ERRATA
APPENDIX "D"

HARMONIZED 2006 TAX MODEL

Schedule 8 CCA Test Year

Name of Utility: Veridian Connections Inc.-
License Number: ED-2002-0503
File Numbers: , EB-2007-0879-ERRATA
Name of Contact: Laurie D. Stickwood   Phone Number: 905-427-9870

For Leasehold Improvements, insert the number of lease years (cells I18 - I20)

Class	Class Description	UCC Test Year Opening Balance	Test Year - Tier 1, Tier 2 Additions	Test Year - Tier 1, Tier 2 Disposals	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	134,858,207	3,394,317	0	138,252,524	1,697,159	136,555,366	4%	5,462,215	132,790,309
2	Distribution System - pre 1988	744,483	0	0	744,483	0	744,483	6%	44,669	699,814
8	General Office/Stores Equip	973,864	0	0	973,864	0	973,864	20%	194,773	779,091
10	Computer Hardware/ Vehicles	191,320	0	0	191,320	0	191,320	30%	57,396	133,924
10.1	Certain Automobiles	0	0	0	0	0	0	30%	0	0
12	Computer Software	201,080	0	0	201,080	0	201,080	100%	201,080	0
13_1	Leasehold Improvement # 1	16,471	0	0	16,471	0	16,471	5	3,294	13,177
13_2	Leasehold Improvement # 2	0	0	0	0	0	0	4	0	0
13_3	Leasehold Improvement # 3	0	0	0	0	0	0	3	0	0
13_4	Leasehold Improvement # 4	0	0	0	0	0	0	4	0	0
14	Franchise	0	0	0	0	N/A	0	7	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	30%	0	0
45	Computers & Systems Software acq'd post Mar 22/04	19,173	0	0	19,173	0	19,173	45%	8,628	10,545
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	120,138	0	0	120,138	0	120,138	30%	36,041	84,097
			0	0	0	0	0		0	0
			0	0	0	0	0		0	0
		0			0	0	0		0	0
		0			0	0	0		0	0
	TOTAL	**137,124,736**	**3,394,317**	**0**	**140,519,053**	**1,697,159**	**138,821,895**		**6,008,096**	**134,510,957**

Test Year Taxable Income

Name of Utility: Veridian Connections Inc.-
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	T2 S1 line #	Test Year Taxable Income	2004 Adjusted Taxable Income	Variance	Explanation for Variance
Net Income Before Taxes		5,504,881	5,007,221	497,660	*Note this value will be significantly larger due to PILs collected in 2004 Adjusted Taxable Income.*
Additions:					
Interest and penalties on taxes	103		0	0	
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104	8,269,413	8,161,008	108,405	ncluded is Amortization related to Tier 1 adjustment
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		39,269	-39,269	
Recapture of capital cost allowance from Schedule 8	107		0	0	
Gain on sale of eligible capital property from Schedule 10	108		0	0	
Income or loss for tax purposes- joint ventures or partnerships	109		1,218	-1,218	
Loss in equity of subsidiaries and affiliates	110		0	0	
Loss on disposal of assets	111		0	0	
Charitable donations	112	0	0	0	
Taxable Capital Gains	113		0	0	
Political Donations	114		0	0	
Deferred and prepaid expenses	116		0	0	
Scientific research expenditures deducted on financial statements	118		0	0	
Capitalized interest	119		0	0	
Non-deductible club dues and fees	120	3,373	0	3,373	Add back for disallowed membership fees
Non-deductible meals and entertainment expense	121		1,165	-1,165	
Non-deductible automobile expenses	122		0	0	
Non-deductible life insurance premiums	123		0	0	
Non-deductible company pension plans	124		0	0	
Tax reserves beginning of year	125	0	0	0	
Reserves from financial statements- balance at end of year	126	580,160	580,160	0	
Soft costs on construction and renovation of buildings	127		0	0	
Book loss on joint ventures or partnerships	205		0	0	
Capital items expensed	206		0	0	
Debt issue expense	208		0	0	
Development expenses claimed in current year	212		0	0	
Financing fees deducted in books	216		0	0	
Gain on settlement of debt	220		0	0	
Non-deductible advertising	226		0	0	
Non-deductible interest	227		0	0	
Non-deductible legal and accounting fees	228		0	0	
Recapture of SR&ED expenditures	231		0	0	
Share issue expense	235		0	0	
Write down of capital property	236		0	0	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		0	0	
Other Additions: (please explain in detail the nature of the item)					
Interest Expensed on Capital Leases	290		0	0	
Realized Income from Deferred Credit Accounts	291		0	0	
Pensions	292		0	0	
Non-deductible penalties	293		0	0	
ADDBACK RE: S. 12 (1) X	294	101,317	11,407	89,910	dd back for disallowed material bad debt occurrenc
	295	2,115	0	2,115	Add back for disallowed advertising expense
	296		0	0	
	297		0	0	
Total Additions		8,956,378	8,794,227	162,151	

Test Year Taxable Income

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	T2 S1 line #	Test Year Taxable Income	2004 Adjusted Taxable Income	Variance	Explanation for Variance
Deductions:					
Gain on disposal of assets per financial statements	401		0	0	
Dividends not taxable under section 83	402		0	0	
Capital cost allowance from Schedule 8	403	6,008,096	6,155,075	-146,979	
Terminal loss from Schedule 8	404		0	0	
Cumulative eligible capital deduction from Schedule 10 CEC	405	308,930	500,618	-191,688	
Allowable business investment loss	406		0	0	
Deferred and prepaid expenses	409		0	0	
Scientific research expenses claimed in year	411		0	0	
Tax reserves end of year	413	0	0	0	
Reserves from financial statements - balance at beginning of year	414	580,160	570,214	9,946	
Contributions to deferred income plans	416		0	0	
Book income of joint venture or partnership	305		0	0	
Equity in income from subsidiary or affiliates	306		0	0	
Other deductions: (Please explain in detail the nature of the item)					
Interest capitalized for accounting deducted for tax	390	154,479	154,479	0	
Capital Lease Payments	391	21,200	21,200	0	
Non-taxable imputed interest income on deferral and variance accounts	392		0	0	
ELECTION UNDER S. 13(7.4)	393		11,407	-11,407	
	394		0	0	
Excess Interest (from Tab "Schedule 7-3")	395	0	0	0	Applicable to Test Year only
	396		0	0	
	397		0	0	
Total Deductions		7,072,865	7,412,993	-340,128	
NET INCOME FOR TAX PURPOSES		7,388,394	6,388,455	999,939	
Charitable donations	311		0	0	
Taxable dividends received under section 112 or 113	320		0	0	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0	403,094	-403,094	
Net-capital losses of preceding taxation years from Schedule 7-1	332	0	0	0	
Limited partnership losses of preceding taxation years from Schedule 4	335		0	0	
TAXABLE INCOME (C/F to tab "Tax Provision)		7,388,394	5,985,361	1,403,033	

Test Year PILs/ Tax Provision

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	Wires Only	2004 Actual	Variance	Explanation of Variance
Regulatory Taxable Income - From 'Test Year Taxable Income'	7,388,394			
Corporate Income Tax Rate	36.12%			
Total Income Taxes	2,668,688			
Investment Tax Credits			0	
Miscellaneous Tax Credits			0	
Total Tax Credits	0	0	0	
Corporate PILs/Income Tax Provision for Test Year	2,668,688			
Ontario Capital Tax	425,260			
LCT	36,524			

INCLUSION IN RATES

Income Tax (grossed-up)	4,177,658
Ontario Capital Tax (not grossed-up)	425,260
LCT (grossed-up)	57,175
Tax Provision for 2006 EDR Model Rate Recovery (EDR Model Tab "4-2 OUTPUT from PILS MODEL" cell E15)	4,660,094

PILs VARIANCE

Name of Utility: Veridian Connections Inc.-
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Name of Contact: Laurie D. Stickwood Phone Number: 905-427-9870

		Income Taxes	OCT	LCT	TOTAL
Actual PILs/Taxes Paid by the Utility [1]	2002	465,886	438,564	321,995	1,226,445
	2003	668,305	397,205	284,363	1,349,873
	2004	2,233,624	434,965	116,815	2,785,404
Test Year PILs/Taxes [2]	2006	4,177,658	425,260	57,175	4,660,094
Variance (2006 vs. 2004)		1,944,034 -	9,705 -	59,640	1,874,690

Percentage Variance between Actual 2004 and 2006 Proxy 40%

If Cell K18 exceeds 25%, a narrative description of this variance shall be included in the Manager's Summary

Comments:

1) Test Year PILs/Taxes is grossed up amount - actual paid in 2004 is not grossed up. Comparative numbers are actually the sum of Cells D22

[1] Actual Wires-Only PILs/ Taxes paid includes income taxes, Ontario Capital Tax and Large Corporation Tax.
These values are available from your annual filings - SIMPIL model TaxRec

[2] Test Year PILs/Taxes include the grossed-up amounts for income taxes and Large Corporation Tax, plus Ontario Capital Tax.