

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name		Amount
Reporting period		

BACKGROUND

Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?

Y/N Yes

Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?

Y/N No

Accounting Year End

Date 31-Dec

MARR NO TAX CALCULATIONS
SHEET #7 FINAL RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)
USE BOARD-APPROVED AMOUNTS

Rate base (wires-only)	24,210,042
Common Equity Ratio (CER)	50.00%
1-CER	50.00%
Target Return On Equity	9.88%
Debt rate	7.25%
Market Adjusted Revenue Requirement	2,073,590
1999 return from RUD Sheet #7	1,547,868
Total Incremental revenue	525,722
Input Board-approved dollar amounts phased-in	
Amount allowed in 2001, Year 1	175,241
Amount allowed in 2002, Year 2	175,241
Amount allowed in 2003, Year 3	175,241
Equity	12,105,021
Return at target ROE	1,195,976
Debt	12,105,021
Deemed interest amount in EBIT	877,614
Phase-in of interest - Year 1 ((D34+D39)/D32)*D49	729,278

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name	Amount
Reporting period	
Phase-in of interest - Year 2 $((D34+D39+D40)/D32)*D49$	803,446
Phase-in of interest - Year 3 (D49)	877,614

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	LINE	Initial Estimate \$	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation
Utility Name:					
Reporting period:					
<u>I) CORPORATE INCOME TAXES</u>					
ACCOUNTING INCOME					
Regulatory Net Income	1		1A	430,777	
BOOK TO TAX ADJUSTMENTS					
<i>Additions: To Accounting Income</i>					
Depreciation & Amortization	2		2A	379,999	
Federal Large Corporation Tax	3		3A	0	
Employee Benefit Plans - Accrued, Not Paid	4		4A	0	
Change in Tax Reserves	5		5A	0	
Regulatory Adjustments	6		6A	0	
Other Additions (See Tab entitled "TAXREC")					
"Material" Item #1	7		7A	0	
"Material" Item #2	7		7A	0	
Other Additions (not "Material")	7		7A	0	
<i>Deductions: From Accounting Income</i>					
Capital Cost Allowance	8		8A	-127,338	
Employee Benefit Plans - Paid Amounts	9		9A	0	
Items Capitalized for Regulatory Purposes	10		10A	0	
Regulatory Adjustments	11		11A	0	
Interest Expense Deemed/ Incurred	12		12A	-182,320	
Other Deductions (See Tab entitled "TAXREC")					
"Material" Item #1	13		13A	0	
"Material" Item #2	13		13A	0	
Other Deductions (not "Material")	13		13A	0	
<u>REGULATORY TAXABLE INCOME</u>		0		501,119	
(sum of above)					
CORPORATE INCOME TAX RATE					
Deemed %	14	38.6200%	14A	2.0000%	
REGULATORY INCOME TAX					
Taxable Income x Rate		0		203,554	
Miscellaneous Tax Credits	15		15A	0	
Total Regulatory Income Tax		0		203,554	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	LINE	Initial Estimate \$	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation
II) CAPITAL TAXES					
<i>Ontario</i>					
Base	16		16A	24,210,042	
Less: Exemption	17		17A	-5,000,000	
Deemed Taxable Capital		0		19,210,042	
Rate (.3%)	18	0.3000%	18A	0.0000%	
Net Amount (Taxable Capital x Rate)		0		14,408	
<i>Federal (LCT)</i>					
Base	19		19A	24,210,042	
Less: Exemption	20		20A	-10,000,000	
Deemed Taxable Capital		0		14,210,042	
Rate (.225%)	21	0.2250%	21A	0.0000%	
Gross Amount (Taxable Capital x Rate)		0		7,993	
Less: Federal Surtax	22	0	22A	-5,613	
Net LCT		0		2,381	
III) INCLUSION IN RATES MARCH 2002					
IncomeTax (grossed-up)	23	0	23A	342,800	
LCT (grossed-up)	24	0	24A	3,935	
Ontario Capital Tax	25	0	25A	14,408	
Total S. 93 PILs Rate Adjustment		0		361,142	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

LINE	Initial Estimate	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation
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IV) FUTURE TRUE-UPS (post June 2002)

Amount in M of F Filing Variance (Column I) that
 the Board orders added/subtracted from rates

EBIT	1
Depreciation & Amortization	2
Federal Large Corporation Tax	3
Employee Benefit Plans - Accrued, Not Paid	4
Change in Tax Reserves	5
Regulatory Adjustments	6
Other additions "Material" Item #1	7
Other additions "Material" Item #2	7
Other additions (not "Material")	7
Capital Cost Allowance	8
Employee Benefit Plans - Paid Amounts	9
Items Capitalized for Regulatory Purposes	10
Regulatory Adjustments	11
Interest Adjustment for Tax Purposes (Cell I135)	12
Other deductions "Material" Item #1	13
Other deductions "Material" Item #2	13
Other deductions (not "Material")	13
Miscellaneous Tax Credits	15

Deferral Account Entry (Positive Entry=Debit)

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)
 Interest phased-in - (Deferral Account Cell G34)

Variance due to phase-in of debt structure
 according to Rate Handbook

**Other Interest Variances (ie Borrowing Levels
 Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)
 Total deemed interest (REGINFO CELL D49)

Variance caused by excess debt

Interest Adjustment for Tax Purposes Cell I108

Total Interest Variance (Cell I34)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	Deferral Account Allowance \$	Source Foot- note #	M of F Filing Variance K-G \$	M of F Filing Variance Explanation
Utility Name:				
Reporting period:				
<u>I) CORPORATE INCOME TAXES</u>				
ACCOUNTING INCOME				
Regulatory Net Income	430,777	1B	-430,777	
BOOK TO TAX ADJUSTMENTS				
<i>Additions: To Accounting Income</i>				
Depreciation & Amortization	379,999	2B	-379,999	
Federal Large Corporation Tax		3B	0	
Employee Benefit Plans - Accrued, Not Paid		4B	0	
Change in Tax Reserves		5B	0	
Regulatory Adjustments		6B	0	
Other Additions (See Tab entitled "TAXREC")				
"Material" Item #1		7B	0	
"Material" Item #2		7B	0	
Other Additions (not "Material")		7B	0	
<i>Deductions: From Accounting Income</i>				
Capital Cost Allowance	-127,338	8B	127,338	
Employee Benefit Plans - Paid Amounts		9B	0	
Items Capitalized for Regulatory Purposes		10B	0	
Regulatory Adjustments		11B	0	
Interest Expense Deemed/ Incurred	-182,320	12B	182,320	
Other Deductions (See Tab entitled "TAXREC")				
"Material" Item #1		13B	0	
"Material" Item #2		13B	0	
Other Deductions (not "Material")		13B	0	
<u>REGULATORY TAXABLE INCOME</u>	501,119		-501,119	
(sum of above)				
CORPORATE INCOME TAX RATE				
Deemed %	40.6200%	14B	-2.0000%	
REGULATORY INCOME TAX				
Taxable Income x Rate	203,554		-203,554	
Miscellaneous Tax Credits		15B	0	
Total Regulatory Income Tax	203,554		-203,554	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	Deferral Account Allowance \$	Source Foot- note #	M of F Filing Variance K-G \$	M of F Filing Variance Explanation
II) CAPITAL TAXES				
<i>Ontario</i>				
Base	24,210,042	16B	-24,210,042	
Less: Exemption	-5,000,000	17B	5,000,000	
Deemed Taxable Capital	19,210,042		-19,210,042	
Rate (.3%)	0.3000%	18B	0.0000%	
Net Amount (Taxable Capital x Rate)	14,408		-14,408	
<i>Federal (LCT)</i>				
Base	24,210,042	19B	-24,210,042	
Less: Exemption	-10,000,000	20B	10,000,000	
Deemed Taxable Capital	14,210,042		-14,210,042	
Rate (.225%)	0.2250%	21B	0.0000%	
Gross Amount (Taxable Capital x Rate)	7,993		-7,993	
Less: Federal Surtax	-5,613	22B	5,613	
Net LCT	2,381		-2,381	
III) INCLUSION IN RATES MARCH 2002				
IncomeTax (grossed-up)	342,800	23B	-342,800	
LCT (grossed-up)	3,935	24B	-3,935	
Ontario Capital Tax	14,408	25B	-14,408	
Total S. 93 PILs Rate Adjustment	361,142		-361,142	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

Deferral Account Allowance	Source Foot- note #	M of F Filing Variance K-G \$	M of F Filing Variance Explanation
\$	#	\$	

IV) FUTURE TRUE-UPS (post June 2002)

DR / (CR)

Amount in M of F Filing Variance (Column I) that
 the Board orders added/subtracted from rates

EBIT			No true-up
Depreciation & Amortization			No true-up
Federal Large Corporation Tax			No true-up
Employee Benefit Plans - Accrued, Not Paid		0	True-up
Change in Tax Reserves		0	True-up
Regulatory Adjustments		0	True-up
Other additions "Material" Item #1		0	True-up
Other additions "Material" Item #2		0	True-up
Other additions (not "Material")			No true-up
Capital Cost Allowance			No true-up
Employee Benefit Plans - Paid Amounts		0	True-up
Items Capitalized for Regulatory Purposes		0	True-up
Regulatory Adjustments		0	True-up
Interest Adjustment for Tax Purposes (Cell I135)		0	True-up-See Below
Other deductions "Material" Item #1		0	True-up
Other deductions "Material" Item #2		0	True-up
Other deductions (not "Material")			No true-up
Miscellaneous Tax Credits		0	True-up
Deferral Account Entry (Positive Entry=Debit)		0	True-up

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)	-877,614
Interest phased-in - (Deferral Account Cell G34)	182,320
Variance due to phase-in of debt structure according to Rate Handbook	-695,294

**Other Interest Variances (ie Borrowing Levels
Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)	0
Total deemed interest (REGINFO CELL D49)	877,614
Variance caused by excess debt	877,614

Interest Adjustment for Tax Purposes Cell I108

0 True-up Amount- Used

Total Interest Variance (Cell I34)

182,320

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	M of F Filing	Source
	(June) \$	Foot- note #
Utility Name: Reporting period:	Column Brought Forward From TAXREC	
<u>I) CORPORATE INCOME TAXES</u>		
ACCOUNTING INCOME		
Regulatory Net Income	0	1C
BOOK TO TAX ADJUSTMENTS		
<i>Additions: To Accounting Income</i>		
Depreciation & Amortization	0	2C
Federal Large Corporation Tax	0	3C
Employee Benefit Plans - Accrued, Not Paid	0	4C
Change in Tax Reserves	0	5C
Regulatory Adjustments	0	6C
Other Additions (See Tab entitled "TAXREC")		
"Material" Item #1	0	7C
"Material" Item #2	0	7C
Other Additions (not "Material")	0	7C
<i>Deductions: From Accounting Income</i>		
Capital Cost Allowance	0	8C
Employee Benefit Plans - Paid Amounts	0	9C
Items Capitalized for Regulatory Purposes	0	10C
Regulatory Adjustments	0	11C
Interest Expense Deemed/ Incurred	0	12C
Other Deductions (See Tab entitled "TAXREC")		
"Material" Item #1	0	13C
"Material" Item #2	0	13C
Other Deductions (not "Material")	0	13C
<u>REGULATORY TAXABLE INCOME</u> (sum of above)	0	
CORPORATE INCOME TAX RATE Deemed %	38.6200%	14C
REGULATORY INCOME TAX Taxable Income x Rate	0	
Miscellaneous Tax Credits		15C
Total Regulatory Income Tax	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	M of F Filing	Source
	(June) \$	Foot- note #
<u>II) CAPITAL TAXES</u>		
<i>Ontario</i>		
Base	0	16C
Less: Exemption	0	17C
Deemed Taxable Capital	0	
Rate (.3%)	0.3000%	18C
Net Amount (Taxable Capital x Rate)	0	
<i>Federal (LCT)</i>		
Base	0	19C
Less: Exemption	0	20C
Deemed Taxable Capital	0	
Rate (.225%)	0.2250%	21C
Gross Amount (Taxable Capital x Rate)	0	
Less: Federal Surtax	0	22C
Net LCT	0	
<u>III) INCLUSION IN RATES MARCH 2002</u>		
IncomeTax (grossed-up)		n/a
LCT (grossed-up)		n/a
Ontario Capital Tax		n/a
<i>Total S. 93 PILs Rate Adjustment</i>		

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	M of F Filing	Source
	(June) \$	Foot- note #

IV) FUTURE TRUE-UPS (post June 2002)

Amount in M of F Filing Variance (Column I) that
the Board orders added/subtracted from rates

EBIT

Depreciation & Amortization

Federal Large Corporation Tax

Employee Benefit Plans - Accrued, Not Paid

Change in Tax Reserves

Regulatory Adjustments

Other additions "Material" Item #1

Other additions "Material" Item #2

Other additions (not "Material")

Capital Cost Allowance

Employee Benefit Plans - Paid Amounts

Items Capitalized for Regulatory Purposes

Regulatory Adjustments

Interest Adjustment for Tax Purposes (Cell I135)

Other deductions "Material" Item #1

Other deductions "Material" Item #2

Other deductions (not "Material")

Miscellaneous Tax Credits

Deferral Account Entry (Positive Entry=Debit)

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)

Interest phased-in - (Deferral Account Cell G34)

Variance due to phase-in of debt structure
according to Rate Handbook

**Other Interest Variances (ie Borrowing Levels
Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)

Total deemed interest (REGINFO CELL D49)

Variance caused by excess debt

Interest Adjustment for Tax Purposes Cell I108 above

Total Interest Variance (Cell I34)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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Utility Name:
 Reporting period:

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

I) CORPORATE INCOME TAXES

(Input unconsolidated financial statement data
 submitted with tax returns as applicable)

Revenue	1				0
Other Income	2				0
Expenses					
Administration	3				0
Distribution	4				0
Operations and Maintenance	5				0
Depreciation and Amortization	6				0
Municipal Property Taxes	7				0
Ontario Capital Tax	8				0
Federal LCT	9				0

Net Income Before Interest & Income Taxes EBIT	10	0	0	0	1C
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BOOK TO TAX ADDITIONS:

Depreciation & Amortization		0	0	0	2C
Federal Large Corporation Tax		0	0	0	3C
Employee benefit plans-accrued, not paid				0	4C
Change in tax reserves				0	5C
Regulatory adjustments				0	6C
Other additions "Material" Item #1				0	7C
Other additions "Material" Item #2				0	7C
		0	0	0	

Other Additions: (From T2 S1)

Recapture of CCA				0	7C
Non-deductible expenses:				0	7C
Club dues and fees				0	7C
Meals and entertainment				0	7C
Automobile				0	7C
Life insurance premiums				0	7C
Company pension plans				0	7C
Advertising				0	7C
Interest and penalties on taxes				0	7C
Legal and accounting fees				0	7C
Debt issue expenses				0	7C
Capital items expensed				0	7C
All crown charges, royalties, rentals				0	7C
Deemed dividend income				0	7C
Deemed interest on loans to non-residents				0	7C
Deemed interest received				0	7C
Development expenses claimed				0	7C
Dividend stop-loss adjustments				0	7C
Dividends credited to investment account				0	7C
Investment tax credit				0	7C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Financing fees deducted in books				0	7C
Foreign accrual property income				0	7C
Foreign affiliate property income				0	7C
Federal reassessment amounts				0	7C
Gain on settlement of debt				0	7C
Interest paid on income debentures				0	7C
Gain on sale of eligible capital property				0	7C
Loss on disposal of assets				0	7C
Reserves from financial statements- end of year				0	7C
Holdbacks				0	7C
Taxable capital gains				0	7C
Political donations- book				0	7C
Charitable donations- book				0	7C
Capitalized interest				0	7C
Deferred and prepaid- beginning of year				0	7C
Tax reserves deducted in prior year				0	7C
Loss from joint ventures				0	7C
Loss from subsidiaries				0	7C
Limited partnership losses				0	7C
Sales tax assessments				0	7C
Share issue expenses				0	7C
Write-down of capital property				0	7C
				0	
<i>Other Additions:</i>				0	7C
<i>Total Other Additions</i>		0	0	0	7C
<i>Total Additions</i>		0	0	0	
BOOK TO TAX DEDUCTIONS:					
Capital cost allowance				0	8C
Employee benefit plans-paid amounts				0	9C
Items capitalized for regulatory purposes				0	10C
Regulatory adjustments				0	11C
Interest expense incurred				0	12C
Other deductions "Material" Item #1				0	13C
Other deductions "Material" Item #2				0	13C
		0	0	0	
<i>Other deductions: (From T2 S1)</i>					
Grossed up Part VI.1 tax (preferred shares)				0	13C
Amortization of eligible capital expenditures				0	13C
Amortization of debt and equity issue cost				0	13C
Loss carryback to prior period				0	13C
Contributions to deferred income plans				0	13C
Contributions to pension plans				0	13C
Income from subsidiaries				0	13C
Income from joint ventures				0	13C
Gain on disposal of assets				0	13C
Terminal loss				0	13C
Cumulative eligible capital deduction				0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<hr/>				
Allowable business investment loss			0	13C
Holdbacks			0	13C
Deferred and prepaids- end of year			0	13C
Tax reserves claimed in current year			0	13C
Reserves from F/S- beginning of year			0	13C
Patronage dividends			0	13C
Accrued dividends- current year			0	13C
Bad debts			0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Exempt income under section 81				0	13C
Contributions to environmental trust				0	13C
Other income from financial statements				0	13C
Charitable donations - tax basis				0	13C
Gifts to Canada or a province				0	13C
Cultural gifts				0	13C
Ecological gifts				0	13C
Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
Non-capital losses-preceding years				0	13C
Net-capital losses- preceding years				0	13C
Limited partnership losses- preceding years				0	13C
Other deductions:				0	13C
				0	
				0	
<i>Total Other Deductions</i>		0	0	0	13C
Total Deductions		0	0	0	
<u>TAXABLE INCOME</u>		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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ONTARIO CAPITAL TAX

PAID-UP CAPITAL

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

ELIGIBLE INVESTMENTS

Bonds, lien notes, interest coupons			0	
Mortgages due from other corporations			0	
Shares in other corporations			0	
Loans and advances to unrelated corporations			0	
Eligible loans and advances to related corporations			0	
Share of partnership(s) or joint venture(s) eligible investments			0	
			0	
Total Eligible Investments	0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<u>TOTAL ASSETS</u>					
Total assets per balance sheet				0	
Mortgages or other liabilities deducted from assets				0	
Share of partnership(s)/ joint venture(s) total assets				0	
Subtract: Investment in partnership(s)/joint venture(s)				0	
Total assets as adjusted		0	0	0	
Add: (if deducted from assets)					
Contingent, investment, inventory and similar reserves				0	
Other reserves not allowed as deductions				0	
Subtract:				0	
Amounts deducted for income tax purposes in excess of amounts booked				0	
Deductible R&D expenditures and ONTTI costs deferred for income tax				0	
Subtract: Appraisal surplus if booked				0	
Add or subtract: Other adjustments		1	1	2	
Total Assets		1	1	2	
<u>Investment Allowance</u>					
(Total Eligible Investments / Total Assets) x Net paid-up capital		0	0	0	
<u>Taxable Capital</u>					
Net paid-up capital		0	0	0	
Subtract: Investment Allowance		0	0	0	
Taxable Capital		0	0	0	
<u>Capital Tax Calculation</u>					
Taxable capital		0	0	0	16C
Deduction from taxable capital up to \$5,000,000				0	17C
Net Taxable Capital		0	0	0	
Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
Days in taxation year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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Ontario Capital Tax

0	0	0
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SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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LARGE CORPORATION TAX

CAPITAL

ADD:

Reserves that have not been deducted in
 computing income for the year under Part I
 Capital stock
 Retained earnings
 Contributed surplus
 Any other surpluses
 Deferred unrealized foreign exchange gains
 All loans and advances to the corporation
 All indebtedness- bonds, debentures, notes,
 mortgages, bankers acceptances, or similar
 obligations
 Any dividends declared but not paid
 All other indebtedness outstanding for more
 than 365 days

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

Subtotal

0 0 0

DEDUCT:

Deferred tax debit balance
 Any deficit deducted in computing
 shareholders' equity
 Any patronage dividends 135(1) deducted in
 computing income under Part I included in
 amounts above
 Deferred unrealized foreign exchange losses

0
0
0
0
0
0

Subtotal

0 0 0

Capital for the year

0 0 0

INVESTMENT ALLOWANCE

Shares in another corporation
 Loan or advance to another corporation
 Bond, debenture, note, mortgage, or
 similar obligation of another corporation
 Long term debt of financial institution
 Dividend receivable from another corporation
 Debts of corporate partnerships that were not
 exempt from tax under Part I.3
 Interest in a partnership

0
0
0
0
0
0
0
0

Investment Allowance

0 0 0

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<hr/>					
<u>TAXABLE CAPITAL</u>					
Capital for the year		0	0	0	
Deduct: Investment allowance		0	0	0	
Taxable Capital for taxation year		0	0	0	19C
Deduct: Capital Deduction \$10,000,000				0	20C
Taxable Capital		0	0	0	
Rate .225%		0.22500%	0.22500%	0.22500%	21C
Days in year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	
Gross Part I.3 Tax LCT		0	0	0	
Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
Net Part I.3 Tax LCT Payable (If surtax is greater than Gross LCT, then zero)		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

LINE	Initial Estimate \$	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation	Deferral Account Allowance \$	Source Foot- note #	M of F Filing Variance K-G \$
Utility Name:							
Reporting period:							
<u>I) CORPORATE INCOME TAXES</u>							
ACCOUNTING INCOME							
Regulatory Net Income	1	1A	430,777		430,777	1B	-430,777
BOOK TO TAX ADJUSTMENTS							
<i>Additions: To Accounting Income</i>							
Depreciation & Amortization	2	2A	379,999		379,999	2B	-379,999
Federal Large Corporation Tax	3	3A	0			3B	0
Employee Benefit Plans - Accrued, Not Paid	4	4A	0			4B	0
Change in Tax Reserves	5	5A	0			5B	0
Regulatory Adjustments	6	6A	0			6B	0
Other Additions (See Tab entitled "TAXREC")							
"Material" Item #1	7	7A	0			7B	0
"Material" Item #2	7	7A	0			7B	0
Other Additions (not "Material")	7	7A	0			7B	0
<i>Deductions: From Accounting Income</i>							
Capital Cost Allowance	8	8A	-127,338		-127,338	8B	127,338
Employee Benefit Plans - Paid Amounts	9	9A	0			9B	0
Items Capitalized for Regulatory Purposes	10	10A	0			10B	0
Regulatory Adjustments	11	11A	0			11B	0
Interest Expense Deemed/ Incurred	12	12A	-182,320		-182,320	12B	182,320
Other Deductions (See Tab entitled "TAXREC")							
"Material" Item #1	13	13A	0			13B	0
"Material" Item #2	13	13A	0			13B	0
Other Deductions (not "Material")	13	13A	0			13B	0
<u>REGULATORY TAXABLE INCOME</u>			0	501,119	501,119		-501,119
(sum of above)							
CORPORATE INCOME TAX RATE							
Deemed %	14	14A	38.6200%	2.0000%	40.6200%	14B	-2.0000%
REGULATORY INCOME TAX							
Taxable Income x Rate			0	203,554	203,554		-203,554
Miscellaneous Tax Credits	15	15A	0			15B	0
Total Regulatory Income Tax			0	203,554	203,554		-203,554

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

LINE	Initial Estimate \$	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation	Deferral Account Allowance \$	Source Foot- note #	M of F Filing Variance K-G \$
II) CAPITAL TAXES							
<i>Ontario</i>							
Base	16	16A	24,210,042		24,210,042	16B	-24,210,042
Less: Exemption	17	17A	-5,000,000		-5,000,000	17B	5,000,000
Deemed Taxable Capital			19,210,042		19,210,042		-19,210,042
Rate (.3%)	18	18A	0.0000%		0.3000%	18B	0.0000%
Net Amount (Taxable Capital x Rate)			14,408		14,408		-14,408
<i>Federal (LCT)</i>							
Base	19	19A	24,210,042		24,210,042	19B	-24,210,042
Less: Exemption	20	20A	-10,000,000		-10,000,000	20B	10,000,000
Deemed Taxable Capital			14,210,042		14,210,042		-14,210,042
Rate (.225%)	21	21A	0.0000%		0.2250%	21B	0.0000%
Gross Amount (Taxable Capital x Rate)			7,993		7,993		-7,993
Less: Federal Surtax	22	22A	-5,613		-5,613	22B	5,613
Net LCT			2,381		2,381		-2,381
III) INCLUSION IN RATES MARCH 2002							
IncomeTax (grossed-up)	23	23A	336,454		336,454	23B	-336,454
LCT (grossed-up)	24	24A	3,935		3,935	24B	-3,935
Ontario Capital Tax	25	25A	14,408		14,408	25B	-14,408
Total S. 93 PILs Rate Adjustment			354,796		354,796		-354,796

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

LINE	Initial Estimate	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation	Deferral Account Allowance \$	Source Foot- note #	M of F Filing Variance K-G \$
IV) FUTURE TRUE-UPS (post June 2002)							
							DR / (CR)
Amount in M of F Filing Variance (Column I) that the Board orders added/subtracted from rates							
EBIT	1						
Depreciation & Amortization	2						
Federal Large Corporation Tax	3						
Employee Benefit Plans - Accrued, Not Paid	4						0
Change in Tax Reserves	5						0
Regulatory Adjustments	6						0
Other additions "Material" Item #1	7						0
Other additions "Material" Item #2	7						0
Other additions (not "Material")	7						
Capital Cost Allowance	8						
Employee Benefit Plans - Paid Amounts	9						0
Items Capitalized for Regulatory Purposes	10						0
Regulatory Adjustments	11						0
Interest Adjustment for Tax Purposes (Cell I135)	12						0
Other deductions "Material" Item #1	13						0
Other deductions "Material" Item #2	13						0
Other deductions (not "Material")	13						
Miscellaneous Tax Credits	15						0
Deferral Account Entry (Positive Entry=Debit)							0

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)	-877,614
Interest phased-in - (Deferral Account Cell G34)	182,320
Variance due to phase-in of debt structure according to Rate Handbook	-695,294

**Other Interest Variances (ie Borrowing Levels
Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)	0
Total deemed interest (REGINFO CELL D49)	877,614
Variance caused by excess debt	877,614
Interest Adjustment for Tax Purposes Cell I108	0
Total Interest Variance (Cell I34)	182,320

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)		M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
Utility Name: Reporting period:			Column Brought Forward From TAXREC	
<u>I) CORPORATE INCOME TAXES</u>				
ACCOUNTING INCOME				
Regulatory Net Income			0	1C
BOOK TO TAX ADJUSTMENTS				
<i>Additions: To Accounting Income</i>				
Depreciation & Amortization			0	2C
Federal Large Corporation Tax			0	3C
Employee Benefit Plans - Accrued, Not Paid			0	4C
Change in Tax Reserves			0	5C
Regulatory Adjustments			0	6C
Other Additions (See Tab entitled "TAXREC")				
"Material" Item #1			0	7C
"Material" Item #2			0	7C
Other Additions (not "Material")			0	7C
<i>Deductions: From Accounting Income</i>				
Capital Cost Allowance			0	8C
Employee Benefit Plans - Paid Amounts			0	9C
Items Capitalized for Regulatory Purposes			0	10C
Regulatory Adjustments			0	11C
Interest Expense Deemed/ Incurred			0	12C
Other Deductions (See Tab entitled "TAXREC")				
"Material" Item #1			0	13C
"Material" Item #2			0	13C
Other Deductions (not "Material")			0	13C
<u>REGULATORY TAXABLE INCOME</u>			0	
(sum of above)				
CORPORATE INCOME TAX RATE				
Deemed %			38.6200%	14C
REGULATORY INCOME TAX				
Taxable Income x Rate			0	
Miscellaneous Tax Credits				15C
Total Regulatory Income Tax			0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)		M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
II) CAPITAL TAXES				
<i>Ontario</i>				
Base			0	16C
Less: Exemption			0	17C
Deemed Taxable Capital			0	
Rate (.3%)			0.3000%	18C
Net Amount (Taxable Capital x Rate)			0	
<i>Federal (LCT)</i>				
Base			0	19C
Less: Exemption			0	20C
Deemed Taxable Capital			0	
Rate (.225%)			0.2250%	21C
Gross Amount (Taxable Capital x Rate)			0	
Less: Federal Surtax			0	22C
Net LCT			0	
III) INCLUSION IN RATES MARCH 2002				
IncomeTax (grossed-up)				n/a
LCT (grossed-up)				n/a
Ontario Capital Tax				n/a
Total S. 93 PILs Rate Adjustment				

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	M of F Filing Variance Explanation	M of F	
		Filing	Source
		(June)	Foot- note
		\$	#

IV) FUTURE TRUE-UPS (post June 2002)

Amount in M of F Filing Variance (Column I) that
 the Board orders added/subtracted from rates

EBIT	No true-up
Depreciation & Amortization	No true-up
Federal Large Corporation Tax	No true-up
Employee Benefit Plans - Accrued, Not Paid	True-up
Change in Tax Reserves	True-up
Regulatory Adjustments	True-up
Other additions "Material" Item #1	True-up
Other additions "Material" Item #2	True-up
Other additions (not "Material")	No true-up
Capital Cost Allowance	No true-up
Employee Benefit Plans - Paid Amounts	True-up
Items Capitalized for Regulatory Purposes	True-up
Regulatory Adjustments	True-up
Interest Adjustment for Tax Purposes (Cell I135)	True-up-See Below
Other deductions "Material" Item #1	True-up
Other deductions "Material" Item #2	True-up
Other deductions (not "Material")	No true-up
Miscellaneous Tax Credits	True-up

Deferral Account Entry (Positive Entry=Debit) True-up

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)
 Interest phased-in - (Deferral Account Cell G34)

Variance due to phase-in of debt structure
 according to Rate Handbook

**Other Interest Variances (ie Borrowing Levels
 Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)
 Total deemed interest (REGINFO CELL D49)

Variance caused by excess debt

Interest Adjustment for Tax Purposes Cell I108 True-up Amount- Used above

Total Interest Variance (Cell I34)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name	Amount
Reporting period	

BACKGROUND

Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?

Y/N Yes

Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?

Y/N No

Accounting Year End

Date 31-Dec

MARR NO TAX CALCULATIONS
SHEET #7 FINAL RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)
USE BOARD-APPROVED AMOUNTS

Rate base (wires-only)	24,210,042
Common Equity Ratio (CER)	50.00%
1-CER	50.00%
Target Return On Equity	9.88%
Debt rate	7.25%
Market Adjusted Revenue Requirement	2,073,590
1999 return from RUD Sheet #7	1,547,868
Total Incremental revenue	525,722
Input Board-approved dollar amounts phased-in	
Amount allowed in 2001, Year 1	175,241
Amount allowed in 2002, Year 2	175,241
Amount allowed in 2003, Year 3	175,241
Equity	12,105,021
Return at target ROE	1,195,976
Debt	12,105,021
Deemed interest amount in EBIT	877,614
Phase-in of interest - Year 1 ((D34+D39)/D32)*D49	729,278

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name	Amount
Reporting period	
Phase-in of interest - Year 2 $((D34+D39+D40)/D32)*D49$	803,446
Phase-in of interest - Year 3 (D49)	877,614

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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Utility Name:
 Reporting period:

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

I) CORPORATE INCOME TAXES

(Input unconsolidated financial statement data
 submitted with tax returns as applicable)

Revenue	1			0	
Other Income	2			0	
Expenses					
Administration	3			0	
Distribution	4			0	
Operations and Maintenance	5			0	
Depreciation and Amortization	6			0	
Municipal Property Taxes	7			0	
Ontario Capital Tax	8			0	
Federal LCT	9			0	

Net Income Before Interest & Income Taxes	EBIT	10	0	0	0	1C
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BOOK TO TAX ADDITIONS:

Depreciation & Amortization	0	0	0	2C
Federal Large Corporation Tax	0	0	0	3C
Employee benefit plans-accrued, not paid			0	4C
Change in tax reserves			0	5C
Regulatory adjustments			0	6C
Other additions "Material" Item #1			0	7C
Other additions "Material" Item #2			0	7C
	0	0	0	

Other Additions: (From T2 S1)

Recapture of CCA			0	7C
Non-deductible expenses:			0	7C
Club dues and fees			0	7C
Meals and entertainment			0	7C
Automobile			0	7C
Life insurance premiums			0	7C
Company pension plans			0	7C
Advertising			0	7C
Interest and penalties on taxes			0	7C
Legal and accounting fees			0	7C
Debt issue expenses			0	7C
Capital items expensed			0	7C
All crown charges, royalties, rentals			0	7C
Deemed dividend income			0	7C
Deemed interest on loans to non-residents			0	7C
Deemed interest received			0	7C
Development expenses claimed			0	7C
Dividend stop-loss adjustments			0	7C
Dividends credited to investment account			0	7C
Investment tax credit			0	7C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Financing fees deducted in books			0	7C
Foreign accrual property income			0	7C
Foreign affiliate property income			0	7C
Federal reassessment amounts			0	7C
Gain on settlement of debt			0	7C
Interest paid on income debentures			0	7C
Gain on sale of eligible capital property			0	7C
Loss on disposal of assets			0	7C
Reserves from financial statements- end of year			0	7C
Holdbacks			0	7C
Taxable capital gains			0	7C
Political donations- book			0	7C
Charitable donations- book			0	7C
Capitalized interest			0	7C
Deferred and prepaid- beginning of year			0	7C
Tax reserves deducted in prior year			0	7C
Loss from joint ventures			0	7C
Loss from subsidiaries			0	7C
Limited partnership losses			0	7C
Sales tax assessments			0	7C
Share issue expenses			0	7C
Write-down of capital property			0	7C
			0	
<i>Other Additions:</i>			0	7C
<i>Total Other Additions</i>	0	0	0	7C
<i>Total Additions</i>	0	0	0	
BOOK TO TAX DEDUCTIONS:				
Capital cost allowance			0	8C
Employee benefit plans-paid amounts			0	9C
Items capitalized for regulatory purposes			0	10C
Regulatory adjustments			0	11C
Interest expense incurred			0	12C
Other deductions "Material" Item #1			0	13C
Other deductions "Material" Item #2			0	13C
	0	0	0	
<i>Other deductions: (From T2 S1)</i>				
Grossed up Part VI.1 tax (preferred shares)			0	13C
Amortization of eligible capital expenditures			0	13C
Amortization of debt and equity issue cost			0	13C
Loss carryback to prior period			0	13C
Contributions to deferred income plans			0	13C
Contributions to pension plans			0	13C
Income from subsidiaries			0	13C
Income from joint ventures			0	13C
Gain on disposal of assets			0	13C
Terminal loss			0	13C
Cumulative eligible capital deduction			0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Allowable business investment loss				0	13C
Holdbacks				0	13C
Deferred and prepaids- end of year				0	13C
Tax reserves claimed in current year				0	13C
Reserves from F/S- beginning of year				0	13C
Patronage dividends				0	13C
Accrued dividends- current year				0	13C
Bad debts				0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Exempt income under section 81				0	13C
Contributions to environmental trust				0	13C
Other income from financial statements				0	13C
Charitable donations - tax basis				0	13C
Gifts to Canada or a province				0	13C
Cultural gifts				0	13C
Ecological gifts				0	13C
Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
Non-capital losses-preceding years				0	13C
Net-capital losses- preceding years				0	13C
Limited partnership losses- preceding years				0	13C
Other deductions:				0	13C
				0	
				0	
<i>Total Other Deductions</i>		0	0	0	13C
Total Deductions		0	0	0	
<u>TAXABLE INCOME</u>		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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ONTARIO CAPITAL TAX

PAID-UP CAPITAL

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

ELIGIBLE INVESTMENTS

Bonds, lien notes, interest coupons			0
Mortgages due from other corporations			0
Shares in other corporations			0
Loans and advances to unrelated corporations			0
Eligible loans and advances to related corporations			0
Share of partnership(s) or joint venture(s) eligible investments			0
Total Eligible Investments	0	0	0

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<u>TOTAL ASSETS</u>					
Total assets per balance sheet				0	
Mortgages or other liabilities deducted from assets				0	
Share of partnership(s)/ joint venture(s) total assets				0	
Subtract: Investment in partnership(s)/joint venture(s)				0	
Total assets as adjusted		0	0	0	
Add: (if deducted from assets)					
Contingent, investment, inventory and similar reserves				0	
Other reserves not allowed as deductions				0	
Subtract:				0	
Amounts deducted for income tax purposes in excess of amounts booked				0	
Deductible R&D expenditures and ONTTI costs deferred for income tax				0	
Subtract: Appraisal surplus if booked				0	
Add or subtract: Other adjustments		1	1	2	
Total Assets		1	1	2	
<u>Investment Allowance</u>					
(Total Eligible Investments / Total Assets) x Net paid-up capital		0	0	0	
<u>Taxable Capital</u>					
Net paid-up capital		0	0	0	
Subtract: Investment Allowance		0	0	0	
Taxable Capital		0	0	0	
<u>Capital Tax Calculation</u>					
Taxable capital		0	0	0	16C
Deduction from taxable capital up to \$5,000,000				0	17C
Net Taxable Capital		0	0	0	
Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
Days in taxation year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
(for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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Ontario Capital Tax

0	0	0
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SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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LARGE CORPORATION TAX

CAPITAL

ADD:

Reserves that have not been deducted in computing income for the year under Part I			0	
Capital stock			0	
Retained earnings			0	
Contributed surplus			0	
Any other surpluses			0	
Deferred unrealized foreign exchange gains			0	
All loans and advances to the corporation			0	
All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations			0	
Any dividends declared but not paid			0	
All other indebtedness outstanding for more than 365 days			0	
Subtotal	0	0	0	

DEDUCT:

Deferred tax debit balance			0	
Any deficit deducted in computing shareholders' equity			0	
Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above			0	
Deferred unrealized foreign exchange losses			0	
Subtotal	0	0	0	

Capital for the year

0	0	0
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INVESTMENT ALLOWANCE

Shares in another corporation			0	
Loan or advance to another corporation			0	
Bond, debenture, note, mortgage, or similar obligation of another corporation			0	
Long term debt of financial institution			0	
Dividend receivable from another corporation			0	
Debts of corporate partnerships that were not exempt from tax under Part I.3			0	
Interest in a partnership			0	
Investment Allowance	0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<hr/>					
<u>TAXABLE CAPITAL</u>					
Capital for the year		0	0	0	
Deduct: Investment allowance		0	0	0	
Taxable Capital for taxation year		0	0	0	19C
Deduct: Capital Deduction \$10,000,000				0	20C
Taxable Capital		0	0	0	
Rate .225%		0.22500%	0.22500%	0.22500%	21C
Days in year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	
Gross Part I.3 Tax LCT		0	0	0	
Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
Net Part I.3 Tax LCT Payable (If surtax is greater than Gross LCT, then zero)		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"		LINE	Initial	Source	Deferral	Deferral	Deferral	Source
DEFERRAL/VARIANCE ACCOUNTS			Estimate		Account	Account	Account	
TAX CALCULATIONS (TAXCALC)				Foot-	Variance	Variance	Allowance	Foot-
("Wires-only" business - see Tab TAXREC)				note	G-C	Explanation		note
			\$	#	\$		\$	#
Utility Name:								
Reporting period:								
<u>I) CORPORATE INCOME TAXES</u>								
ACCOUNTING INCOME								
Regulatory Net Income	1	1A	1,898,349				1,898,349	1B
BOOK TO TAX ADJUSTMENTS								
<i>Additions: To Accounting Income</i>								
Depreciation & Amortization	2	2A	1,519,994				1,519,994	2B
Federal Large Corporation Tax	3	3A	0					3B
Employee Benefit Plans - Accrued, Not Paid	4	4A	0					4B
Change in Tax Reserves	5	5A	0					5B
Regulatory Adjustments	6	6A	0					6B
Other Additions (See Tab entitled "TAXREC")								
"Material" Item #1	7	7A	0					7B
"Material" Item #2	7	7A	0					7B
Other Additions (not "Material")	7	7A	0					7B
<i>Deductions: From Accounting Income</i>								
Capital Cost Allowance	8	8A	-1,000,872				-1,000,872	8B
Employee Benefit Plans - Paid Amounts	9	9A	0					9B
Items Capitalized for Regulatory Purposes	10	10A	0					10B
Regulatory Adjustments	11	11A	0					11B
Interest Expense Deemed/ Incurred	12	12A	-803,446				-803,446	12B
Other Deductions (See Tab entitled "TAXREC")								
"Material" Item #1	13	13A	0					13B
"Material" Item #2	13	13A	0					13B
Other Deductions (not "Material")	13	13A	0					13B
<u>REGULATORY TAXABLE INCOME</u>			0		1,614,025		1,614,025	
(sum of above)								
CORPORATE INCOME TAX RATE								
Deemed %	14	38.6200% 14A	0.0000%				38.6200%	14B
REGULATORY INCOME TAX								
Taxable Income x Rate			0		623,337		623,337	
Miscellaneous Tax Credits		15		15A	0			15B
Total Regulatory Income Tax			0		623,337		623,337	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	LINE	Initial Estimate \$	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation	Deferral Account Allowance \$	Source Foot- note #
II) CAPITAL TAXES							
<i>Ontario</i>							
Base	16		16A	24,210,042		24,210,042	16B
Less: Exemption	17		17A	-5,000,000		-5,000,000	17B
Deemed Taxable Capital		0		19,210,042		19,210,042	
Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B
Net Amount (Taxable Capital x Rate)		0		57,630		57,630	
<i>Federal (LCT)</i>							
Base	19		19A	24,210,042		24,210,042	19B
Less: Exemption	20		20A	-10,000,000		-10,000,000	20B
Deemed Taxable Capital		0		14,210,042		14,210,042	
Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B
Gross Amount (Taxable Capital x Rate)		0		31,973		31,973	
Less: Federal Surtax	22	0	22A	-18,077		-18,077	22B
Net LCT		0		13,896		13,896	
III) INCLUSION IN RATES MARCH 2002							
IncomeTax (grossed-up)	23	0	23A	1,015,537		1,015,537	23B
LCT (grossed-up)	24	0	24A	22,233		22,233	24B
Ontario Capital Tax	25	0	25A	57,630		57,630	25B
Total S. 93 PILs Rate Adjustment		0		1,095,400		1,095,400	

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	LINE	Initial	Source	Deferral Account Variance G-C	Deferral Account Variance Explanation	Deferral	Source
		Estimate	Foot- note			Account Allowance	Foot- note
		\$	#	\$		\$	#

IV) FUTURE TRUE-UPS (post June 2002)

Amount in M of F Filing Variance (Column I) that
 the Board orders added/subtracted from rates

EBIT	1
Depreciation & Amortization	2
Federal Large Corporation Tax	3
Employee Benefit Plans - Accrued, Not Paid	4
Change in Tax Reserves	5
Regulatory Adjustments	6
Other additions "Material" Item #1	7
Other additions "Material" Item #2	7
Other additions (not "Material")	7
Capital Cost Allowance	8
Employee Benefit Plans - Paid Amounts	9
Items Capitalized for Regulatory Purposes	10
Regulatory Adjustments	11
Interest Adjustment for Tax Purposes (Cell I135)	12
Other deductions "Material" Item #1	13
Other deductions "Material" Item #2	13
Other deductions (not "Material")	13
Miscellaneous Tax Credits	15

Deferral Account Entry (Positive Entry=Debit)

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)
 Interest phased-in - (Deferral Account Cell G34)

Variance due to phase-in of debt structure
 according to Rate Handbook

**Other Interest Variances (ie Borrowing Levels
 Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)
 Total deemed interest (REGINFO CELL D49)

Variance caused by excess debt

Interest Adjustment for Tax Purposes Cell I108

Total Interest Variance (Cell I34)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	M of F Filing Variance K-G \$	M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
Utility Name:			Column Brought Forward From TAXREC	
Reporting period:				
<u>I) CORPORATE INCOME TAXES</u>				
ACCOUNTING INCOME				
Regulatory Net Income	-1,898,349		0	1C
BOOK TO TAX ADJUSTMENTS				
<i>Additions: To Accounting Income</i>				
Depreciation & Amortization	-1,519,994		0	2C
Federal Large Corporation Tax	0		0	3C
Employee Benefit Plans - Accrued, Not Paid	0		0	4C
Change in Tax Reserves	0		0	5C
Regulatory Adjustments	0		0	6C
Other Additions (See Tab entitled "TAXREC")				
"Material" Item #1	0		0	7C
"Material" Item #2	0		0	7C
Other Additions (not "Material")	0		0	7C
<i>Deductions: From Accounting Income</i>				
Capital Cost Allowance	1,000,872		0	8C
Employee Benefit Plans - Paid Amounts	0		0	9C
Items Capitalized for Regulatory Purposes	0		0	10C
Regulatory Adjustments	0		0	11C
Interest Expense Deemed/ Incurred	803,446		0	12C
Other Deductions (See Tab entitled "TAXREC")				
"Material" Item #1	0		0	13C
"Material" Item #2	0		0	13C
Other Deductions (not "Material")	0		0	13C
<u>REGULATORY TAXABLE INCOME</u>	-1,614,025		0	
(sum of above)				
CORPORATE INCOME TAX RATE				
Deemed %	0.0000%		38.6200%	14C
REGULATORY INCOME TAX				
Taxable Income x Rate	-623,337		0	
Miscellaneous Tax Credits	0			15C
Total Regulatory Income Tax	-623,337		0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	M of F Filing Variance K-G \$	M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
II) CAPITAL TAXES				
<i>Ontario</i>				
Base	-24,210,042		0	16C
Less: Exemption	5,000,000		0	17C
Deemed Taxable Capital	-19,210,042		0	
Rate (.3%)	0.0000%		0.3000%	18C
Net Amount (Taxable Capital x Rate)	-57,630		0	
<i>Federal (LCT)</i>				
Base	-24,210,042		0	19C
Less: Exemption	10,000,000		0	20C
Deemed Taxable Capital	-14,210,042		0	
Rate (.225%)	0.0000%		0.2250%	21C
Gross Amount (Taxable Capital x Rate)	-31,973		0	
Less: Federal Surtax	18,077		0	22C
Net LCT	-13,896		0	
III) INCLUSION IN RATES MARCH 2002				
IncomeTax (grossed-up)	-1,015,537			n/a
LCT (grossed-up)	-22,233			n/a
Ontario Capital Tax	-57,630			n/a
Total S. 93 PILs Rate Adjustment	-1,095,400			

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

M of F Filing Variance K-G \$	M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
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IV) FUTURE TRUE-UPS (post June 2002)

DR / (CR)

Amount in M of F Filing Variance (Column I) that
 the Board orders added/subtracted from rates
 EBIT

Depreciation & Amortization		No true-up
Federal Large Corporation Tax		No true-up
Employee Benefit Plans - Accrued, Not Paid	0	True-up
Change in Tax Reserves	0	True-up
Regulatory Adjustments	0	True-up
Other additions "Material" Item #1	0	True-up
Other additions "Material" Item #2	0	True-up
Other additions (not "Material")		No true-up
Capital Cost Allowance		No true-up
Employee Benefit Plans - Paid Amounts	0	True-up
Items Capitalized for Regulatory Purposes	0	True-up
Regulatory Adjustments	0	True-up
Interest Adjustment for Tax Purposes (Cell I135)	0	True-up-See Below
Other deductions "Material" Item #1	0	True-up
Other deductions "Material" Item #2	0	True-up
Other deductions (not "Material")		No true-up
Miscellaneous Tax Credits	0	True-up

Deferral Account Entry (Positive Entry=Debit) 0 True-up

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)	-877,614
Interest phased-in - (Deferral Account Cell G34)	803,446
Variance due to phase-in of debt structure according to Rate Handbook	-74,168

**Other Interest Variances (ie Borrowing Levels
Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)	0
Total deemed interest (REGINFO CELL D49)	877,614
Variance caused by excess debt	877,614

Interest Adjustment for Tax Purposes Cell I108 0 True-up Amount- Used above

Total Interest Variance (Cell I34) 803,446

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name
 Reporting period

BACKGROUND

Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)? Y/N

Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs? Y/N

Accounting Year End Date

MARR NO TAX CALCULATIONS
SHEET #7 FINAL RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)
USE BOARD-APPROVED AMOUNTS

Rate base (wires-only)

Common Equity Ratio (CER)

1-CER

Target Return On Equity

Debt rate

Market Adjusted Revenue Requirement

1999 return from RUD Sheet #7

Total Incremental revenue

Input Board-approved dollar amounts phased-in

Amount allowed in 2001, Year 1

Amount allowed in 2002, Year 2

Amount allowed in 2003, Year 3

Equity

Return at target ROE

Debt

Deemed interest amount in EBIT

Phase-in of interest - Year 1

$((D34+D39)/D32)*D49$

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name

Reporting period

Phase-in of interest - Year 2

$((D34+D39+D40)/D32)*D49$

Phase-in of interest - Year 3 (D49)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name	Amount
Reporting period	

BACKGROUND

Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?	Yes
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Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?	No
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Accounting Year End	31-Dec
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MARR NO TAX CALCULATIONS
SHEET #7 FINAL RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)
USE BOARD-APPROVED AMOUNTS

Rate base (wires-only)	24,210,042
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Common Equity Ratio (CER)	50.00%
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1-CER	50.00%
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Target Return On Equity	9.88%
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Debt rate	7.25%
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Market Adjusted Revenue Requirement	2,073,590
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1999 return from RUD Sheet #7	1,547,868
-------------------------------	-----------

Total Incremental revenue	525,722
---------------------------	---------

Input Board-approved dollar amounts phased-in

Amount allowed in 2001, Year 1	175,241
--------------------------------	---------

Amount allowed in 2002, Year 2	175,241
--------------------------------	---------

Amount allowed in 2003, Year 3	175,241
--------------------------------	---------

Equity	12,105,021
--------	------------

Return at target ROE	1,195,976
----------------------	-----------

Debt	12,105,021
------	------------

Deemed interest amount in EBIT	877,614
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Phase-in of interest - Year 1 ((D34+D39)/D32)*D49	729,278
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SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name	Amount
Reporting period	
Phase-in of interest - Year 2 $((D34+D39+D40)/D32)*D49$	803,446
Phase-in of interest - Year 3 (D49)	877,614

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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Utility Name:
 Reporting period:

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

I) CORPORATE INCOME TAXES

(Input unconsolidated financial statement data
 submitted with tax returns as applicable)

Revenue	1			0	
Other Income	2			0	
Expenses					
Administration	3			0	
Distribution	4			0	
Operations and Maintenance	5			0	
Depreciation and Amortization	6			0	
Municipal Property Taxes	7			0	
Ontario Capital Tax	8			0	
Federal LCT	9			0	
Net Income Before Interest & Income Taxes EBIT	10	0	0	0	1C
BOOK TO TAX ADDITIONS:					
Depreciation & Amortization		0	0	0	2C
Federal Large Corporation Tax		0	0	0	3C
Employee benefit plans-accrued, not paid				0	4C
Change in tax reserves				0	5C
Regulatory adjustments				0	6C
Other additions "Material" Item #1				0	7C
Other additions "Material" Item #2				0	7C
		0	0	0	
<i>Other Additions:</i> (From T2 S1)					
Recapture of CCA				0	7C
Non-deductible expenses:				0	7C
Club dues and fees				0	7C
Meals and entertainment				0	7C
Automobile				0	7C
Life insurance premiums				0	7C
Company pension plans				0	7C
Advertising				0	7C
Interest and penalties on taxes				0	7C
Legal and accounting fees				0	7C
Debt issue expenses				0	7C
Capital items expensed				0	7C
All crown charges, royalties, rentals				0	7C
Deemed dividend income				0	7C
Deemed interest on loans to non-residents				0	7C
Deemed interest received				0	7C
Development expenses claimed				0	7C
Dividend stop-loss adjustments				0	7C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Dividends credited to investment account			0	7C
Investment tax credit			0	7C
Financing fees deducted in books			0	7C
Foreign accrual property income			0	7C
Foreign affiliate property income			0	7C
Federal reassessment amounts			0	7C
Gain on settlement of debt			0	7C
Interest paid on income debentures			0	7C
Gain on sale of eligible capital property			0	7C
Loss on disposal of assets			0	7C
Reserves from financial statements- end of year			0	7C
Holdbacks			0	7C
Taxable capital gains			0	7C
Political donations- book			0	7C
Charitable donations- book			0	7C
Capitalized interest			0	7C
Deferred and prepaid- beginning of year			0	7C
Tax reserves deducted in prior year			0	7C
Loss from joint ventures			0	7C
Loss from subsidiaries			0	7C
Limited partnership losses			0	7C
Sales tax assessments			0	7C
Share issue expenses			0	7C
Write-down of capital property			0	7C
Other Additions:			0	7C
<i>Total Other Additions</i>	0	0	0	7C
<i>Total Additions</i>	0	0	0	
BOOK TO TAX DEDUCTIONS:				
Capital cost allowance			0	8C
Employee benefit plans-paid amounts			0	9C
Items capitalized for regulatory purposes			0	10C
Regulatory adjustments			0	11C
Interest expense incurred			0	12C
Other deductions "Material" Item #1			0	13C
Other deductions "Material" Item #2			0	13C
	0	0	0	
<i>Other deductions: (From T2 S1)</i>				
Grossed up Part VI.1 tax (preferred shares)			0	13C
Amortization of eligible capital expenditures			0	13C
Amortization of debt and equity issue cost			0	13C
Loss carryback to prior period			0	13C
Contributions to deferred income plans			0	13C
Contributions to pension plans			0	13C
Income from subsidiaries			0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Income from joint ventures				0	13C
Gain on disposal of assets				0	13C
Terminal loss				0	13C
Cumulative eligible capital deduction				0	13C
Allowable business investment loss				0	13C
Holdbacks				0	13C
Deferred and prepaids- end of year				0	13C
Tax reserves claimed in current year				0	13C
Reserves from F/S- beginning of year				0	13C
Patronage dividends				0	13C
Accrued dividends- current year				0	13C
Bad debts				0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Exempt income under section 81				0	13C
Contributions to environmental trust				0	13C
Other income from financial statements				0	13C
Charitable donations - tax basis				0	13C
Gifts to Canada or a province				0	13C
Cultural gifts				0	13C
Ecological gifts				0	13C
Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
Non-capital losses-preceding years				0	13C
Net-capital losses- preceding years				0	13C
Limited partnership losses- preceding years				0	13C
Other deductions:				0	13C
				0	
				0	
<i>Total Other Deductions</i>		0	0	0	13C
Total Deductions		0	0	0	
<u>TAXABLE INCOME</u>		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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ONTARIO CAPITAL TAX

PAID-UP CAPITAL

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

ELIGIBLE INVESTMENTS

Bonds, lien notes, interest coupons			0
Mortgages due from other corporations			0
Shares in other corporations			0
Loans and advances to unrelated corporations			0
Eligible loans and advances to related corporations			0
Share of partnership(s) or joint venture(s) eligible investments			0
Total Eligible Investments	0	0	0

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<u>TOTAL ASSETS</u>					
Total assets per balance sheet				0	
Mortgages or other liabilities deducted from assets				0	
Share of partnership(s)/ joint venture(s) total assets				0	
Subtract: Investment in partnership(s)/joint venture(s)				0	
Total assets as adjusted		0	0	0	
Add: (if deducted from assets)					
Contingent, investment, inventory and similar reserves				0	
Other reserves not allowed as deductions				0	
Subtract:				0	
Amounts deducted for income tax purposes in excess of amounts booked				0	
Deductible R&D expenditures and ONTTI costs deferred for income tax				0	
Subtract: Appraisal surplus if booked				0	
Add or subtract: Other adjustments		1	1	2	
Total Assets		1	1	2	
<u>Investment Allowance</u>					
(Total Eligible Investments / Total Assets) x Net paid-up capital		0	0	0	
<u>Taxable Capital</u>					
Net paid-up capital		0	0	0	
Subtract: Investment Allowance		0	0	0	
Taxable Capital		0	0	0	
<u>Capital Tax Calculation</u>					
Taxable capital		0	0	0	16C
Deduction from taxable capital up to \$5,000,000				0	17C
Net Taxable Capital		0	0	0	
Rate 0.3%		0.3000%	0.3000%	0.3000%	18C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Days in taxation year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	
Ontario Capital Tax		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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LARGE CORPORATION TAX

CAPITAL

ADD:

Reserves that have not been deducted in computing income for the year under Part I			0	
Capital stock			0	
Retained earnings			0	
Contributed surplus			0	
Any other surpluses			0	
Deferred unrealized foreign exchange gains			0	
All loans and advances to the corporation			0	
All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations			0	
Any dividends declared but not paid			0	
All other indebtedness outstanding for more than 365 days			0	
Subtotal	0	0	0	

DEDUCT:

Deferred tax debit balance			0	
Any deficit deducted in computing shareholders' equity			0	
Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above			0	
Deferred unrealized foreign exchange losses			0	
Subtotal	0	0	0	

Capital for the year

0	0	0
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INVESTMENT ALLOWANCE

Shares in another corporation			0	
Loan or advance to another corporation			0	
Bond, debenture, note, mortgage, or similar obligation of another corporation			0	
Long term debt of financial institution			0	
Dividend receivable from another corporation			0	
Debts of corporate partnerships that were not exempt from tax under Part I.3			0	
Interest in a partnership			0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
(for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<hr/>				
Investment Allowance	0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<u>TAXABLE CAPITAL</u>					
Capital for the year		0	0	0	
Deduct: Investment allowance		0	0	0	
Taxable Capital for taxation year		0	0	0	19C
Deduct: Capital Deduction \$10,000,000				0	20C
Taxable Capital		0	0	0	
Rate .225%		0.22500%	0.22500%	0.22500%	21C
Days in year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	
Gross Part I.3 Tax LCT		0	0	0	
Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
Net Part I.3 Tax LCT Payable (If surtax is greater than Gross LCT, then zero)		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL "		LINE	Initial Estimate	Source Foot-note #	Deferral Account Variance G-C	Deferral Account Variance Explanation	Deferral Account Allowance	Source Foot-note #
DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)			\$	#	\$		\$	#
Utility Name:								
Reporting period:								
<u>I) CORPORATE INCOME TAXES</u>								
ACCOUNTING INCOME								
Regulatory Net Income	1	1A	1,898,349				1,898,349	1B
BOOK TO TAX ADJUSTMENTS								
<i>Additions: To Accounting Income</i>								
Depreciation & Amortization	2	2A	1,519,994				1,519,994	2B
Federal Large Corporation Tax	3	3A	0					3B
Employee Benefit Plans - Accrued, Not Paid	4	4A	0					4B
Change in Tax Reserves	5	5A	0					5B
Regulatory Adjustments	6	6A	0					6B
Other Additions (See Tab entitled "TAXREC")								
"Material" Item #1	7	7A	0					7B
"Material" Item #2	7	7A	0					7B
Other Additions (not "Material")	7	7A	0					7B
<i>Deductions: From Accounting Income</i>								
Capital Cost Allowance	8	8A	-1,000,872				-1,000,872	8B
Employee Benefit Plans - Paid Amounts	9	9A	0					9B
Items Capitalized for Regulatory Purposes	10	10A	0					10B
Regulatory Adjustments	11	11A	0					11B
Interest Expense Deemed/ Incurred	12	12A	-803,446				-803,446	12B
Other Deductions (See Tab entitled "TAXREC")								
"Material" Item #1	13	13A	0					13B
"Material" Item #2	13	13A	0					13B
Other Deductions (not "Material")	13	13A	0					13B
<u>REGULATORY TAXABLE INCOME</u>			0		1,614,025		1,614,025	
(sum of above)								
CORPORATE INCOME TAX RATE								
Deemed %	14	38.6200% 14A	0.0000%				38.6200%	14B
REGULATORY INCOME TAX								
Taxable Income x Rate			0		623,337		623,337	
Miscellaneous Tax Credits		15		15A	0			15B
Total Regulatory Income Tax			0		623,337		623,337	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	LINE	Initial Estimate \$	Source Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation	Deferral Account Allowance \$	Source Foot- note #
II) CAPITAL TAXES							
<i>Ontario</i>							
Base	16		16A	24,210,042		24,210,042	16B
Less: Exemption	17		17A	-5,000,000		-5,000,000	17B
Deemed Taxable Capital		0		19,210,042		19,210,042	
Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B
Net Amount (Taxable Capital x Rate)		0		57,630		57,630	
<i>Federal (LCT)</i>							
Base	19		19A	24,210,042		24,210,042	19B
Less: Exemption	20		20A	-10,000,000		-10,000,000	20B
Deemed Taxable Capital		0		14,210,042		14,210,042	
Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B
Gross Amount (Taxable Capital x Rate)		0		31,973		31,973	
Less: Federal Surtax	22	0	22A	-18,077		-18,077	22B
Net LCT		0		13,896		13,896	
III) INCLUSION IN RATES MARCH 2002							
IncomeTax (grossed-up)	23	0	23A	997,338		997,338	23B
LCT (grossed-up)	24	0	24A	22,233		22,233	24B
Ontario Capital Tax	25	0	25A	57,630		57,630	25B
Total S. 93 PILs Rate Adjustment		0		1,077,201		1,077,201	

SECTION 93 PILs TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	LINE	Initial	Source	Deferral Account Variance G-C	Deferral Account Variance Explanation	Deferral	Source
		Estimate	Foot- note			Account Allowance	Foot- note
		\$	#	\$		\$	#

IV) FUTURE TRUE-UPS (post June 2002)

Amount in M of F Filing Variance (Column I) that
 the Board orders added/subtracted from rates

EBIT	1
Depreciation & Amortization	2
Federal Large Corporation Tax	3
Employee Benefit Plans - Accrued, Not Paid	4
Change in Tax Reserves	5
Regulatory Adjustments	6
Other additions "Material" Item #1	7
Other additions "Material" Item #2	7
Other additions (not "Material")	7
Capital Cost Allowance	8
Employee Benefit Plans - Paid Amounts	9
Items Capitalized for Regulatory Purposes	10
Regulatory Adjustments	11
Interest Adjustment for Tax Purposes (Cell I135)	12
Other deductions "Material" Item #1	13
Other deductions "Material" Item #2	13
Other deductions (not "Material")	13
Miscellaneous Tax Credits	15

Deferral Account Entry (Positive Entry=Debit)

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)
 Interest phased-in - (Deferral Account Cell G34)

Variance due to phase-in of debt structure
 according to Rate Handbook

**Other Interest Variances (ie Borrowing Levels
 Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)
 Total deemed interest (REGINFO CELL D49)

Variance caused by excess debt

Interest Adjustment for Tax Purposes Cell I108

Total Interest Variance (Cell I34)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	M of F Filing Variance K-G \$	M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
Utility Name:			Column Brought Forward From TAXREC	
Reporting period:				
<u>I) CORPORATE INCOME TAXES</u>				
ACCOUNTING INCOME				
Regulatory Net Income	-1,898,349		0	1C
BOOK TO TAX ADJUSTMENTS				
<i>Additions: To Accounting Income</i>				
Depreciation & Amortization	-1,519,994		0	2C
Federal Large Corporation Tax	0		0	3C
Employee Benefit Plans - Accrued, Not Paid	0		0	4C
Change in Tax Reserves	0		0	5C
Regulatory Adjustments	0		0	6C
Other Additions (See Tab entitled "TAXREC")				
"Material" Item #1	0		0	7C
"Material" Item #2	0		0	7C
Other Additions (not "Material")	0		0	7C
<i>Deductions: From Accounting Income</i>				
Capital Cost Allowance	1,000,872		0	8C
Employee Benefit Plans - Paid Amounts	0		0	9C
Items Capitalized for Regulatory Purposes	0		0	10C
Regulatory Adjustments	0		0	11C
Interest Expense Deemed/ Incurred	803,446		0	12C
Other Deductions (See Tab entitled "TAXREC")				
"Material" Item #1	0		0	13C
"Material" Item #2	0		0	13C
Other Deductions (not "Material")	0		0	13C
<u>REGULATORY TAXABLE INCOME</u>	-1,614,025		0	
(sum of above)				
CORPORATE INCOME TAX RATE				
Deemed %	0.0000%		38.6200%	14C
REGULATORY INCOME TAX				
Taxable Income x Rate	-623,337		0	
Miscellaneous Tax Credits	0			15C
Total Regulatory Income Tax	-623,337		0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

	M of F Filing Variance K-G \$	M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
II) CAPITAL TAXES				
<i>Ontario</i>				
Base	-24,210,042		0	16C
Less: Exemption	5,000,000		0	17C
Deemed Taxable Capital	-19,210,042		0	
Rate (.3%)	0.0000%		0.3000%	18C
Net Amount (Taxable Capital x Rate)	-57,630		0	
<i>Federal (LCT)</i>				
Base	-24,210,042		0	19C
Less: Exemption	10,000,000		0	20C
Deemed Taxable Capital	-14,210,042		0	
Rate (.225%)	0.0000%		0.2250%	21C
Gross Amount (Taxable Capital x Rate)	-31,973		0	
Less: Federal Surtax	18,077		0	22C
Net LCT	-13,896		0	
III) INCLUSION IN RATES MARCH 2002				
IncomeTax (grossed-up)	-997,338			n/a
LCT (grossed-up)	-22,233			n/a
Ontario Capital Tax	-57,630			n/a
Total S. 93 PILs Rate Adjustment	-1,077,201			

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
DEFERRAL/VARIANCE ACCOUNTS
TAX CALCULATIONS (TAXCALC)
 ("Wires-only" business - see Tab TAXREC)

M of F Filing Variance K-G \$	M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
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IV) FUTURE TRUE-UPS (post June 2002)

DR / (CR)

Amount in M of F Filing Variance (Column I) that
 the Board orders added/subtracted from rates
 EBIT

Depreciation & Amortization		No true-up
Federal Large Corporation Tax		No true-up
Employee Benefit Plans - Accrued, Not Paid	0	True-up
Change in Tax Reserves	0	True-up
Regulatory Adjustments	0	True-up
Other additions "Material" Item #1	0	True-up
Other additions "Material" Item #2	0	True-up
Other additions (not "Material")		No true-up
Capital Cost Allowance		No true-up
Employee Benefit Plans - Paid Amounts	0	True-up
Items Capitalized for Regulatory Purposes	0	True-up
Regulatory Adjustments	0	True-up
Interest Adjustment for Tax Purposes (Cell I135)	0	True-up-See Below
Other deductions "Material" Item #1	0	True-up
Other deductions "Material" Item #2	0	True-up
Other deductions (not "Material")		No true-up
Miscellaneous Tax Credits	0	True-up

Deferral Account Entry (Positive Entry=Debit) 0 True-up

V) INTEREST PORTION OF TRUE-UP

Variance Caused By Phase-in of Deemed Debt

Total deemed interest (REGINFO CELL D49)	-877,614
Interest phased-in - (Deferral Account Cell G34)	803,446
Variance due to phase-in of debt structure according to Rate Handbook	-74,168

**Other Interest Variances (ie Borrowing Levels
Above Deemed Debt per Rate Handbook)**

Interest deducted on MoF filing (Cell K34)	0
Total deemed interest (REGINFO CELL D49)	877,614
Variance caused by excess debt	877,614

Interest Adjustment for Tax Purposes Cell I108 0 True-up Amount- Used above

Total Interest Variance (Cell I34) 803,446

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name
 Reporting period

BACKGROUND

Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)? Y/N

Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs? Y/N

Accounting Year End Date

MARR NO TAX CALCULATIONS
SHEET #7 FINAL RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)
USE BOARD-APPROVED AMOUNTS

Rate base (wires-only)

Common Equity Ratio (CER)

1-CER

Target Return On Equity

Debt rate

Market Adjusted Revenue Requirement

1999 return from RUD Sheet #7

Total Incremental revenue

Input Board-approved dollar amounts phased-in

Amount allowed in 2001, Year 1

Amount allowed in 2002, Year 2

Amount allowed in 2003, Year 3

Equity

Return at target ROE

Debt

Deemed interest amount in EBIT

Phase-in of interest - Year 1

$((D34+D39)/D32)*D49$

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name

Reporting period

Phase-in of interest - Year 2

$((D34+D39+D40)/D32)*D49$

Phase-in of interest - Year 3 (D49)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name	Amount
Reporting period	

BACKGROUND

Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?

Yes

Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?

No

Accounting Year End

31-Dec

MARR NO TAX CALCULATIONS
SHEET #7 FINAL RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)
USE BOARD-APPROVED AMOUNTS

Rate base (wires-only)	24,210,042
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Common Equity Ratio (CER)	50.00%
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1-CER	50.00%
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Target Return On Equity	9.88%
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Debt rate	7.25%
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Market Adjusted Revenue Requirement	2,073,590
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1999 return from RUD Sheet #7	1,547,868
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Total Incremental revenue	525,722
---------------------------	---------

Input Board-approved dollar amounts phased-in

Amount allowed in 2001, Year 1	175,241
--------------------------------	---------

Amount allowed in 2002, Year 2	175,241
--------------------------------	---------

Amount allowed in 2003, Year 3	175,241
--------------------------------	---------

Equity	12,105,021
--------	------------

Return at target ROE	1,195,976
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Debt	12,105,021
------	------------

Deemed interest amount in EBIT	877,614
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Phase-in of interest - Year 1 ((D34+D39)/D32)*D49	729,278
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SECTION 93 PILs TAX GROSS-UP "SIMPIL"
REGULATORY INFORMATION (REGINFO)

Utility Name	Amount
Reporting period	
Phase-in of interest - Year 2 $((D34+D39+D40)/D32)*D49$	803,446
Phase-in of interest - Year 3 (D49)	877,614

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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Utility Name:
 Reporting period:

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

I) CORPORATE INCOME TAXES

(Input unconsolidated financial statement data
 submitted with tax returns as applicable)

Revenue	1			0	
Other Income	2			0	
Expenses					
Administration	3			0	
Distribution	4			0	
Operations and Maintenance	5			0	
Depreciation and Amortization	6			0	
Municipal Property Taxes	7			0	
Ontario Capital Tax	8			0	
Federal LCT	9			0	
Net Income Before Interest & Income Taxes EBIT	10	0	0	0	1C
BOOK TO TAX ADDITIONS:					
Depreciation & Amortization		0	0	0	2C
Federal Large Corporation Tax		0	0	0	3C
Employee benefit plans-accrued, not paid				0	4C
Change in tax reserves				0	5C
Regulatory adjustments				0	6C
Other additions "Material" Item #1				0	7C
Other additions "Material" Item #2				0	7C
		0	0	0	
<i>Other Additions:</i> (From T2 S1)					
Recapture of CCA				0	7C
Non-deductible expenses:				0	7C
Club dues and fees				0	7C
Meals and entertainment				0	7C
Automobile				0	7C
Life insurance premiums				0	7C
Company pension plans				0	7C
Advertising				0	7C
Interest and penalties on taxes				0	7C
Legal and accounting fees				0	7C
Debt issue expenses				0	7C
Capital items expensed				0	7C
All crown charges, royalties, rentals				0	7C
Deemed dividend income				0	7C
Deemed interest on loans to non-residents				0	7C
Deemed interest received				0	7C
Development expenses claimed				0	7C
Dividend stop-loss adjustments				0	7C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Dividends credited to investment account				0	7C
Investment tax credit				0	7C
Financing fees deducted in books				0	7C
Foreign accrual property income				0	7C
Foreign affiliate property income				0	7C
Federal reassessment amounts				0	7C
Gain on settlement of debt				0	7C
Interest paid on income debentures				0	7C
Gain on sale of eligible capital property				0	7C
Loss on disposal of assets				0	7C
Reserves from financial statements- end of year				0	7C
Holdbacks				0	7C
Taxable capital gains				0	7C
Political donations- book				0	7C
Charitable donations- book				0	7C
Capitalized interest				0	7C
Deferred and prepaid- beginning of year				0	7C
Tax reserves deducted in prior year				0	7C
Loss from joint ventures				0	7C
Loss from subsidiaries				0	7C
Limited partnership losses				0	7C
Sales tax assessments				0	7C
Share issue expenses				0	7C
Write-down of capital property				0	7C
				0	
<i>Other Additions:</i>				0	7C
<i>Total Other Additions</i>		0	0	0	7C
<i>Total Additions</i>		0	0	0	
BOOK TO TAX DEDUCTIONS:					
Capital cost allowance				0	8C
Employee benefit plans-paid amounts				0	9C
Items capitalized for regulatory purposes				0	10C
Regulatory adjustments				0	11C
Interest expense incurred				0	12C
Other deductions "Material" Item #1				0	13C
Other deductions "Material" Item #2				0	13C
		0	0	0	
<i>Other deductions: (From T2 S1)</i>					
Grossed up Part VI.1 tax (preferred shares)				0	13C
Amortization of eligible capital expenditures				0	13C
Amortization of debt and equity issue cost				0	13C
Loss carryback to prior period				0	13C
Contributions to deferred income plans				0	13C
Contributions to pension plans				0	13C
Income from subsidiaries				0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Income from joint ventures				0	13C
Gain on disposal of assets				0	13C
Terminal loss				0	13C
Cumulative eligible capital deduction				0	13C
Allowable business investment loss				0	13C
Holdbacks				0	13C
Deferred and prepaids- end of year				0	13C
Tax reserves claimed in current year				0	13C
Reserves from F/S- beginning of year				0	13C
Patronage dividends				0	13C
Accrued dividends- current year				0	13C
Bad debts				0	13C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Exempt income under section 81				0	13C
Contributions to environmental trust				0	13C
Other income from financial statements				0	13C
Charitable donations - tax basis				0	13C
Gifts to Canada or a province				0	13C
Cultural gifts				0	13C
Ecological gifts				0	13C
Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
Non-capital losses-preceding years				0	13C
Net-capital losses- preceding years				0	13C
Limited partnership losses- preceding years				0	13C
Other deductions:				0	13C
				0	
				0	
<i>Total Other Deductions</i>		0	0	0	13C
Total Deductions		0	0	0	
<u>TAXABLE INCOME</u>		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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ONTARIO CAPITAL TAX

PAID-UP CAPITAL

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

ELIGIBLE INVESTMENTS

Bonds, lien notes, interest coupons			0
Mortgages due from other corporations			0
Shares in other corporations			0
Loans and advances to unrelated corporations			0
Eligible loans and advances to related corporations			0
Share of partnership(s) or joint venture(s) eligible investments			0
Total Eligible Investments	0	0	0

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<u>TOTAL ASSETS</u>					
Total assets per balance sheet				0	
Mortgages or other liabilities deducted from assets				0	
Share of partnership(s)/ joint venture(s) total assets				0	
Subtract: Investment in partnership(s)/joint venture(s)				0	
Total assets as adjusted		0	0	0	
Add: (if deducted from assets)					
Contingent, investment, inventory and similar reserves				0	
Other reserves not allowed as deductions				0	
Subtract:				0	
Amounts deducted for income tax purposes in excess of amounts booked				0	
Deductible R&D expenditures and ONTTI costs deferred for income tax				0	
Subtract: Appraisal surplus if booked				0	
Add or subtract: Other adjustments		1	1	2	
Total Assets		1	1	2	
<u>Investment Allowance</u>					
(Total Eligible Investments / Total Assets) x Net paid-up capital		0	0	0	
<u>Taxable Capital</u>					
Net paid-up capital		0	0	0	
Subtract: Investment Allowance		0	0	0	
Taxable Capital		0	0	0	
<u>Capital Tax Calculation</u>					
Taxable capital		0	0	0	16C
Deduction from taxable capital up to \$5,000,000				0	17C
Net Taxable Capital		0	0	0	
Rate 0.3%		0.3000%	0.3000%	0.3000%	18C

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
Days in taxation year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	
Ontario Capital Tax		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
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LARGE CORPORATION TAX

CAPITAL

ADD:

Reserves that have not been deducted in computing income for the year under Part I			0	
Capital stock			0	
Retained earnings			0	
Contributed surplus			0	
Any other surpluses			0	
Deferred unrealized foreign exchange gains			0	
All loans and advances to the corporation			0	
All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations			0	
Any dividends declared but not paid			0	
All other indebtedness outstanding for more than 365 days			0	
Subtotal	0	0	0	

DEDUCT:

Deferred tax debit balance			0	
Any deficit deducted in computing shareholders' equity			0	
Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above			0	
Deferred unrealized foreign exchange losses			0	
Subtotal	0	0	0	

Capital for the year

0	0	0
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INVESTMENT ALLOWANCE

Shares in another corporation			0	
Loan or advance to another corporation			0	
Bond, debenture, note, mortgage, or similar obligation of another corporation			0	
Long term debt of financial institution			0	
Dividend receivable from another corporation			0	
Debts of corporate partnerships that were not exempt from tax under Part I.3			0	
Interest in a partnership			0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
(for "wires-only" business - see s. 72 OEB Act)

LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<hr/>				
Investment Allowance	0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"
TAX RETURN RECONCILIATION (TAXREC)
 (for "wires-only" business - see s. 72 OEB Act)

	LINE	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	Source Foot- note #
<hr/>					
<u>TAXABLE CAPITAL</u>					
Capital for the year		0	0	0	
Deduct: Investment allowance		0	0	0	
Taxable Capital for taxation year		0	0	0	19C
Deduct: Capital Deduction \$10,000,000				0	20C
Taxable Capital		0	0	0	
Rate .225%		0.22500%	0.22500%	0.22500%	21C
Days in year		365	365	365	
Divide days by 365		1.0000	1.0000	1.0000	
Gross Part I.3 Tax LCT		0	0	0	
Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
Net Part I.3 Tax LCT Payable (If surtax is greater than Gross LCT, then zero)		0	0	0	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

Corporate Tax Rates for 2005

Income Range	\$0 to \$400,000	\$400,001 to \$1,128,000	> \$1,128,000
<i>Income Tax Rate</i>	18.62%	27.50%	36.12%
Capital Tax Rate	0.300%		
LCT Rate	0.175%		
Surtax	1.12%		
Ontario Capital Tax Exemption	\$7,500,000		
Federal Large Corporations Tax Exemption	\$50,000,000		

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC)		ITEM	Proxy Calculation	Comments
Utility Name: Kingston Electricity Distribution Limited Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365			\$	
J) CORPORATE INCOME TAXES				
Regulatory Net Income		1	\$2,073,591	
BOOK TO TAX ADJUSTMENTS				
Additions:				
Depreciation & Amortization		2	\$1,519,994	agrees to 2002 PILs appl per instructions from C
Employee Benefit Plans - Accrued, Not Paid		3	\$0	
Tax reserves deducted in prior year		4	\$0	
Reserves from financial statements-end of year		4	\$0	
Regulatory Adjustments		5	\$0	
Other Additions				
"Material" Items		6	\$0	
Other Additions		6	\$0	
"Material" Items		6	\$0	
Other Additions		6	\$0	
Deductions:				
Capital Cost Allowance and CEC		7	\$1,000,872	agrees to 2002 PILs appl per instructions from C
Employee Benefit Plans - Paid Amounts		8	\$0	
Items Capitalized for Regulatory Purposes		9	\$0	
Regulatory Adjustments		10	\$0	
Interest Expense Deemed		11	\$877,614	
Tax reserves claimed in current year		4	\$0	
Reserves from F/S beginning of year		4	\$0	
Contributions to deferred income plans		3	\$0	
Contributions to pension plans		3	\$0	
Interest capitalized for accounting but deducted for tax		11	\$0	
Other Deductions				
"Material" Items		12	\$0	
C&DM 2005 Incremental OM&A expenses per C&DM Plan		12	\$32,500	
Material Items		12	\$0	
Other Deductions		12	\$0	
REGULATORY TAXABLE INCOME			\$1,682,599	
CORPORATE INCOME TAX RATE				
Deemed %		13	36.12%	
REGULATORY INCOME TAX			\$607,755	
Taxable Income x Rate				
Miscellaneous Tax Credits		14	\$0	
Total Regulatory Income Tax			\$607,755	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC)		ITEM	Proxy Calculation	Comments
Utility Name: Kingston Electricity Distribution Limited Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365				
			\$	
Percentage used to determine the exemptions for capital tax and large corporations tax			100%	
II) CAPITAL TAXES				
Ontario				
Rate Base	15		\$24,210,042	
Less: Exemption	16		\$7,500,000	
Deemed Taxable Capital			\$16,710,042	
Rate (.3%)	17	0.3000%		
Net Amount (Taxable Capital x Rate)			\$50,130	
Federal (LCT)				
Base	18		\$24,210,042	
Less: Exemption	19		\$50,000,000	
Deemed Taxable Capital			\$0	
Rate (.175%)	20		0.1750%	
Gross Amount (Taxable Capital x Rate)		\$0		
Less: Federal Surtax	21	\$0		
Net LCT			\$0	
III) INCLUSION IN RATES				
Income Tax Rate used for gross- up			36.12%	
Income Tax (grossed-up)	22		\$951,401	
LCT (grossed-up)	23		\$0	
Ontario Capital Tax	24		\$50,130	
Total S. 93 PILs Rate Adjustment (Enter this amount in the 2005 RAM, Sheet #4, cell G14)		25	\$1,001,531	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC)	
Utility Name: Kingston Electricity Distribution Limited Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	
<u>I) CORPORATE INCOME TAXES</u> Regulatory Net Income BOOK TO TAX ADJUSTMENTS Additions: Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other Additions "Material" Items Other Additions "Material Items Other Additions Deductions: Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Expense Deemed Tax reserves claimed in current year Reserves from F/S beginning of year Contributions to deferred income plans Contributions to pension plans Interest capitalized for accounting but deducted for tax Other Deductions "Material" Items C&DM 2005 Incremental OM&A expenses per C&DM Plan Material Items Other Deductions <u>REGULATORY TAXABLE INCOME</u> CORPORATE INCOME TAX RATE Deemed % REGULATORY INCOME TAX Taxable Income x Rate Miscellaneous Tax Credits Total Regulatory Income Tax	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC)
Utility Name: Kingston Electricity Distribution Limited Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365
Percentage used to determine the exemptions for capital tax and large corporations tax
<u>II) CAPITAL TAXES</u> Ontario Rate Base Less: Exemption Deemed Taxable Capital Rate (.3%) Net Amount (Taxable Capital x Rate)
<u>Federal (LCT)</u> Base Less: Exemption Deemed Taxable Capital Rate (.175%) Gross Amount (Taxable Capital x Rate) Less: Federal Surtax Net LCT
<u>III) INCLUSION IN RATES</u> Income Tax Rate used for gross- up Income Tax (grossed-up) LCT (grossed-up) Ontario Capital Tax Total S. 93 PILs Rate Adjustment (Enter this amount in the 2005 RAM, Sheet #4, cell G14)

SECTION 93 PILs TAX GROSS-UP		PROXY CALCULATION FOR 2005		PILS2005.V1.1	
REGULATORY INFORMATION (REGINFO)					
Utility Name:	Kingston Electricity Distribution Limited				
File Number:	RP-2005-0013				
	EB-2005-0041				
Reporting period:	January 1, 2005 - December 31, 2005				
Days in reporting period:	365				
Total days in the calendar year:	365				
BACKGROUND					
1. Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? (Yes or No)	No				
2. Please identify the percentage used to allocate the exemption.	100.00%				
3. Please explain the basis of the allocation if the percentage is other than 100%.					
4. Accounting Year End	Dec-31				
MARR NO TAX CALCULATIONS FROM SHEET #7 FINAL 2001 RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS)					
Rate base (wires-only)	\$24,210,042.00				
Common Equity Ratio (CER)	50.00%				
1-CER	50.00%				
Target Return On Equity (%)	9.88%				
Debt rate	7.25%				
					Regulatory Income
Market Adjusted Revenue Requirement	\$2,073,590				
1999 return from RUD Sheet #7	\$1,547,868				\$1,547,868
Total Incremental revenue	\$525,722				
	<i>Based on Board's Decision (RP-2000-0069)</i>		<i>Board-Approved Amounts</i>		
Amount allowed in 2001, Year 1	\$175,241		\$175,241		\$175,241
Amount allowed in 2002, Year 2	\$175,241		\$175,241		\$175,241
Amount allowed in 2003, Year 3	\$175,241		\$175,241		\$175,241
Permanent Changes to Base Rate (e.g. LPP 5% to 1.5%)	\$0				\$0
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet	35%				
Total Regulatory Income					\$2,073,591
Equity	\$12,105,021				
Return at target ROE	\$1,195,976				
Debt	\$12,105,021				
Deemed interest amount in EBIT	\$877,614				

Conservation and Demand Management Tax Forecast

Utility Name: **Kingston Electricity Distribution Limited**
 File Number: **RP-2005-0013**
EB-2005-0041

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30 th 2007		Total	
	\$	%	\$	%	\$	%	\$	%
Capital	\$17,500	35%	\$37,500	42%	\$17,500	50%	\$72,500	41%
Tax Deductible Expense	\$32,500	65%	\$52,500	58%	\$17,500	50%	\$102,500	59%
Total	\$50,000	100%	\$90,000	100%	\$35,000	100%	\$175,000	100%

Notes:

1. Capital that will be recognized for tax purposes (i.e. UCC addition), not from a capital budget or commitment perspective.
2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax deduction amount will be entered automatically into the TAXCALC worksheet, cell C44.
3. The amounts shown in the "Total" column should agree with the C&DM plan filed with or approved by the Board. The amount of the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.