Inc. (OPG), the Independent Electricity System Operator (IESO), the Ontario Power Authority (OPA) and the Province are related parties of the Company. In addition, the OEB is related to the Company by virtue of its status as a provincial Crown agent, although as a self-financing and self-sufficient regulatory organization, it carries out independent regulation for Ontario's energy sector, including the Company's regulated distribution business. Transactions with these parties were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the parties. Transactions between these parties and the Company were as follows:

HYDRO ONE BRAMPTON NETWORKS INC.

NOTES TO FINANCIAL STATEMENTS (continued)

In 2008, the Company purchased power from the IESO-administered spot market in the amount of \$270,715 thousand (2007 - \$272,000 thousand). During 2008, Hydro One provided prudential support to the IESO on behalf of the Company in the form of parental guarantees of \$75,000 thousand (2007 - \$75,000 thousand).

The Company purchased certain transmission, connection, and administrative services from Hydro One Networks and Hydro One totaling \$4,312 thousand (2007 - \$5,364 thousand). The Company provided certain transmission and connection services to Hydro One Networks totaling \$1,341 thousand (2007 - \$1,490 thousand). The Company recorded other rental revenues from Hydro One Networks of \$115 thousand (2007 - \$195 thousand).

During 2008, the Company paid for certain telecommunication services in the amount of \$50 thousand (2007 - \$76 thousand) and leased a portion of its facilities and equipment to Hydro One Telecom Inc. in the amount of \$141 thousand (2007 - \$217 thousand).

Consistent with the OPA mandate, the OPA is responsible for some of our Conservation and Demand Management (CDM) programs. The funding includes program costs, incentives and management fees and bonuses. In 2008, the Company received \$1,012 thousand (2007 - \$680 thousand) from the OPA in respect of the CDM programs and had a net accounts receivable of \$221 thousand (2007 - \$1,064 thousand).

The provision for payments in lieu of corporate income taxes was paid or payable to the OEFC.

Under the *Ontario Energy Board Act, 1998*, the OEB is required to recover all of its annual operating costs from gas and electricity distributors and electricity transmitters. In 2008, the Company incurred \$420 thousand (2007 - \$424 thousand) in OEB fees.

The amounts due to or from related parties as a result of the transactions referred to above are as follows:

<i>December 31 (Canadian dollars in thousands)</i>	2008	2007
Accounts receivable	625	1,449
Accounts payable and accrued charges	(26,903)	(26,166)

Included in accounts payable and accrued charges are amounts owing to the IESO in respect of power purchases of \$24,111 thousand (2007 - \$22,776 thousand).

A common dividend of \$10,000 thousand was paid to Hydro One in the year (2007 - \$8,000 thousand).

Interest income earned under the inter-company demand facility with Hydro One includes interest expense of \$49 thousand (2007 - \$70 thousand).

As at December 31, 2008, long-term debt of \$143,000 thousand was due to Hydro One (2007 - \$143,000 thousand). Net financing charges for 2008 include interest expense on this debt in the amount of \$9,939 thousand (2007 - \$9,939 thousand).

HYDRO ONE BRAMPTON NETWORKS INC.
NOTES TO FINANCIAL STATEMENTS (continued)

15. STATEMENTS OF CASH FLOWS

For the purposes of the Statements of Cash Flows, "cash and cash equivalents" refers to "bank indebtedness".

The changes in non-cash balances related to operations consist of the following:

<i>Year ended December 31 (Canadian dollars in thousands)</i>	2008	2007
Accounts receivable decrease (increase)	6,283	(3,060)
Materials and supplies decrease (increase)	408	(695)
Accounts payable and accrued charges (decrease) increase	(6,481)	8,417
Environmental liabilities and other long term liabilities increase (decrease)	960	(247)
Employee future benefits other than pension increase	396	344
	1,566	4,759
Supplementary information:		
Interest paid	10,332	10,251
Payments in lieu of corporate income taxes	12,810	9,840

16. CONTINGENCIES

The Company is involved in various lawsuits, claims and regulatory proceedings in the normal course of business. In the opinion of management, the outcome of such matters will not have an adverse effect on the Company's financial position, results of operations or cash flows.

A class action claiming \$500,000 thousand in restitutionary payments, plus interest, was served on Toronto Hydro on November 18, 1998. The action was initiated against the former Toronto Hydro-Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario, which have charged late payment charges on overdue utility bills at any time after April 1, 1981. The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of amounts allowed by law.

This action has been brought under the *Class Proceedings Act, 1992*. The plaintiff class seeks \$500,000 thousand in restitution for amounts paid to Toronto Hydro and to other Ontario municipal electric utilities ("LDCs") who received late payment penalties which constitute interest at an effective rate in excess of 60% per year, contrary to section 347 of the *Criminal Code*. Pleadings have closed in this action. The action has not yet been certified as a class action and no discoveries have been held, as the parties were awaiting the outcome of a similar proceedings brought against Enbridge Gas Distribution Inc. ("Enbridge") (formerly Consumers Gas).

On April 22, 2004, the Supreme Court of Canada released a decision in the Consumers Gas Case rejecting all of the defences which had been raised by Enbridge, although the Court did not permit the Plaintiff class to recover damages for any period prior to the issuance of the Statement of Claim in 1994 challenging the validity of late payment penalties. The Supreme Court remitted the matter back to the Ontario Superior Court of Justice for determination of the damages. At the end of 2006, a mediation process resulted in the settlement of the damages payable by Enbridge and that settlement was approved by the Ontario Superior Court.

In 2007, Enbridge filed an application to the OEB to recover the Court-approved amount and related amounts from ratepayers. On February 4, 2008 the OEB approved recovery of the said amounts from ratepayers over a five year period.

After the release by the Supreme Court of Canada of its 2004 decision in the Consumers Gas case, the plaintiffs in the LDC late payment penalties class action indicated their intention to proceed with their litigation against the LDCs. To date, no formal steps have been taken to move the action forward. The electric utilities intend to respond to the action if and when it proceeds on the basis that the LDCs' situation may be distinguishable from that of Consumers Gas. The Electricity Distributors Association is undertaking the defence of this class action. The

HYDRO ONE BRAMPTON NETWORKS INC.
NOTES TO FINANCIAL STATEMENTS (continued)

Company believes that it is unlikely that the outcome of this litigation will have a material adverse effect on its business, results of operations, financial position or prospects.

17. COMMITMENT

Prudential support

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if the Company fails to make a payment required by a default notice issued by the IESO. The maximum potential payment is the nominal amount of the parental guarantees. If Hydro One's highest long term credit rating deteriorated to below the "Aa" category, the Company would be required to provide letters of credit in addition to the parental guarantees. Prudential support at December 31, 2008 was provided using parental guarantees of \$75,000 thousand (2007 - \$75,000 thousand).

18. COMPARATIVE FIGURES

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the December 31, 2008 financial statements.

Appendix R

2001 Notice of Assessment

2002-09-17

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800040

35
Pct003

HYDRO ONE BRAMPTON NETWORKS INC.
BRIAN SOARES
483 BAY STREET
SOUTH TOWER, 8TH FL
TORONTO
M5G 2P5
ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Total Payment
Enclosed: \$

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Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/08/01 to 2001/12/31

HYDRO ONE BRAMPTON NETWORKS INC.
ASSESSMENT NO. 22

Account No.	Assessment Date (year, month, day)	Page
1800040	2002/09/17	1 of 1

Tax: Federal and Provincial PIL
Total Assessment Liability

1,637,287.00
1,637,287.00

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers Sub-Total **1,634,977.00CR**

TAXATION YEAR BALANCE DUE **

1,634,977.00CR
2,310.00

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Adjustment to the computation of Gross Income Tax.

Adjustment to the computation of Net Income Tax

Mathematical error in the computation of Net CMT payable.

**Remember to include additional interest due with your payment. Interest on
the balance is compounded daily from the date of this Notice/Statement until
payment is received by the Ontario Electricity Financial Corporation (OEFC)
the current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5585
• FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036
• Toronto (416) 920-9048 ext. 3036 • FAX (905) 433-5197

002 PVS003

2001 Notice of Assessment

2006-08-17

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800040

35
PAGE

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
483 BAY ST - 8TH FL
SOUTH TOWER
TORONTO
M5G 2P5

ON

Remittance Advice - Payment-in-Lieu (PIL)
Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

2	0	0	1	1	2	3	1
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Payment Amount: \$

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Total Payment Enclosed: \$

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Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/08/01 to 2001/12/31

HYDRO ONE BRAMPTON NETWORKS INC.

Account No.

1800040

Reassessment Date
(year, month, day)

2006/08/17

Page

1 of 2

REASSESSMENT NO. 101 REPLACING ASSESSMENT DATED: 2002/09/17

Tax: Federal and Provincial PIL

Assessment Interest

Total Reassessment Liability

1,639,672.00

1,900.13CR

1,637,771.87

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

1,740,125.77CR

1,740,125.77CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

102,353.90CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Statement of Adjustments sent under separate cover.

Tax (Re)Assessment Enquiries:

- Toronto (416) 730-6585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toronto (416) 820-8048 ext. 3036
- Toll-Free 1-800-282-0784 ext. 3036
- FAX (905) 433-5197

2002 Notice of Assessment

2003-08-08

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 820
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800040

35
PKS023

HYDRO ONE BRAMPTON NETWORKS INC.
BRIAN SOARES
483 BAY ST
SOUTH TOWER, 8TH FL
TORONTO
M5G 2P5

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

2	0	0	2	1	2	3	1
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Payment Amount: \$

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Total Payment
Enclosed: \$

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Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 820
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

HYDRO ONE BRAMPTON NETWORKS INC.

Account No.
1800040

Assessment Date
(year, month, day)
2003/08/08

Page
1 of 1

ASSESSMENT NO. 37

Tax: Federal and Provincial PIL
Assessment Interest

2,678,843.00
55,011.11CR
2,623,831.89

Total Assessment Liability

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

4,633,011.00CR

4,633,011.00CR
2,009,179.11CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5585
• FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6798
• Toronto (416) 920-9048 ext. 3036

• Toll-Free 1-800-262-0784 ext. 3036
• FAX (905) 433-5197

222 PK3002

2003 Notice of Assessment

2004-08-11

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800040

35
PK5003

HYDRO ONE BRAMPTON NETWORKS INC.
C/O TONY PAUL
175 SANDALWOOD PKWY

BRAMPTON
L7A 1E8

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment Enclosed: \$



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 to 2003/12/31

HYDRO ONE BRAMPTON NETWORKS INC.
ASSESSMENT NO. 58

Account No.	Assessment Date (year, month, day)	Page
1800040	2004/08/11	1 of 1

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

7,294,880.00
26,924,24CR
7,267,955.76

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

7,573,179.11CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

7,573,179.11CR
305,223.35CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

filed
Fed 4,452,618
Ont 2,802,962
7,294,880

Tax (Re)Assessment Enquiries:

• Toronto (416) 730-5585
• FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

• Oshawa and Local (905) 433-6708
• Toronto (416) 920-9048 ext. 3036
• Toll-Free 1-800-262-0784 ext. 3036
• FAX (905) 433-5197

0000004

0000004

2004 Notice of Assessment

2005-11-08

Aug-10-06 16:38

From-

T-004 P.01/01 F-659



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800040

35
PK5003

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
483 BAY ST - 8TH FL
SOUTH TOWER
TORONTO
M5G 2P5

ON

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment
Enclosed: \$

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 - Corporations Tax Act, R.S.O. 1990
from 2004/01/01 to 2004/12/31

HYDRO ONE BRAMPTON NETWORKS INC.

ASSESSMENT NO. 84

Account No.	Assessment Date (year, month, day)	Page
1800040	2005/11/08	1 of 1

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

8,346,567.00
14,824.25CR
8,331,742.75

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

8,434,581.52CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

8,434,581.52CR
102,838.77CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

Aggregate Taxable Capital adjusted to include Taxable Capital of Associated
Corporations

CAPITAL TAX ADJUSTED - SHARE OF TAXABLE CAPITAL DEDUCTION REVISED

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5585
• FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036
• Toronto (416) 820-9048 ext. 3036 • FAX (905) 433-5197

0000004

002 PK5003

2004 Notice of Reassessment

2009-11-05



Ministry of Revenue
Hydro P/L
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 to 2004/12/31

HYDRO ONE BRAMPTON NETWORKS INC.

Account No.
1800040

Reassessment Date
(year, month, day)
2009/11/05

Page
1 of 1

REASSESSMENT NO. 190 REPLACING ASSESSMENT DATED: 2005/11/08

Tax: Federal and Provincial PIL
Assessment Interest

8,380,713.00
1,044.69CR
8,379,668.31

Total Reassessment Liability

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

8,331,742.75CR

Sub-Total

8,331,742.75CR

TAXATION YEAR BALANCE DUE **

47,925.56

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Statement of Adjustments sent under separate cover.

Please note Annual Returns for tax years ending before Jan 1, 2009 must be
received at MoR by Sep 30, 2009 to be processed by MoR.

**Remember to include additional interest due with your payment. Interest on
the balance is compounded daily from the date of this Notice/Statement until
payment is received by the Ontario Electricity Financial Corporation (OEFC).
The current interest rate is 0.0136986%.

Tax (Re)Assessment Enquiries: • 1 866 ONT-TAXS (1 866 668-8297) ext. 21113
• FAX 416 218-3276

• TTY 1 800 263-7776
• ontario.ca/revenue

**Account Billing Enquiries &
Change of Address Information:**

• 1 866 ONT-TAXS (1 866 668-8297)
• FAX 905 433-5197

0000001

2005 Notice of Assessment

2006-08-17



Ministry of Finance
Corporations Tax Branch - Hydro P/L
PO Box 620
33 King Street West
Oshawa ON L1H 9E9

Remittance Advice - Payment-in-Lieu (PIL)
Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800040

35
PKS003

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
483 BAY ST - 8TH FL
SOUTH TOWER
TORONTO
M5G 2P5

ON

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment Enclosed: \$



Ministry of Finance
Corporations Tax Branch - Hydro P/L
PO Box 620
33 King Street West
Oshawa ON L1H 9E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 & Corporations Tax Act, R.S.O. 1990
from 2005/01/01 to 2005/12/31

HYDRO ONE BRAMPTON NETWORKS INC.
ASSESSMENT NO. 103

Account No.	Assessment Date (year, month, day)	Page
1800040	2006/08/17	2 of 2

Tax: Federal and Provincial PIL
Assessment Interest
Total Assessment Liability

9,259,451.00
8,565.98CR
9,250,885.02

✓ as filed

SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers Sub-Total **9,605,000.00CR**

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

9,605,000.00CR
354,114.98CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

Tax (Re)Assessment Enquiries:

- Toronto (416) 730-5585
- FAX (416) 730-5583

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toronto (416) 920-8048 ext. 3036
- Toll-Free 1-800-262-0794 ext. 3036
- FAX (905) 433-5187

2006 Notice of Assessment

2007-06-14

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance
Corporations Tax Branch - Hydro P/L
PO Box 620
33 King Street West
Oshawa ON L1H 8E8

Account No.
1800040

35
PK5009

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
483 BAY ST - 8TH FL
SOUTH TOWER
TORONTO
M5G 2P5

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

2	0	0	6	1	2	3	1
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Payment Amount: \$

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Total Payment Enclosed: \$

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Sent to Tony/Dac
6/19/07-



Ministry of Finance
Corporations Tax Branch - Hydro P/L
PO Box 620
33 King Street West
Oshawa ON L1H 8E8

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 & Corporations Tax Act, R.S.O. 1990
from 2006/01/01 to 2006/12/31

HYDRO ONE BRAMPTON NETWORKS INC.

Account No.

1800040

Assessment Date
(year, month, day)

2007/06/14

Page

1 of 1

ASSESSMENT NO. 132

Tax: Federal and Provincial PIL

Assessment Interest *recorded Aug. 07*

Total Assessment Liability

9,644,982.00

2,567.81CR

9,642,414.19

SUMMARY OF 2006/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

9,860,552.21CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

9,860,552.21CR218,138.02CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

AX (Re)Assessment Enquiries:

• Toronto (416) 730-5585
• FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

• Oshawa and Local (905) 423-6708
• Toronto (416) 920-9048 ext. 3036

• Toll-Free 1-800-262-0784 ext. 3036
• FAX (416) 920-9048

PK5009

2007 Notice of Assessment

2008-06-17



Ministry of Revenue
Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800040

35
PY2002

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
175 SANDALWOOD PARKWAY W

BRAMPTON
L7A 1E8

ON

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment
Enclosed: \$



Ministry of Revenue
Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2007/01/01 to 2007/12/31

Account No.

1800040

Assessment Date
(year, month, day)

2008/06/17

Page

1 of 1

HYDRO ONE BRAMPTON NETWORKS INC.
ASSESSMENT NO. 155

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

SUMMARY OF 2007/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

12,513,340.00

3,751.03

12,517,091.03 ✓

12,758,461.43CR

12,758,461.43CR

241,370.40CR ✓

Tax (Re)Assessment Enquiries:

• Toronto 416 218-3283

• FAX 416 730-5592

Account Billing Enquiries & Change of Address Information:

• Toll-Free 1 800 262-0784 ext. 5036

• FAX 905 433-5197

0000003

2007 Notice of Reassessment

2008-11-26



Ministry of Revenue
Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2007/01/01 to 2007/12/31

Account No.	Reassessment Date (year, month, day)	Page
1800040	2008/11/26	1 of 1

HYDRO ONE BRAMPTON NETWORKS INC.

ASSESSMENT NO. 165 REPLACING ASSESSMENT DATED: 2008/06/17

Tax: Federal and Provincial PIL
Assessment Interest
Total Reassessment Liability

12,331,569.00
414.19
12,331,983.19

SUMMARY OF 2007/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

12,517,091.03CR

Sub-Total

12,517,091.03CR
185,107.84CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Capital Tax.

Tax (Re)Assessment Enquiries:

• Toronto 416 218-3283 • FAX 416 730-5593

Account Billing Enquiries & Change of Address Information:

• Toll-Free 1 800 262-0784 ext. 3086 • FAX 806 433-5197

0000005

Detach and return this REMITTANCE FORM with your payment.



Ministry of Revenue
Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800040

35
PNS005

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
175 SANDALWOOD PARKWAY W

BRAMPTON
L7A 1E8

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment Enclosed: \$

Rec'd Dec 1/08

2008 Notice of Assessment

2009-07-20



Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Account No.
1800040

35
PX5003

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
175 SANDALWOOD PARKWAY W

BRAMPTON
L7A 1E8

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

2	0	0	8	1	2	3	1
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Payment Amount: \$

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Total Payment
Enclosed: \$

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Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2008/01/01 to 2008/12/31

HYDRO ONE BRAMPTON NETWORKS INC.

ASSESSMENT NO. 178

Account No.

1800040

Assessment Date
(year, month, day)

2009/07/20

Page

1 of 1

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

9,160,827.00

6,623.22CR

9,154,203.78

SUMMARY OF 2008/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

9,936,478.24CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

9,936,478.24CR

782,274.46CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation**, and mail, using the enclosed envelope.
- Print your account # on the back of cheque or money order.
Payment cannot be made at financial institutions.
- Check all transactions for accuracy. If you have any questions, please contact the Ministry within 30 days of the Statement of Account/Notice of (Re)Assessment date.
- Recently mailed payments may not appear on the Statement of Account.

Notice of Objection

If you do not agree with a Notice of (Re)Assessment or any items marked by an asterisk (*) on the Statement of Account, you have the right to file a Notice of Objection with the Tax Appeals Branch **within 180 days from the issue date on the front of the form.**

Notice of Objection forms can be obtained by contacting the Ministry at:

Telephone

- **1 866 ONT-TAXS** (1 866 668-8297)
- TTY (Teletypewriter) 1 800 263-7776

Mail

Ministry of Finance
Revenue Operations
& Client Services Branch
Distribution Services
33 King St W
PO Box 627
Oshawa ON L1H 8H5

Internet

- ontario.ca/taxappeals

2009 Notice of Assessment

2010-06-11



Ontario

Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Account No.
1800040

35
PX5003

HYDRO ONE BRAMPTON NETWORKS INC.
C/O BRIAN SOARES, SR MGR
175 SANDALWOOD PARKWAY W

BRAMPTON
L7A 1E8

ON

10 HPL

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

2	0	0	9	1	2	3	1
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Payment Amount: \$

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Total Payment Enclosed:

\$

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Ontario

Ministry of Revenue
Hydro PIL
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2009/01/01 to 2009/12/31

Account No.

Assessment Date
(year, month, day)

Page

1800040

2010/06/11

1 of 1

HYDRO ONE BRAMPTON NETWORKS INC.

ASSESSMENT NO. 230

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

5,556,103.00

2,446.49CR

5,553,656.51

SUMMARY OF 2009/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

7,482,579.60CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

7,482,579.60CR

1,928,923.09CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Capital Tax.

TAX BANKING IS NOT AVAILABLE.

PIL Payment Information

- Make your cheque or money order in Canadian Funds, payable to the **Ontario Electricity Financial Corporation**, and mail, using the enclosed envelope.
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- **1 866 ONT-TAXS** (1 866 668-8297)
- TTY (Teletypewriter) 1 800 263-7776

Mail

Ministry of Finance
Revenue Operations
& Client Services Branch
Distribution Services
33 King St W
PO Box 627
Oshawa ON L1H 8H5

Internet

- ontario.ca/taxappeals

Appendix S

Board Decisions 2002 to 2005

EB-2010-0132

**Board Approved Proxy
Included in Rates for Year
Utility Name: Hydro One Brampton**

**Decision
Reference**

**Effective
Date of
Rates**

**PILS Proxy
Approved**

2001 Proxy	EB-2002-0044	1-Mar-02	3,735,614.04
2002 Proxy	EB-2002-0044	1-Mar-02	7,536,775.30
2004 Proxy	EB-2004-0281	1-Mar-04	7,536,775.30
2005 Proxy	EB-2005-0008	1-Mar-05	7,371,915.68