## **ATTACHMENT U**

**2005 SIMPIL RRR FILING - ORIGINAL** 

	A	В	С	l D	Е
1		ь		<u> </u>	Version 2005.1
	SIMPIL RRR FILING REGULATORY INFORMATION (REGINFO)			-	RRR # 2.1.8
	Utility Name: London Hydro Inc.			Colour Code	KIXIX # 2.1.0
	Reporting period: Jan 1,2005 to Dec 31,2005			Input Cell	,
5	Reporting period. Jan 1,2003 to Dec 31,2003			Formula in Cell	
	Days in reporting period:	265	dove	Politicia III Celi	1
		365 365	days		
	Total days in the calendar year:	300	days		
8					
	BACKGROUND				
	Has-the-utility-reviewed-section-149(1) ITA-to				
11	confirm that it is not subject to regular corporate			] .	
12	tax (and therefore subject to PILs)?		Y/N	<u> </u>	
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
10	and now subject to 5.00 a 50 f iES:		1,714		
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
	shared among the corporate group?	LCT	Y/N	- N	
			T/IN		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C68 & C77 in the TAXCALC spreadsheet.	LCT_		_ 100%	
	Accounting Year End		Date	12-31-2005	
20				1	
	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS			,	
30				_	
31	Rate Base (wires-only)			174,041,606	
33	Common Equity Ratio (CER)			」 45.00%	
35	1-CER			55.00%	
90				<u>.</u>	
	Target Return On Equity			9.88%	
39	Debt rate			7.00%	
41	Market Adjusted Revenue Requirement			14,438,492	
	1999 return from RUD Sheet #7			5,928,118	5,928,118
45	Total Incremental revenue			8,510,374	1
				0,010,014	
47	Input: Board-approved dollar amounts phased-in Amount allowed in Year 1 - 2001			」 2,836,791	2,836,791
48	Amount allowed in Year 2 - 2002			_	
	Amount allowed in Year 2 - 2002  Amount allowed in 2003 and 2004 (will be zero due to Bill 210;			_ 2,836,791 0	
49				_	ا م
50	unless authorized by the Minister and the Board)				2 926 704
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM pl	an)		_ 2,836,791	2,836,791
52	Other adjustments approved by the Board			_	U
53				٦	14 400 404
54 55	Total Regulatory Income	-			14,438,491
				70.040.700	
56	Equity			78,318,723	
57	D-1			7 707 000	
	Return at target ROE			7,737,890	<u> </u>
59	D-1-1			05 700 000	
	Debt			95,722,883	
61	D		1	0.700.000	
	Deemed interest amount in 100% of MARR			6,700,602	
63	Dhana in affintament Wann 1 (0001)			4.007.044	
_	Phase-in of interest - Year 1 (2001)			4,067,611	
65	((D43+D47)/D41)*D62		ļ		-
	Phase-in of interest - Years 2, 3 & 4 (2002, 2003,2004)			5,384,106	ļ
67	((D43+D47+D48)/D41)*D62 (Due to Bill 210)		ļ		
	Phase-in of interest - Year 3 (2005) and forward			6,700,602	
69					
70					
71					
72			]		

⊢		В	С	_	-	-	_	1 11 1		J	к	,
	A SIMPIL RRR FILING	ITEM	Initial	D	트	F	٥.	Н	M of F	M of F	MofF	<u> </u>
2	DEFERRAL/VARIANCE ACCOUNTS	11 = 191	Estimate					<del> </del>	Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)		Latinide	_				$\vdash$	Variance	Variance		-
4	("Wires-only" business - see Tab TAXREC)				_			1	K-C	Explanation	(June)	
5	RRR # 2.1.8				_			$\Box$			Version 2005.1	
6			s						\$		s	
7	Utility Name: London Hydro Inc.											
8	Reporting period: Jan 1,2005 to Dec 31,2005										Column	
9	Days in reporting period:	365	days							·	Brought	
10	Total days in the calendar year:	365	days						· _		From	
11						·					TAXREC	
12												
	I) CORPORATE INCOME TAXES	<u> </u>			<u> </u>							
14												
	Regulatory Net Income REGINFO E54	1 1	14,438,491						-2,858,491		11,580,000	
16							<u> </u>	$\perp$				
	BOOK TO TAX ADJUSTMENTS				<u> </u>		<u> </u>	$\vdash$				
18	A data	<u> </u>						$\vdash$			1	
	Additions:		40 507 477	_	<u> </u>	├—	⊢	<del>                                     </del>	2,160,523		12,848,000	_
	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	3	10,687,477		-		⊢	-	2, 160,323		12,848,000	-
	Tax reserves - beginning of year	4				⊢	⊢	$\vdash$	0		0	
	Reserves from financial statements - end of year	4	<del>                                     </del>		$\vdash$	$\vdash$	$\vdash$	$\vdash$	. 0		0	
	Regulatory Adjustments - increase in income	5			_	<del>                                     </del>	┢	$\vdash$	0		0	
	Regulatory Assets - to balance to tax return	⊢ Ť		$\vdash$		t		┥	0		- ő	
	Other Additions (See Tab entitled "TAXREC")			<del></del>	1	t	$\vdash$	1 1			<del></del>	
27		6		_	1	t	$\vdash$	+	965,000		965,000	
28		6		$\vdash$	1	1	Т	┰	35,863		35,863	
29		6		_	1		l	H	3,154,000		3,154,000	
30		6				1	Π	$\Box$	0		0	
31					Ι	1	l.					
	Deductions: Input positive numbers											
33	Capital Cost Allowance and CEC	7	7,980,951	L					4,146,611		12,127,562	
	Employee Benefit Plans - Paid Amounts	8					匚		0		0	
35	Items Capitalized for Regulatory Purposes	9							0		0	
	Regulatory Adjustments - deduction for tax purposes in Item 5	10					<u>L</u>		0		0	
	Regulatory Assets - to balance to tax return				二	1		$\Box$	_0		0	_
	Interest Expense Deemed/ Incurred	11	6,700,602	<u> </u>	<u> </u>	ļ	<u> </u>	$\sqcup$	-2,204,602		4,496,000	_
	Tax reserves - end of year	4		<u> </u>	<u> </u>	<u> </u>	1	$\perp$			0	_
	Reserves from financial statements - beginning of year	4		<u> </u>	<del> </del>	ļ	1		0		0	_
	Contributions to deferred income plans	3			<b> </b>		ļ	-ll	0			<u> </u>
	Contributions to pension plans	3			ļ	-	-		0		0	_
	Interest capitalized for accounting but deducted for tax	11		-	₩		⊢	-	0		0	_
	Other Deductions (See Tab entitled "TAXREC")	12	1,660,750	-	-	<del> </del>	-	$\vdash$	-1,660,750			
45		12	7,060,750	ļ	<del> </del> -	<del>-</del>	╁	$\vdash$	-1,660,750 872,756		872,756	-
47	Other Deductions (not "Material") "TAXREC"	12		┝	╁	╁	╁	╂━┤	44,432		44,432	⊢
48	Material Items from "TAXREC 2" worksheet	12		<del> </del> —	╁	1	╁	+	94,432		0	├
49		12		<del> </del> —	<del>                                     </del>	-	<del>                                      </del>	1			ö	_
50	Once beddenous (for material) TANKEO 2	<del>- '-</del>		$\vdash$	╁	_	╀	-			<u> </u>	
	TAXABLE INCOME/ (LOSS)	<del>                                     </del>	8,783,665				<del> </del>	1	2,258,448	Before loss C/F	11,042,113	_
52	not be in bonne (abbo)	1	0,.00,000			1	1		2,255,115	2010/01000 0/1	11,012,1110	
	BLENDED INCOME TAX RATE				-	1	$t^-$				i	✝
	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	35.12%		1		1-		0.0000%	Formula	36.12%	Г
55		i -			1-		1					Г
56	REGULATORY INCOME TAX	T	3,172,660		$\Box$	1			815,752	Actual	3,988,412	
57		L		L	L							
58	<u> </u>											匚
	Miscellaneous Tax Credits	14							0	Actual	0	
60							oxdot					Ĺ
61	Total Regulatory Income Tax		3,172,660			$\Box$			815,752	Actual	3,988,412	L
62				匚	Ļ		$\Box$					╙
63		<b>ļ</b>	ļ	<u> </u>	Ь_	<u> </u>	<del> </del>	$\perp$				ــــ
	II) CAPITAL TAXES	<del>   </del>	ļ		<u> </u>	1—	1_	_			ļļ	⊢
65		<del>                                     </del>		<u> </u>		1	-	ļ			<b> </b>	_
: 66	Ontario	<del> </del>	49/ 0:1 2:2	<del>-</del>	-	ļ	₩	₩	50.000.50		000 440 000	1
		15	174,041,606		-		╁	+	52,370,394	<b> </b>	226,412,000 7,500,000	
67		40	7 500 000			1	_	_	0			
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		<del>                                     </del>				E0 070 004			
67 68 69	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	7,500,000 166,541,606			-	╄	-	52,370,394	<u> </u>	218,912,000	
67 68 69	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital		166,541,606				F					
67 68 69 70 71	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	16							52,370,394 0.3000%		0.3000%	
67 68 69 70 71 72	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3		166,541,606 0.3000%						0.3000%		0.3000%	
67 68 69 70 71 72 73	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax		166,541,606									
67 68 69 70 71 72 73	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax		166,541,606 0.3000%						0.3000%		0.3000%	
67 68 69 70 71 72 73 74 75	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax	17	0.3000% 499,625						0.3000%		0.3000%	
67 68 69 70 71 72 73 74 75	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax Base		166,541,606 0.3000%						0.3000%		0.3000% 656,736	
67 68 69 70 71 72 73 74 75 76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax  Base	17	166,541,606 0.3000% 499,625 174,041,606						0.3000%		0.3000% 656,736 213,429,000	
67 68 69 70 71 72 73 74 75 76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	17	166,541,606 0.3000% 499,625 174,041,606 50,000,000						0.3000% 157,111 39,387,394 0		0.3000% 656,736 213,429,000 50,000,000	
67 68 69 70 71 72 73 74 75 76 77 78	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	17	166,541,606 0.3000% 499,625 174,041,606 50,000,000						0.3000% 157,111 39,387,394 0		0.3000% 656,736 213,429,000 50,000,000	
67 68 69 70 71 72 73 74 75 76 77 78 80 81	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17 18 19	166,541,606 0.3000% 499,625 174,041,606 50,000,000 124,041,606 0.1750%						0.3000% 157,111 39,387,394 0 39,387,394 0.0000%		0.3000% 656,736 213,429,000 50,000,000 163,429,000 0.1750%	
67 68 69 70 71 72 73 74 75 76 77 78 80 81	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax  Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	17 18 18 19	166,541,606 0.3000% 499,625 174,041,606 50,000,000 124,041,606 0.1750% 217,073						0.3000% 157,111 39,387,394 0 39,387,394 0.0000% 68,928		0.3000% 656.736 213.429,000 50,000,000 163.429,000 0.1750% 286,001	
67 68 69 70 71 72 73 74 75 76 77 78 80 81 82 83	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17 18 19	166,541,606 0.3000% 499,625 174,041,606 50,000,000 124,041,606 0.1750%						0.3000% 157,111 39,387,394 0 39,387,394 0.0000%		0.3000% 656,736 213,429,000 50,000,000 163,429,000 0.1750%	
67 68 69 70 71 72 73 74 75 76 77 78 80 81 82 83 84	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax  Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	17 18 18 19	166,541,606 0.3000% 499,625 174,041,606 50,000,000 124,041,606 0.1750% 217,073 98,377						0.3000% 157,111 39,387,394 0 39,387,394 0.0000% 68,928 25,295		0.3000% 656.736 213,429,000 50,000,000 163,429,000 0.1750% 286,001 123,672	
67 68 69 70 71 72 73 74 75 76 77 78 80 81 82 83 84	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Ontario Capital Tax  Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	17 18 18 19	166,541,606 0.3000% 499,625 174,041,606 50,000,000 124,041,606 0.1750% 217,073						0.3000% 157,111 39,387,394 0 39,387,394 0.0000% 68,928		0.3000% 656.736 213.429,000 50,000,000 163.429,000 0.1750% 286,001	

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<u> </u>	A	В	С	D	트	F	G	н	1	J	K	ᅩᅱ
	SIMPIL RRR FILING	ITEM	Initial			_		_	M of F	M of F	M of F	
	DEFERRAL/VARIANCE ACCOUNTS		Estimate	$\dashv$	-	-i			Filing	Filing Variance	Filing	$\dashv$
	TAX CALCULATIONS (TAXCALC)			-	-	_	$\dashv$	-1	Variance K-C	Explanation	(June)	-
	("Wires-only" business - see Tab TAXREC) RRR # 2.1.8				-		-	$\dashv$	<u> </u>	ехріанацоп	Version 2005.1	
6	XKK # 2.1.0		s		$\dashv$		$\dashv$	$\dashv$	s		S S	-
_	NA MOLUBION IN DATES				-		-	$\dashv$			3	_
87 88	III) INCLUSION IN RATES						_			-		_
	Income Tax Rate used for gross- up		36.12%								-	$\neg$
90	niconie i ax Nate useu ioi gross- up		50.12.70	_					-			$\neg$
	Income Tax (proxy tax is grossed-up)	22	4,966,593	$\rightarrow$				$\neg$	_	Actual 2005	3,988,412	
	LCT (proxy tax is grossed-up)	23	185,811					_		Actual 2005	162,329	_
	Ontario Capital Tax (no gross-up since it is deductible)	24	499,625							Actual 2005	656,736	
94												
95	THE RESIDENCE OF THE PROPERTY							_				
96	Total PILs for Rate Adjustment – MUST AGREE WITH 2005	25	5,652,029							Actual 2005	4,807,477	$\overline{}$
97	RAM DECISION											
98												
99												
100	IV) FUTURE TRUE-UP\$		• •									
101	IV a) Calculation of the True-up Variance								DR/(CR)			1
	în Additions:											
103	Employee Benefit Plans - Accrued, Not Paid	3							0			
	Tax reserves deducted in prior year	4				ļ			0			
	Reserves from financial statements-end of year	4				$oxed{oxed}$	$oxed{oxed}$		0			<u> </u>
	Regulatory Adjustments	5							0			⊢
	Other additions "Material" Items TAXREC	6				<u> </u>		$\square$	965,000			<del></del>
	Other additions "Material" Items TAXREC 2	6					<u> </u>	ļ	3,154,000			<del></del>
	In Deductions - positive numbers											├
	Employee Benefit Plans - Paid Amounts	8					<u> </u>		0			$\vdash$
	Items Capitalized for Regulatory Purposes	9				<u> </u>	<u> </u>	$\vdash$	0			
	Regulatory Adjustments	10				ļ		<del> </del>				⊢
	Interest Adjustment for tax purposes (See Below - cell 1207)	11		_			_	$\vdash$	0			$\vdash$
	Tax reserves claimed in current year	4					_	$\vdash$	0		-	$\vdash$
115	Reserves from F/S beginning of year Contributions to deferred income plans	3		_			┢	<del> </del>	0			
117	Contributions to deterred income plans Contributions to pension plans	3			i				0			<b>-</b>
	Other deductions "Material" Items TAXREC	12		_		-			872,756			
	Other deductions "Material" Item TAXREC 2	12					1		012,700			-
120	Other deductions intalertal from Francis 2			_		<del>  -</del>	-				_	
	Total TRUE-UPS before tax effect	26						=	3,246,244			Г
122	Total Trop-of o before tax enest	LV		_					0,2,0,2,1		<del>                                     </del>	$\vdash$
	Income Tax Rate from 2005 Utility's tax return							x	36.12%			
124	Text text text text text text text text							<del></del>		i		
	Income Tax Effect on True-up adjustments							╤	1,172,543			
126												
127	Less: Miscellaneous Tax Credits	14							0			
128												Ĺ.,
129	Total Income Tax on True-ups						l	1	1,172,543			
130								L				<u> </u>
131	Income Tax Rate used for gross-up						1		35.00%			<u> </u>
132								<u> </u>				ـــــــ
	TRUE-UP VARIANCE ADJUSTMENT							<u> </u>	1,803,913			↓
134			İ			<u> </u>	ļ	<u> </u>				₩
	IV b) Calculation of the Deferral Account Variance caused by					ł						1
135	changes in legislation					,						
136												<u> </u>
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial					_	1			_	]	l "
	estimate column)				ļ	<b> </b>	<u> </u>	=	8,783,665	ļ	ļ	ـــــ
138				Ļ		<u> </u>	_	_		ļ		1
	REVISED CORPORATE INCOME TAX RATE			ļ		<u> </u>	<u> </u>	X	36.12%			$\vdash$
140	DD (OFF) PECULATION IN CONTRACTOR	<u> </u>		<b>!</b>	<u> </u>			1	0.470.000	ļ		<del></del>
	REVISED REGULATORY INCOME TAX			<del> </del> -	_	$\vdash$	-	=	3,1 <u>72,660</u>		-	<del> </del>
142	Local Position Microllesson in Tay Or -224-			l—	<u> </u>	-		$\vdash$	0	<b></b>		+
	Less: Revised Miscellaneous Tax Credits			<b>├</b> ─	<del>                                     </del>	-		-	Ü		-	$\vdash$
144	Total Revised Regulatory Income Tax	<b></b>	<u> </u>	<u> </u>	<del></del>	┼	+	=	3,172,660	<del> </del>	<del>                                     </del>	<del>                                      </del>
145	Total Neviseu Regulatory Income Tax	<b>-</b>		1	$\vdash$	+	$\vdash$	<del>  -</del>	3,112,000	<del> </del>	1	<del>                                     </del>
٠.٠٠	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell	<del></del>			$\vdash$	<del> </del>			<u> </u>	1	<del>                                     </del>	$\vdash$
147	C61)	1			l			١.	3,172,660	1		1
148		i —			<del>                                     </del>	<del>                                     </del>		t	3,2,300	1	1	
	Regulatory Income Tax Variance	l			İ	<b> </b>	1	=	0			
150	• • • • • • • • • • • • • • • • • • • •	İ			<del>                                     </del>	Ī	L					
	Ontario Capital Tax											
	Base							=	174,041,606			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39					L		Ξ.	7,500,000			$\Box$
	Revised deemed taxable capital							=	166,541,606		<u> </u>	匚
155			L		$\Box$	$oxed{\Box}$	匚	$\vdash$			ļ	$\perp$
	Rate - Tab Tax Rates cell C54							x	0.3000%		1	<u> </u>
157				_			_	<u> </u>			<u> </u>	<del> </del>
158	Revised Ontario Capital Tax			<u> </u>	<u> </u>	1	<u> </u>	=	499,625	ļ	<u> </u>	₩
1	Less: Ontario Capital Tax reported in the initial estimate column (Cell	1	1	l				-		1		1
	C73)	<b> </b>		ļ	<b> -</b>	1	_	-	499,625		<del> </del>	
160	Regulatory Ontario Capital Tax Variance		<u> </u>					) =	0	l		

	Α	В	С	O	E	F	G	Н	1	J	К	L.
1	SIMPIL RRR FILING	ITEM	initial	$\Box$					M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate	1					Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8				-						Version 2005.1	
6			\$						\$		\$	
161								i				$\Gamma$
162	Federal LCT	•		i i								
163	Base			1					174,041,606	-		
164	Less: Exemption from tab Tax Rates, Table 2, cell C40			-				- 1	50,000,000			T
165				1		ĺ		= [	124,041,606		"	
166				$\top$								
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C55	<u> </u>		1					0.1750%		<u> </u>	
168	, , , , , , , , , , , , , , , , , , ,											1
	Gross Amount			1				Ħ	217,073			1
	Less: Federal surtax	<b> </b>		1					98,377			$\Box$
	Revised Net LCT	1						= 1	118,696			1
172	<u> </u>	1		$\top$				$\Box$		-	1	1
	Less: Federal LCT reported in the initial estimate column (Cell C85)			1	_	<del>                                     </del>		l - i	118,696		i	T
	Regulatory Federal LCT Variance			1				=	0			+
175		1		1-	-			$\vdash$			· · · · · · · · · · · · · · · · · · ·	<b>T</b>
	Actual Income Tax Rate used for gross-up			+-					35.00%			1
177	reducts meaning tax trace asses for grass-up			+					00.0075			+
	Income Tax (grossed-up)		•	+		╁	<del>                                     </del>	+	0	-	·	+
	LCT (grossed-up)	╁╴┈		1-			<del>                                     </del>	+	0		<del>                                     </del>	1
	Ontario Capital Tax					$\vdash$	<del>                                     </del>	+	ő		-	╁
181		t		+			$\vdash$					+
	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			┼─		-	$\vdash$	=	0		<del> </del>	+
183	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT	-		+	<del>                                     </del>		┢	⊢				
	TRUE-UP VARIANCE (from cell 1133)	<del> </del>		+	-	-	┝	+	1,803,913			+-
185	TRUE-UP VARIANCE (IFOM CEIL 1133)	┼──	ļ	╁──	<b>├-</b>	<del> </del>	1	-	1,000,810			+
_	T-4-1 D-61 A (D14) E-4 D-14)	1		+	1			$\vdash$	. === 0.10			╁─
	Total Deferral Account Entry (Positive Entry = Debit)			+	ļ		-	=	1,803,913			
187	(Deferral Account Variance + True-up Variance)			-			_					+
188							_					-
189		<u> </u>		╀							<u> </u>	┿
190						<u> </u>	<u> </u>	1				ᆚ
	V) INTEREST PORTION OF TRUE-UP			1			_					₩
	Variance_Caused By Phase-in of Deemed Debt						_					┵
193						ļ						
	Total deemed interest (REGINFO)								6,700,602			┷
	Interest phased-in (Cell C38)	ļ		4					6,700,602			4
196												
	Variance due to phase-in of debt component of MARR in rates			1_		<u> </u>	_		.0			┺
198												J
195												$\bot$
	Other Interest Variances (i.e. Borrowing Levels						1	$oxed{\Box}$				
201	Above Deemed Debt per Rate Handbook)											Ш.
	Interest deducted on MoF filing (Cell K38+K43)	l							4,496,000		1	
	Total deemed interest (REGINFO CELL D62)								6,700,602			
204												
205	Variance caused by excess debt								0			
208												
207	Interest Adjustment for Tax Purposes (carry forward to Cell I113)	T							O			Т
208	,	1	<u> </u>	1		ĺ	ı					1
	Total Interest Variance	1	l	1	1	T	1		0			$\top$
		1	<del>1</del>	1			<del>1</del>			i	1	$\overline{}$
1210												

2 T.	A IMPIL RRR FILING AX RETURN RECONCILIATION (TAXREC)	B LINE	C	D Non-wires	E Wires-only	7
2 T. 3 (fe 4 R		LINE				
3 (fo			Corporate	Eliminations	Tax	
	or "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
( 5 I	RR # 2.1.8		Return			
-					Version 2005.1	
	ection A: Identification:					
	Itility Name: London Hydro Inc. Reporting period: Jan 1,2005 to Dec 31,2005				<del></del>	
	axation Year's start date:		January 1,2005			
	axation Year's end date:		December 31,2005			
	lumber of days in taxation year:		365	days		
12			J	4		
	lease enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	195,797 Y	< - enter materiality	level	
	(0.25% x Net Assets)	Y/N	N			
	Or other measure (please provide the basis of the amount)	Y/N	N	-		
17 D	oes the utility carry on non-wires related operation?	Y/N	N			
	Please complete the questionnaire in the Background questionna	re wo	rksheet.)			
19 N	lote: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	idie. Carry Idiwald Wiles-City Data to Tab TAXOACC Columnic					
	ection B: Financial statement data:					
	nput unconsolidated financial statement data submitted with Tax return	S.				
	he actual categories of the income statements should be used.					
26	required please change the descriptions except for amortization, inter-	est exp	ense and provision to I	r income tax		
	lease enter the non-wire operation's amount as a positive number, the	progra	ı am automaticaliv treat	s all amounts		
28 in	the "non-wires elimination column" as negative values in TAXREC an					
29						
	ncome:					
31	Energy Sales Distribution Revenue	+	42,262,000		42,262,000	
33	Interest and Other Revenue	+	5,277,000		5,277,000	
34	Operating costs recovered	+	3,259,000		3,259,000	
35	-	+			0	
	tevenue should be entered above this line ,					
37	Parts and Evponsor					
39	costs and Expenses:  Cost of energy purchased				0	
40	General and administrative		17,774,000		17,774,000	
41	Customer billing and collecting	-			0	
42	Plant operating and maintenance		8,596,000		8,596,000	
43	Amortization (links to C61 below)	-	12,848,000		12,848,000	
44	Ontario Capital Tax CDM Expenses for 2005	-			0	
46	CDM Expenses for 2005	÷			ő	
47		-			0	
48	•	-			0	
49						
	let Income Before Interest & Income Taxes EBIT	=	11,580,000		11,580,000 4,496,000	
52	ess: Interest expense for accounting purposes Provision for payments in lieu of income taxes	-	4,496,000 1,909,000		1,909,000	
	let Income (loss)	-	5,175,000		5,175,000	
U	The Net Income (loss) in the MoF column should equal to the net income					
	oss) per financial statements on Schedule 1 of the tax return.)					
54 55						
	ection C: Reconciliation of accounting income to taxable income					
	rom T2 Schedule 1		-			
	OOK TO TAX ADDITIONS:					
	rovision for income tax	+	1,909,000	0	1,909,000	
	ederal large corporations tax Depreciation & Amortization	+	12,848,000	0	12,848,000	
	imployee benefit plans-accrued, not paid	+	12,540,500	0		
63 T	ax reserves - beginning of year	+	. 0	0	0	
	Reserves from financial statements- end of year	+	0	0		
	Regulatory adjustments Regulatory Assets changes	+	-	-	0	<del> </del>
	daterial addition items from TAXREC 2	+	3,154,000	0		
	Other addition items (not Material) from TAXREC 2	+	0,104,000			
69						
70	Subtotal		17,911,000	0	17,911,000	
71	Other Additions: (Please explain the nature of the additions)		-	<del> </del>	-	
	Recapture of CCA	+	<u> </u>	<del> </del>	0	<del>                                     </del>
	lon-deductible meals and entertainment expense	+	33,134		33,134	
75 C	Capital items expensed	+			0	
	on-deductible club dues and fees	+	2,729		2,729	
	Capital tax accrued in income statement	+	600,000 365,000		600,000 365,000	
79 N	ion-deductible company pension plans	+	363,000	1	365,000	
80	Total Other Additions	=	1,000,863	0	<u> </u>	
81	1.11.11					
82	Total Additions		18,911,863	0	18,911,863	<u> </u>
83	Page Material Additions:		ļ	+	+	_
85 R	Recap Material Additions:		1 0	ı) o	ō	
86			1 0			
87			0	0	0	
88			0			
	apital tax accrued in income statement		600,000			
	ton-deductible company pension plans		365,000			<del>                                     </del>
90 N						
90 N	Total Other additions >materiality level					
90 N 91 92 T	Total Other additions >materiality level Other deductions (less than materiality level)		965,000 35,863	0	965,000	
90 N 91 92 T 93 C			965,000	0	965,000 35,863	

A	В	С	D	E	F
1 SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2 TAX RETURN RECONCILIATION (TAXREC)	T	Corporate	Eliminations (positive numbers)	Tax	
3 (for "wires-only" business - see s. 72 OEB Act) 4 RRR # 2.1.8		Tax Return	(positive numbers)	Return	
5		reum		Version 2005.1	
96 BOOK TO TAX DEDUCTIONS:					
97 Capital cost allowance	-	12,127,562		12,127,562	
98 Cumulative eligible capital deduction 99 Employee benefit plans-paid amounts	<del>├</del> ╌┼			. 0	
100 Items capitalized for regulatory purposes	1 - 1			ő	
101 Regulatory adjustments :	l			0	
102 CCA 103 other deductions	-			0	
104 Regulatory Assets changes	$\vdash$			0	
105 Tex reserves - end of year	•	0	0	0	
106 Reserves from financial statements- beginning of year	-	0	0	D	
107 Contributions to deferred income plans 108 Contributions to pension plans	-			0	
109 Interest capitalized for accounting deducted for tax	-			ő	
110 Material deduction items from TAXREC 2		0	O	ol	
111 Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112 113 Subtotal	=	12,127,562	0	12,127,562	
114 Other deductions (Please explain the nature of the deductions)		12,121,15,52		12)124,552	
115 Charitable donations - tax basis	-			. 0	
116 Gain on disposal of assets 117 PST assessments paid and not deducted for accounting purposes	-	44,432 216,000		44,432 216,000	
118 Capital tax per CT23	<del>  -</del>	656,756		656,756	
119 Capital tax per C123	1 - 1	901,000		030,730	
120 Total Other Deductions	=	917,188	Ö	917,188	
121					
122 Total Deductions		13,044,750	0	13,044,750	
124 Recap Material Deductions:	1 1				
125		0	0	0	
126	-	01	0	216,000	
PST assessments paid and not deducted for accounting purposes 127		216,000	U	210,000	
128 Capital tax per CT23	1	656,756	0	656,756	
129		0	0	0	
130 Total Other Deductions exceed materiality level		872,756	0		
131 Other Deductions less than materiality level 132 Total Other Deductions	+	44,432 917,188	0		
133	1	017,1100	· ·	0117100	
134 TAXABLE INCOME	=	11,042,113	0	11,042,113	
135 DEDUCT: 136 Non-capital loss applied positive number	-			0	
137 Net capital loss applied positive number	1 -			- 6	
138				0	
139 NET TAXABLE INCOME	=	11,042,113	0	11,042,113	
140 141 FROM ACTUAL TAX RETURNS					
142 Net Federal Income Tax (Must agree with tax return)	+	2,442,516		2,442,516	
143 Net Ontario Income Tax (Must agree with tax return)	+	1,545,896		1,545,896	
144 Subtotal 145 Less: Miscellaneous tax credits (Must agree with tax returns)	=	3,988,412	0	3,988,412 0	
145 Less: Miscellaneous tax credits (Must agree with tax returns) 146 Total Income Tax	+ 🖫	3,988,412	0	3,988,412	
147				, ,	
148 APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS		00 1001		00.400/	
149 Net Federal Income Tax Rate (Must agree with tax status) 150 Net Ontario Income Tax Rate (Must agree with tax status)		22.12% 14.00%	<del>.</del>	22.12% 14.00%	
151 Blended Income Tax Rate	i	36.12%		36.12%	
152					
153 Section D: Detailed calculation of Ontario Capital Tax 154	+				
155 ONTARIO CAPITAL TAX					
156 (From Ontario CT23)					
157 PAID-UP CAPITAL					
158 159 Paid-up capital stock	+	96,116,000		96,116,000	
160 Retained earnings (if deficit, deduct)	+/-	24,608,000		24,608,000	
161 Capital and other surplus excluding	+			0	
162 appraisal surplus	+	70.000		70,000,000	
163 Loans and advances 164 Bank loans	+	70,000,000		70,000,000	
165 Bankers acceptances	+			0	
166 Bonds and debentures payable	+			0	
167 Mortgages payable	+			0	
168 Lien notes payable 169 Deferred credits	+ +	9,976,000		9,976,000	
170 Contingent, investment, inventory and similar reserves	+	3,310,000		0.00,018,8	
171 Other reserves not allowed as deductions	+	25,712,000		25,712,000	
172 Share of partnership(s), joint venture(s) paid-up capital	+			0	
173 Sub-total 174 Subtract:	=	226,412,000	0	226,412,000	
Amounts deducted for income tax purposes in excess of amounts	<b> </b>		<u> </u>		
175 booked				0	
Deductible R&D expenditures and ONTTI costs deferred for income	- 1				
176 lax 177 Total (Net) Paid-up Capital	+	226 440 522		226,412,000	ļ <u>.</u>
177 Total (Net) Paid-up Capital	=	226,412,000		ZZ0,41Z,000	

	A	В	С	D	E	F
1	SIMPIL RRR FILING	LINE	MofF	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)	212	Corporate	Eliminations	Tax	,
	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
	RRR # 2.1.8		Return			
5					Version 2005.1	
178						
	ELIGIBLE INVESTMENTS					
180						
	Bonds, lien notes, interest coupons	+			0	
	Mortgages due from other corporations Shares in other corporations	+			0	
	Loans and advances to unrelated corporations	+			o	
	Eligible loans and advances to related corporations				0	
	Share of partnership(s) or joint venture(s) eligible investments	+			0	
187						
188	Total Eligible Investments	=	0	0	0	
189						
190						
	TOTAL ASSETS					
192	Total accets per balance cheet	+	257,647,000		257,647,000	
	Total assets per balance sheet Mortgages or other liabilities deducted from assets	+	257,047,000		237,047,000	
	Share of partnership(s)/ joint venture(s) total assets	+			0	
	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
197					1	
	Total assets as adjusted	=	257,647,000	0	257,647,000	
199			,		1,	
	Add: (if deducted from assets)					
	Contingent, investment, inventory and similar reserves	+			0	
202		+			0	
203	Subtract:				0	
[]	Amounts deducted for income tax purposes in excess of amounts	_				
204	booked				0	
	Deductible R&D expenditures and ONTTI costs deferred for	-			이	
	income tax					
	Subtract: Appraisal surplus if booked	-			0	
	Add or subtract: Other adjustments	+/-			0	
208	Total Assets	=	257,647,000	0	257,647,000	
210	Total Assets		237,647,000		251,641,000	
211						
	Investment Allowance		0		0	
213	invocation con an ex-		J		<u>_</u>	
	Taxable Capital					
215						
216	Net paid-up capital	+	226,412,000	0		
	Subtract: Investment Allowance		0	0	0	
218						
219	Taxable Capital	=	226,412,000	0	226,412,000	
220	5 1 I T 6 I I I					
	Capital Tax Calculation		7 500 000	0	7,500,000	
223	Deduction from taxable capital up to maximum of \$7,5000,000 (Input in tab Tax Rates)		7,500,000	U	7,500,000	
	Net Taxable Capital		218,912,000	0	218,912,000	
225			210,312,000		2.0,012,000	
	Rate	1	0.3000%	0.3000%	0.3000%	
227						
	Days in taxation year		365	365	365	
229	Divide days by 365		1.00	1.00	1.00	
230		$\Box$				
231	Ontario Capital Tax (as calculated)	<u> </u>	656,736	0	656,736	
232	0-1-1-0-1-17	<del></del>		_	222	
233	Ontario Capital Tax (Must agree with CT23 return)	ļ <u>.</u>	656,736	0	656,736	
234	Section E: Detailed calculation of Large Corporations Tax	-				<del></del>
235	Gection E. Detailed calculation of Large Corporations Tax					<b>—</b> —
	LARGE CORPORATIONS TAX					
	(From Federal Schedule 33)					
	CAPITAL	$\vdash$				
	ADD:				<u> </u>	l
Ė	Reserves that have not been deducted in computing income for the	+				
	year under Part I		8,913,000		8,913,000	
	Capital stock	+	96,116,000		96,116,000	
	Retained earnings	+	24,608,000		24,608,000	ļ
	Contributed surplus	+			0	
	Any other surpluses	+			0	
	Deferred unrealized foreign exchange gains	+	ļ		0	
247	All loans and advances to the corporation	+			0	
240	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			_	
	acceptances, or similar obligations  Any dividends declared but not paid	+			0	<b>-</b>
	All other indebtedness outstanding for more than 365 days	+	89,784,000		89,784,000	<del>                                     </del>
251		<u> </u>	200,00,000		20,101,000	
252	Subtotal	=	219,421,000	0	219,421,000	<b>†</b>
						•

	Α	B	C	Ð	E	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	∸⊢
	TAX RETURN RECONCILIATION (TAXREC)	LUAL	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	-
	RRR # 2.1.8		Return	(Judiara Hallizara)	Keturs	-
	RKK # 2.1.8		Keturn		14 1 55554	
5		-			Version 2005.1	
253						
	DEDUCT:					
255	Deferred tax debit balance	-	5,992,000		5,992,000	
256	Any deficit deducted in computing shareholders' equity	- I			0	
	Any patronage dividends 135(1) deducted in computing income under	-			1	
257	Part I included in amounts above				l ol	- 1
	Deferred unrealized foreign exchange losses	- 1			n	$\neg$
259					<del>-</del>	
260		=	5,992,000	0	5,992,000	-
261	Şubibiai	- 1	3,332,000		3,552,000	
	0-2-16-4-	<b>-</b>	040 400 000		040 400 000	
	Capital for the year	<u> </u>	213,429,000	0	213,429,000	
263						
	INVESTMENT ALLOWANCE		l			
265						
266	Shares in another corporation	+			0	
267	Loan or advance to another corporation	+			0	
	Bond, debenture, note, mortgage, or	+			o	
	similar obligation of another corporation	+			ก	
	Long term debt of financial institution	+			ō	
	Dividend receivable from another corporation	+			ő	
211		<del>                                     </del>		· · · · · · · · · · · · · · · · · · ·		
	Debts of corporate partnerships that were not exempt from tax under	+			اما	
	Part I.3				0	
	Interest in a partnership	+			0	
274						
275	Investment Allowance	=	0	0	0	
276						
277						
	TAXABLE CAPITAL					
279						
	Capital for the year	=	213,429,000	0	213,429,000	
			213,428,000		213,425,000	-
281		_		0	0	
	Deduct: Investment allowance	-	0	U	U	
283						
284	Taxable Capital for taxation year	=	213,429,000	0	213,429,000	
285						
286	Deduct: Capital Deduction - maximum of \$50,000,000	) - <u> </u>	50,000,000	0	50,000,000	
287	(Input in tab Tax Rates)					
288	Taxable Capital	=	163,429,000	0	163,429,000	
289			,			
	Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005		0.17500%	0.17500%	0.17500%	
291	· · · · · · · · · · · · · · · · · · ·		5111 000 70	0.1100070	0.1100010	
	Davis is visus		366	365	365	_
	Days in year	<del>   </del>	1.0000	1,0000	1,0000	
	Divide days by 365	$\vdash$	1.0000	1,0000	1.0000	
294		$\vdash$				
	Gross Part 1.3 Tax LCT (Must agree with tax return)	=	286,001	0	286,001	$\Box$
296						
297			1.1200%	1.1200%	1.1200%	
298						
299	Less: Federal Surtax = Actual Surtax from tax return	-	123,672		123,672	
300						
	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	162,329	0	162,329	
	(If surtax is greater than Gross LCT, then zero)				,	
303		···			<u> </u>	
	Section F: Income and Capital Taxes					$\vdash$
					<del> </del>	$\vdash$
305					<del> </del>	
	RECAP FROM ABOVE:				<b></b>	
	Total Income Taxes	+	3,988,412	0		
	Ontario Capital Tax	+	656,736	0		
309	Federal Large Corporations Tax	+	162,329	0	162,329	
310						
311		=	4,807,477	0	4,807,477	
312			.,,,,,,,,,,	<u> </u>	.,,	1
2.2					<del></del>	

	A	В	С	D	Ε	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax	(positive numbers)	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	RRR # 2.1.8	<u> </u>			Version 200 <u>5.1</u>	
6						
	Utility Name: London Hydro Inc.					
	Reporting period: Jan 1,2005 to Dec 31,2005					
_9_						
-	TAX RESERVES	<u> </u>				
11		1				<u> </u>
	Beginning of Year:	+			0	1
13	December for doubtful accounts on 20(1)(1)				0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m) Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)	+			0	
	Other				Ö	
	Other	1			l ö	
20	,				0	
21					0	
22	Total (carry forward to the TAXREC worksheet)	İ	0	0	0	
23						
24	End of Year:					]
25					. 0	
	Reserve for doubtful accounts ss. 20(1)(l)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)	1			0	
	Debt and share issue expenses ss.20(1)(e)	ļ			0	
	Other	<del> </del>			0	
_	Other	1			0	
33		<del>  ===</del>			0	
					U	<u>'</u>
34	Insert line above this line		0	0		,——
36	Total (carry forward to the TAXREC worksheet)		0	Ų Ų	I	4
37						+
	FINANCIAL STATEMENT RESERVES					
39				<u> </u>		
	Beginning of Year:		Ì		· -	
41					C	7
42					C	)
43	Environmental				C	)]
44	Allowance for doubtful accounts				C	)
	Inventory obsolescence				C	4
	Property taxes				<u> </u>	
_	Other			ļ	C	_
	Other				ļ <u> </u>	
49	Total (annual to the TAMPEC AND A		-	<del>                                     </del>	) (	
51	Total (carry forward to the TAXREC worksheet)		0		<u>,                                     </u>	4
	End of Year:	+	<del>                                       </del>	<u> </u>	1	+
53		+	<del> </del>		1	┪──
54			1			á
	Environmental		1			<u></u>
	Allowance for doubtful accounts		-			5
	Inventory obsolescence		1			
_	Property taxes				(	
	Other					
	Other					ו
61					(	וו
	Insert line above this line		ļ			
	Total (carry forward to the TAXREC worksheet)		0	(	) (	<u> </u>
64					<u> </u>	<u> </u>

3   SMPIL RRR FILMG		A	В	С	D	Е	F
Text   Comparison   Compariso							
Tax   Specific numbers   See   72 OEB Act)   Tax   Specific numbers   Section   Sect			LINE				
B   Resturn   Version 2005.1	_						
Temperature   Temperature					<u>.</u>		
Butthy Name: London Hydro Inc.	1					Version 2005.1	
1   New Proceedings   1,2005 to Dec 31,2005   10   Number of days in laxation years   11   Martaritify Level:   105,797   10   10   10   10   10   10   10   1	_	L				,	
To Number of days in taxinton year:							
11 Marchalty Level:				365	****		
3   Add:   Add:	11						
14 Add:		Section C. Beconsilistion of accounting income to touchle income					
15 Recapture of capital cost allowance							
17   Income or loss for fax purposes- joint ventures or partnerships	15	Recapture of capital cost allowance					
18   Loss in equity of subsidiaries and affiliales							
19   Loss on disposal of assets	17	Income or loss for tax purposes- joint ventures or partnerships					
20   Canifolde donations	19	Loss on disposal of assets	1				
22   Depreciation in inventory - and of year	20	Charitable donations	1				
23   Scientific research expenditures deducted   +   0   0							
24   per financial statements	22	Depreciation in inventory -end of year Scientific research expenditures deducted					
28 Non-deductible club dues and fees							
27 Non-deductible automobile expenses   +   0   0		Capitalized interest					
28 Non-deductible life insurance premiums						_	<u> </u>
29 Soft costs on construction and renovation of buildings							
131 Book loss on joint ventures or partnerships							
12	_						
33 Debt issue expense							
34   Deemed dividend income			-				
156   Financing fees deducted in books   +     0   0							
37   Gain on settlement of debt   +   0   0							
38   Interest paid on income debentures   +			-				
139   Recapture of SRAED expenditures   +   0   0   Share issue expense   +   0   0   0   11   Write down of capital property   +   0   0   0   12   Amounts received in respect of qualifying environment trust   +   0   0   0   0   0   0   0   0   0			+				
11   Write down of capital property   +   0   0			_				
42   Amounts received in respect of qualifying environment trust   +     0     0			-				
43   Other Additions: (please explain in detail the nature of the item)   +			_				
Add   Debt financing expenses   +	43	Other Additions: (please explain in detail the nature of the item)	_				
48	44	Debt financing expenses	+			·	
48	_	Recovery of regulatory assets previously expensed for tax purposes	_	3,154,000			
48	_	S 12/1)(v)	_				
50		5.12(1)(X)	<b>I</b>				
51         +         0           52         +         0           53         +         0           54         Total Additions         =         3,154,000           55         0         0         0         3,154,000           56         Recap of Material Additions:         0 </td <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td></td>			-				
52			_			<del></del>	_
53	52		+				
55	53		+				
Section   Sect		Total Additions	=	3,154,000	C	3,154,000	
57         0         0         0           58         0         0         0           60         0         0         0           61         0         0         0           62         0         0         0           63         0         0         0           64         0         0         0           65         0         0         0           66         0         0         0           67         0         0         0           68         0         0         0           69         0         0         0           70         0         0         0           72         0         0         0           73         0         0         0           75         0         0         0           76         0         0         0           77         0         0         0           78         0         0         0           79         0         0         0           80         0         0         0           81		Recan of Material Additions:	1				
58         0         0         0           59         0         0         0           60         0         0         0           61         0         0         0           62         0         0         0           63         0         0         0           64         0         0         0           65         0         0         0           66         0         0         0           67         0         0         0           68         0         0         0           69         0         0         0           70         0         0         0           71         0         0         0           72         0         0         0           73         0         0         0           75         0         0         0           76         0         0         0           77         0         0         0           78         0         0         0           79         0         0         0           80		result of material Additions.		0	C	o d	
60         0         0         0           61         0         0         0           62         0         0         0           63         0         0         0           64         0         0         0           65         0         0         0           67         0         0         0           68         0         0         0           69         0         0         0           70         0         0         0           71         0         0         0           72         0         0         0           73         0         0         0           74         0         0         0           75         0         0         0           76         0         0         0           77         0         0         0           78         0         0         0           80         0         0         0           81         0         0         0	58			0	C	0	
61       0       0       0       0         62       0       0       0       0         63       0       0       0       0         64       0       0       0       0         65       0       0       0       0         66       0       0       0       0         67       0       0       0       0         68       0       0       0       0         69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         80       0       0       0       0         80       0<			-				
62       0       0       0         63       0       0       0         64       0       0       0         65       0       0       0         66       0       0       0         67       0       0       0         68       0       0       0         69       0       0       0         70       0       0       0         71       0       0       0         72       0       0       0         73       0       0       0         74       0       0       0         75       0       0       0         76       0       0       0         77       0       0       0         78       0       0       0         80       0       0       0         81       0       0       0							
64       0       0       0         65       0       0       0         66       0       0       0         67       0       0       0         68       0       0       0         69       0       0       0         70       0       0       0         71       0       0       0         72       0       0       0         73       0       0       0         74       0       0       0         75       0       0       0         76       0       0       0         77       0       0       0         78       0       0       0         79       0       0       0         80       0       0       0         81       0       0       0	62			0	C	0	
65       0       0       0       0         66       0       0       0       0         67       0       0       0       0         68       0       0       0       0         69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         80       0       0       0       0         81       0       0       0       0							
66       0       0       0       0         67       0       0       0       0         68       0       0       0       0         69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         80       0       0       0       0         80       0       0       0       0         81       0       0       0       0			├─				
67       0       0       0         68       0       0       0         69       0       0       0         70       0       0       0         71       0       0       0         72       0       0       0         73       0       0       0         74       0       0       0         75       0       0       0         76       0       0       0         77       0       0       0         78       0       0       0         80       0       0       0         81       0       0       0			1				
69       0       0       0       0         70       0       0       0       0         71       0       0       0       0         72       0       0       0       0         73       0       0       0       0         74       0       0       0       0         75       0       0       0       0         76       0       0       0       0         77       0       0       0       0         78       0       0       0       0         80       0       0       0       0         80       0       0       0       0         81       0       0       0       0	67			0	C	0	
70       0       0       0         71       0       0       0         72       0       0       0         73       0       0       0         74       0       0       0         75       0       0       0         76       0       0       0         77       0       0       0         78       0       0       0         79       0       0       0         80       0       0       0         81       0       0       0	_		ļ				
71     0     0     0       72     0     0     0     0       73     0     0     0     0       74     0     0     0     0       75     0     0     0     0       76     0     0     0     0       77     0     0     0     0       78     0     0     0     0       79     0     0     0     0       80     0     0     0     0       81     0     0     0     0			-				
72     0     0     0       73     0     0     0       74     0     0     0       75     0     0     0       76     0     0     0       77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0			1				_
74     0     0     0       75     0     0     0       76     0     0     0       77     0     0     0       78     0     0     0       80     0     0     0       81     0     0     0       81     0     0     0	72			0	<u> </u>	) C	
75     0     0     0       76     0     0     0       77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0			ļ				1
76     0     0     0       77     0     0     0     0       78     0     0     0     0       79     0     0     0     0       80     0     0     0     0       81     0     0     0     0			$\vdash$				
77     0     0     0       78     0     0     0       79     0     0     0       80     0     0     0       81     0     0     0			$\perp$				
79 0 0 0 0 80 80 0 0 0 0 0 0 0 0 0 0 0 0	77			0		0	
80 0 0 0 0 81 0 0 0			1				
81 0 0 0			+				
			<u> </u>				

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	Α	В	с	D	E	F
2	SIMPIL RRR FILING	LINE	M of F	Noπ-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
	RRR # 2.1.8		Return			
6					Version 2005.1	
83			0	0	0	
84	<u> </u>	<del>  </del>	0	0	<u></u>	
85 86	Recovery of regulatory assets previously expensed for tax purposes		3,154,000	0	3,154,000	
87	Recovery of regulatory assets previously expensed for tax purposes	1	0,104,000	- 0	0,104,000	
88		1	0	0	0	
89			0	0	0	
90			0	0	0	
91		$\vdash$	0	0	0	
92 93			0	0	0	
94		$\vdash$				
-	Total Material additions	t	3,154,000	0	3,154,000	$\overline{}$
	Other additions less than materiality level		0	0	0	
97	Total Additions		3,154,000	0	3,154,000	
98		oxdot				
	Deduct:	$\vdash$		.=		
100	Gain on disposal of assets per f/s Dividends not taxable under section 83	<del>  -</del>			. 0	
	Terminal loss from Schedule 8	+-			0	
103	Depreciation in inventory, end of prior year	- '			0	
104	Scientific research expenses claimed in year from Form T661	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	<u> </u>			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-	<u> </u>		0	
	Other income from financial statements Other deductions: (Please explain in detail the nature of the item)	+ -				
	Imputed interest on Reg Assets	+-			0	
112	SEC 20(1) (e)	-		-	0	
113	Capital gains adjustment	-			0	
	Equipment	-			0	
115		-			0	
	s.13(7.4)	-			0	
117 118		-			0	
119		<del>-</del>			- 0	
120	TOTAL CONTRACTOR OF THE CONTRA	-	-		ō	
	Total Deductions	=	0	0	. 0	
122					<u> </u>	
123		-	_			
124	Recap of Material Deductions:	+	0	Ö	0	-
126		+	0	0		
127			0			
128			0	0	1	
129			0	0		
130		1	0			
131		<del> </del>	0			
132 133		+-	0			
134		1-	0			
135		<del>                                     </del>	Ö			
136			0	Ö	. 0	
137			0			
138		<u> </u>	0			
139		+	0			
140 141		+	0			
142		+	0			
143		†	0			
144			0		0	)
145			0			
	Total Deductions exceed materiality level	<u> </u>	0			
	Other deductions less than materiality level	╀	0			
	Total Deductions	+-	0	0	0	1
149			1		1	1

	Α	В	С	D	E	F	G	<u> </u>	<u> </u>	J_J
$\overline{}$	SIMPIL RRR FILING									
2	Corporate Tax Rates				V	ersion 2005.1				
3	Exemptions, Deductions, or	r Threshold	is			RRR # 2.1.8				
4	Utility Name: London Hydr	o Inc.								
5	Reporting period: Jan 1,20	05 to Dec	31,2005							
6										
7						Table 1				
8	Rates Used in 2005 RAM PI	Ls Applicat	tions							
	Income Range		. 0		400,001					
	RAM 2005		to		to	>1,128,000				
11		Year	400,000		1,128,000	.,,,				
	Income Tax Rate				1,120,000				 	
	Proxy Tax Year	2005								
		2003	40 400/		47 750/	22 420/				
	Federal (Includes surtax)		13.12%		17.75%	22.12%				
15	Ontario		5.50%		9.75%	14.00%				
16	Blended rate		18.62%	0.00%	27.50%	36.12%				
17										
18	Capital Tax Rate		0.300%		Input in C18					
19	LCT rate		0.175%		Input in C19					
20	Surtax		1.12%		Input in C20					
П	Ontario Capital Tax	MAX	7 500 000		Innut in OO4					
21	Exemption **	\$7.5MM	7,500,000		Input in C21	I				
Н	Federal Large									
	Corporations Tax	MAX	50,000,000		Input in C22	I				
22	Exemption **	\$50MM	20,000,000		·	I				
23	**Exemption amounts must	anree with	the Board-s	nnroved 200	5 RAM DII -	filing				
24	Exemption amounts must	agree with	e Doal u-a	pproved 200	A IVUIL E 179	uung				
25						Table 2				
	Expected Rates and Exemp	tions for 1	nns			i able Z				
		10015 107 2		200.004	400.004					
27	Income Range		0	300,001	400,001					
	Expected Rates 2005		to	to	to	>1,128,000				
29		Year	300,000	400,000	1,128,000					
	Income Tax Rate				ļ					
	Current year	2005								
32	Federal (includes surtax)		13.12%	22.12%	22.12%	22.12%				
33	Ontario		5.50%	5.50%	9.75%	14.00%				
34	Blended rate		18.62%	27.62%	31.87%	36.12%				
35										
	Capital Tax Rate		0.300%		Input in C36	•				
	LCT rate		0.175%		Input in C37					
	Surtax		1.12%		Input in C38					
130		1447	1.1276		input in C30					
20	Ontario Capital Tax	MAX	7,500,000		Input in C39					
Ja	Exemption ***	\$7.5MM								
i	Federal Large	MAX								
١	Corporations Tax	\$50MM	50,000,000		Input in C40					
	Exemption ***			<u> </u>						
41	***Allocation of exemptions	must com	ply with the I	Board's instr	uctions reg	arding				
42	regulated activities.									
43						Table 3				
	Input Information from Utili	ty's Actual	2005 Tax Re							
	Income Range		D	300,001	400,001	ı ===				
46		<u> </u>	to	to	to	>1,128,000				
47		Year	300,000	400,000	1,128,000	<u> </u>				
48	Income Tax Rate									
	Current year	2005		1						
	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%				
$\overline{}$	Ontario	i e	5.50%	5.50%	9.75%	14.00%				
52	Blended rate	<del>                                     </del>	18.62%	27.62%	31.87%	36.12%				
53		$\vdash$	.5.0270	21.02/0	31.0170	33.1270				
	Caultal Tay Data	<del>                                     </del>	0.2000/	<del> </del>	Input in CC1					
	Capital Tax Rate	<u> </u>	0.300%		Input in C54					
	LCT rate	<u> </u>	0.175%	ļ	Input in C55					
56	Surtax	<u> </u>	1.12%	ļ	Input in C56					
	Ontario Capital Tax	MAX	7,500,000	1	Input in C57					
57	Exemption *	\$7.5MM	.,555,665							
	Federal Large	MAX		· ·						
	Corporations Tax	\$50MM	50,000,000	ľ	Input in C58					
58	Exemption *	\$30MM	<u> </u>	<u></u>						
	* Include copies of the actu	al tax retur	ns - Ontario	CT23, federa	I T2. Please	see the				
60	•			•						
61										
62										
63										
<u>"</u>										
}										
64										
64									 	

	A	В	С	D	E	F	G	Н	1	J	К	L	M	Ν	0
1	SIMPIL RRR FILING		ì												
2	Analysis of Account 1562:	Defer	red Payments ir	ı lie	u of Taxes										
3	Utility Name: London Hydro	inc.	-					i							Version 2005.1
4	Reporting period: Jan 1,2005 to Dec 31,2005			Sign Convention	for increase;	for increase; - for d		decrease				RRR # 2.1			
5			] [												
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=			0.440.057		0.040.400		0.047.000		0.707.404		- E44 626		
17	C	-+ <i>J</i>	. "		2,140,857		2,819,168		2,347,332	_	2,727,464	_	514,636_		٠ '
	Board-approved PILs tax	-+/							7 4 4 0 000		F 000 0F0		4 004 040		00.444.400
12	proxy from Decisions (1)		2,128,441		6,616,123		8,744,564		7,148,233		5,893,052	_	_ 1,884,010_		32,414,423
٠,	True-up Variance	+/-											•		50.050
13	Adjustment Q4, 2001 (2)				52,250		_ 0		_ 0		_ "		_ "-		52,250
	True-up Variance	+/-													
14	Adjustment (3)				=		-343,376		-215,576		-2,334,724		_ 1,803,913		-1,089,763
	Deferral Account Variance						•								
15	Adjustment Q4, 2001 (4)						_		-		_ 0				. 0
	Deferral Account Variance	+/-													
16	Adjustment (5)										-710,837		0		-710,837
	Adjustments to reported	+/-	-		-		=		7		-		-		
17	prior years' variances (6)						_		_		_		_		. 0
	Carrying charges (7)	+/-	•		=		_		_		_				
18		ļ	12,416		226,123		_ 155,278		139,525		_ 36,693		42,110		527,925
١	PILs collected from	-	_										0.440.000		50 170 700
	customers - Proxy (8)		٥ ,		-6,216,185	_	-9,028,302	_	-6,692,050	_	-6,126,285		2,413,966		-30,476,788
20	<u></u>								0.707.404		511.000		7/7 040		747.040
	Ending balance: # 1562		2,140,857		2,819,168		2,347,332		2,727,464		-514,636		717,210		717,210
22															

24 NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. 25 For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

26
27 Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

29 (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.

Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. Per APH entries began October 1, 2001.

- (ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.
- 31 32 33 34 35 36 37 38 39 (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
  - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
  - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
  - (vi) Column M In 2006, the prorated 2005 PILs tax proxy will used for the period from January 1, 2006 to April 30, 2006.
  - (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 40 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, ce!l I133, of the TAXCALC spreadsheet. 41 42 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 43 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I182, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 44 45 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 46 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I182, of the TAXCALC spreadsheet. 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005. 48
- 49 (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- 51 (7) Carrying charges are calculated on a simple interest basis.

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- 53 (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate 54 components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. 56 57 58 59 60 62 63 65 66 67 71 72 73 74 75 76 The 2005 PILs tax proxy is being recovered on a volumetric basis by class. Input negative number for collections.
  - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
  - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
  - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

In 2006, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period January 1 to April 30, 2006.

	Α	В	С	Б
1		SIMPIL RRR FILING		H
2		Filing Requirements related to the SIMPIL model	Number	
3		Utility Name: London Hydro Inc.	of Copies	
4		Reporting period: Jan 1,2005 to Dec 31,2005		
5				
6		Name of person to contact about this SIMPIL filing: =============================	David Willia	mso
7		Contact Telephone Number: =========>	519-661-580	0 ex
8		Contact Email Address: ==========>	williamd@lor	ıdon
9				
10		Documents to be submitted to the Board when filing the Ministry of Finance Column info	rmation:	
11		(Normally in July of the year following the reporting period)		$\sqcup$
12				$\vdash$
13		Please file 2 sets of copies of the SIMPIL worksheets and 1 CD or disk		
14	21	DEGINEO		-
15 16	1)	REGINFO	2	X
17	-0)	TAVONIO		
18	2)	TAXCALC	2	Х
19	2)	TAXREC	2	┢┵
20	3)	TARREC		X
21	4)	Tax Reserves	2	X
22	4)	Tax Reserves	2	1
23	5)	TAXREC 2	2	Х
24	(ت	TARREG Z		₽
25	6)	Tax Rates	2	X
26	-0)	Tax rates		╀
27	7)	PILs 1562 Calculation	2	x
28	"	FIES 1302 Calculation		╀
29	8)	Checklist	2	X
30		Ollecklist		1~
31				
H	9)	Financial statements used to prepare tax returns if different from the audited financial	2	$\Box$
32	٠,	statements submitted to the Board in April 2006 (See 12, 13)	_	
33			-	┞
34	10)	Electronic Excel format of the SIMPIL worksheets on disk or CD	1	X
35	,	ENOUGH ENOUGH END AND THE WORKSHOOD OF WISHOFT OF		
36	11)	Notices of Assessments, Re-assessments, Statement of Adjustments for:		
37	/	2001	1	X
38		2002		X
39		2003		X
40		2004		X
41		2005		$\vdash$
42				<u> </u>
43	12)	Federal T2 tax return and schedules (with dollar amounts) 2005	1	X
44				
45	13)	Ontario CT23 tax return and schedules 2005	1	X
46				
47		NOTE: These are the tax returns that were sent to the Ontario Minstry of Finance,		
48		not the NIL tax returns sent to the Canada Revenue Agency.		
49				
50				
51				_
52				