

January 19, 2012

Ontario Energy Board P.O. Box 2310 27th Floor 2300 Yonge Street Toronto ON M4P 1E4

Attention: Board Secretary

VIA RESS and COURIER

RE: BRANTFORD POWER INC.
2012 3RD GENERATION IRM DISTRIBUTION RATE APPLICATION
EB-2011-0147

Dear Sir or Madam:

Brantford Power Inc. did request a one week extension to our IRM Rate Application in order that Brantford Power Inc. can update the evidence filed with respect to its request to dispose of the balances in its 1562 Deferred PILs account.

Brantford Power Inc. has found our 2002 and 2003 Halton models were locked so a new tab could not be added in the excel sheet. The Checklist tab was used to get the information in but it could not be renamed. A note was added on the **REGINFO** tab.

We hope that the information attached is sufficient.

If you have any further questions regarding this matter, please call me at 519-751-3522 x 3226.

Thank you,

Original signed by

George Mychailenko CEO, Brantford Power Inc.

cc. Heather Wyatt, Manager, Regulatory Compliance and Governance.

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

2001 REVISED

Brantford Power Inc. December 31, 2001		Amount
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	у
Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?	Y/N	n
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)		\$46,980,726.00
Common Equity Ratio (CER)		50.00%
1-CER		50.00%
Target Return On Equity		9.88%
Debt rate		7.25%
Market Adjusted Revenue Requirement		4,023,899
1999 return from RUD Sheet #7		0
Total Incremental revenue Input Board-approved dollar amounts phased-in (generally prorated on the effective date of the inclusion of MARR in rates) Amount allowed in 2001, Year 1 Amount allowed in 2002, Year 2 Amount allowed in 2003, Year 3		4,023,899 1,341,300 1,341,300 1,341,299
Equity		23,490,363
Return at target ROE		2,320,848
Debt		23,490,363
Deemed interest amount in EBIT		1,703,051
Phase-in of interest - Year 1 ((D34+D39)/D32)*D49		567,684
((D34+D39)/D32) D49 Phase-in of interest - Year 2 ((D34+D39+D40)/D32)*D49 Phase-in of interest - Year 3 (D49)		1,135,368 1,703,051

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	Initial Es		2001 REVISEI Foot- note	Deferral Account Variance G-C	Deferral Account Variance Explanation	Deferral Account Allowance	Source Foot- note	M of F Filing Variance K-G	M of F Filing Variance Explanation	M of F Filing (June)	Source Foot- note
		\$	#	\$		\$	#	\$		\$	#
Brantford Power Inc. December 31, 2001										Column Brought Forward From	
I) CORPORATE INCOME TAXES										TAXREC	
ACCOUNTING INCOME											
Regulatory Net Income	1	335,325	1A	0		335,325	1B	-674,113		-338,788	1C
BOOK TO TAX ADJUSTMENTS											
Additions: To Accounting Income											
Depreciation & Amortization	2	655,457	2A	0		655,457	2B	-195,303		460,154	2C
Federal Large Corporation Tax	3	•	ЗА	0			3B	0		0	3C
Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
Change in Tax Reserves	5		5A	0			5B	0		0	5C
Regulatory Adjustments Other Additions (See Tab entitled "TAXREC")	6		6A	0			6B -	0		0	6C
"Material" Item #1	7		7A	0			7B	0		0	7C
"Material" Item #2	7 7		7A 7A	0			7B 7B	2.409		2,408	7C 7C
Other Additions (not "Material") Deductions: From Accounting Income	′		/A	Ü			76	2,408		2,408	/0
Capital Cost Allowance	8	-290,498	8A	0		-290,498	8B	-339,451		-629,949	8C
Employee Benefit Plans - Paid Amounts	9	200, 100	9A	0		200,100	9B	0		020,010	9C
Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
Regulatory Adjustments	11		11A	0			11B	0		0	11C
Interest Expense Deemed/ Incurred	12	-141,921	12A	0		-141,921	12B	-395,517		-537,438	12C
Other Deductions (See Tab entitled "TAXREC")											
"Material" Item #1	13		13A	0			13B	0		0	13C
"Material" Item #2	13		13A	0			13B	0		0	13C
Other Deductions (not "Material")	13		13A	0			13B	-44,910		-44,910	13C
REGULATORY TAXABLE INCOME (sum of above)		558,363		0		558,363		-1,646,886		-1,088,523	
(3 3. 4.0010)											
CORPORATE INCOME TAX RATE Deemed %	14 3	88.6200%	14A	0.0000%		38.6200%	14B	0.0000%		38.6200%	14C
DECLII ATORY INCOME TAY											
REGULATORY INCOME TAX		226.807		0		226.807		-647.195		-420.388	
Taxable Income x Rate		220,807	-	0		220,807		-047,195		-420,388	
Miscellaneous Tax Credits	15		15A	0			15B	0			15C
Total Regulatory Income Tax		226,807		0		226,807		-647,195		-420,388	二

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)	Initial Estimate	2001 REVISE Foot-	Deferral Account Variance	Deferral Account Variance	Deferral Account Allowance	Source Foot-	M of F Filing Variance	M of F Filing Variance	M of F Filing	Source Foot-
("Wires-only" business - see Tab TAXREC)	\$	note #	G-C \$	Explanation	\$	note #	K-G \$	Explanation	(June) \$	note #
II) CAPITAL TAXES										
Ontario Base	0 40 000 70	C 4CA	0		40,000,700	10D	4 220 452		40.700.070	16C
	6 46,980,72 7 -5,000,00		0		46,980,726 -5,000,000		-4,220,453 242,770		42,760,273 -4,757,230	17C
Deemed Taxable Capital	41,980,72		0		41,980,726		-3,977,683		38,003,043	
Rate (.3%)	8 0.07509	% 18A	0.0000%		0.0750%	18B	0.2250%		0.3000%	18C
Net Amount (Taxable Capital x Rate)	31,74	4	0		31,744		82,265		114,009	
Federal (LCT)										
	9 46,980,72		0		46,980,726		-1,134,680		45,846,046	
•	0 -10,000,00		0		-10,000,000		2,087,553		-7,912,447	20C
Deemed Taxable Capital	36,980,72	Ь	0		36,980,726)	952,873		37,933,599	
Rate (.225%)	1 0.05639	% 21A	0.0000%		0.0563%	21B	0.1688%		0.2250%	21C
Gross Amount (Taxable Capital x Rate)	20,97	3	0		20,973	, l	64,378		85,351	
Less: Federal Surtax	2 -6,25	<mark>4</mark> 22A	0		-6,254	22B	18,445		12,191	22C
Net LCT	14,71	9	0		14,719)	82,823		97,542	
III) INCLUSION IN RATES MARCH 2002										
IncomeTax (grossed-up)	374,88	8 23A	0		374,888	23B	-374,888			n/a
LCT (grossed-up)	4 24,32		0		24,329		-24,329			n/a
Ontario Capital Tax	5 31,74	4 25A	0		31,744	25B	-31,744			n/a
Total S. 93 PILs Rate Adjustment	430,96	1	0		430,961		-430,961			

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	Initial Estimate	2001 REVISEI Foot- note #	Deferral Account Variance G-C \$	Deferral Account Variance Explanation	Deferral Account Allowance	Source Foot- note #	M of F Filing Variance K-G \$	M of F Filing Variance Explanation	M of F Filing (June) \$	Source Foot- note #
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 "Material" Item #2 Other deductions Tax Credits Deferral Account Entry (Positive Entry=Debit)	1 2 3 4 5 6 7 7 7 8 9 10 11 12 13 13 13							No true-up No true-up No true-up) True-up) True-up) True-up) True-up No true-up No true-up) 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)							-1,703,051 567,684			
Variance due to phase-in of debt stucture according to Rate Handbook							-1,135,367	7		
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)							537,438 1,703,051			
Variance caused by excess debt							2,240,489	<u>)</u>		
Interest Adjustment for Tax Purposes Cell I108							(True-up Amount- Used	d above	
Total Interest Variance (Cell 134)							1,105,122	2		

SECTION 93 PILs TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)		M of F Corporate Tax Return	Non-Wires & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return	Source Foot- note #
Brantford Power Inc. December 31, 2001					
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	19,163,063		19,163,063	
Other Income	2	520,888		520,888	
Expenses					
Salaries & benefits	3			0	
Material costs	4			0	
Contract services	5	-502,304		-502,304	
Property costs				0	
Communication costs and other expenses Power costs		-18,522,843		0 -18,522,843	
Depreciation and Amortization	6	-460,154		-460,154	
Interest	7	-537,438		-537,438	
Ontario Capital Tax	8	001,100		0	
Federal LCT	9			0	
Net Income Before Interest & Income Taxes EBIT	10	-338,788	0	-338,788	1C
DOOK TO TAY ADDITIONS					
BOOK TO TAX ADDITIONS:		400 454	0	460,154	2C
Depreciation & Amortization Federal Large Corporation Tax		460,154 0	0	460,154	3C
Employee benefit plans-accrued, not paid		0	U	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
O(L A LEC TO 04)		460,154	0	460,154	
Other Additions: (From T2 S1)			ı	0	7C
Recapture of CCA Non-deductible expenses:				0	7C 7C
Club dues and fees				0	7C
Meals and entertainment		2,408		2,408	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 7C
Capital items expensed All crown charges, royalties, rentals				0	7C 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
Financing fees deducted in books				0	7C 7C
Foreign accrual property income					70

SECTION 93 PILs TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)	M of F Corporate Tax Return	Non-Wires & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return	Source Foot- note #
Foreign affiliate property income			C	7C
Federal reassessment amounts Gain on settlement of debt Interest paid on income debentures Gain on sale of eligible capital property Loss on disposal of assets Reserves from financial statements- end of year Holdbacks Taxable capital gains Political donations- book Charitable donations- book Capitalized interest Deferred and prepaid- beginning of year Tax reserves deducted in prior year Loss from joint ventures Loss from subsidiaries Limited partnership losses Sales tax assessments Share issue expenses Write-down of capital property				7C 7C 7C 7C 7C 7C 7C 7C 7C 7C 7C 7C 7C 7
Other Additions:			C	
Employee future benefits accrued Total Other Additions	2,408	0	2,408	<u>)</u>
Total Additions	462,562	0	462,562	2
BOOK TO TAX DEDUCTIONS: Capital cost allowance & CEC Employee benefit plans-paid amounts Items capitalized for regulatory purposes Regulatory adjustments Interest expense incurred Other deductions "Material" Item #1 Other deductions "Material" Item #2	-629,949 -2,891,798	2,891,798 2,891,798	-629,949 0 0 0 0 0 0 0 0 0	9C 10C 11C 12C 13C 13C
Other deductions: (From T2 S1) Grossed up Part VI.1 tax (preferred shares) Amortization of eligible capital expenditures Amortization of debt and equity issue cost Loss carryback to prior period Contributions to deferred income plans Contributions to pension plans Income from subsidiaries Income from joint ventures Gain on disposal of assets Terminal loss Cumulative eligible capital deduction Allowable business investment loss Holdbacks Deferred and prepaids- end of year Tax reserves claimed in current year Reserves from F/S- beginning of year Patronage dividends	-21,731 -23,179		-21,731 -23,179 0	13C 13C 13C 13C 13C 13C 13C 13C 13C 13C

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

M of F
Corporate
Tax
Return

Non-Wires & Reg Asset Eliminations (Issue #4) *

Wires-only Tax Return Source Footnote #

Bad debts 0 13C

(for "wires-only" business - see s. 72 OEB Act)	Tax Return	Eliminations (Issue #4) *	Return	Foot- note #
Exempt income under section 81			0	
Contributions to environmental trust Other income from financial statements Charitable donations - tax basis			0 0 0	13C 13C
Gifts to Canada or a province Cultural gifts Ecological gifts			0 0 0	13C 13C
Taxable dividends s. 112, 113 or ss. 138(6) Non-capital losses-preceding years Net-capital losses- preceding years			0 0 0	13C
Limited partnership losses- preceding years Other deductions: Employee future benefits paid			0 0 0	13C
Total Other Deductions	-44,910	0	-44,910	
Total Deductions	-3,566,657	2,891,798	-674,859]
TAXABLE INCOME	-3,442,883	2,891,798	-551,085]

M of F

Corporate

Non-Wires

& Reg Asset

Wires-only Source

Tax

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

TAX RETURN RECONCILIATION (TAXREC)

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

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

M of F
Corporate
Tax
Return

Non-Wires & Reg Asset Eliminations (Issue #4) * Wires-only Tax Return

Footnote #

Source

ONTARIO CAPITAL TAX

PAID-UP CAPITAL

Paid-up capital stock	22,437,505		22,437,505
Retained earnings (if deficit, deduct)	-2,047,817		-2,047,817
Capital and other surplus excluding			0
appraisal surplus			0
Loans and advances	25,456,358		25,456,358
Bank loans			0
Bankers acceptances			0
Bonds and debentures payable			0
Mortgages payeable			0
Lien notes payable			0
Deferred credits			0
Contingent, investment, inventory and			0
similar reserves			0
Other reserves not allowed as deductions			0
Share of partnership(s), joint venture(s)			0
paid-up capital			0
Sub-total	45,846,046	0	45,846,046
Subtract:			
Amounts deducted for income tax	-3,085,773		-3,085,773
purposes in excess of amounts booked			0
Deductible R&D expenditures and ONTTI			0
costs deferred for income tax			0
	10.700.070		0
Total (Net) Paid-up Capital	42,760,273	0	42,760,273

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		0
corporations		0
Share of partnership(s) or joint venture(s)		0
eligible investments		0
Total Eligible Investments	0 0	0

TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)	M of F Corporate Tax Return	Ron-Wires & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return	Foot- note #
TOTAL ASSETS				
Total assets per balance sheet Mortgages or other liabilities deducted from assets Share of partnership(a)/inint venture(a) total	58,553,647		58,553,647 0 0	
Share of partnership(s)/ joint venture(s) total assets Subtract: Investment in partnership(s)/joint venture(s)			0 0 0 0	
Total assets as adjusted	58,553,647	0	58,553,647]
Add: (if deducted from assets) Contingent, investment, inventory and similar reserves Other reserves not allowed as deductions Subtract: Amounts deducted for income tax purposes in excess of amounts booked Deductible R&D expenditures and ONTTI costs deferred for income tax Subtract: Appraisal surplus if booked Add or subtract: Other adjustments	-3,085,773		0 0 0 0 -3,085,773 0 0 0 0	
Total Assets	55,467,874	0	55,467,874	
Investment Allowance				
(Total Eligible Investments / Total Assets) x Net paid-up capital	0	#DIV/0!	0	
Taxable Capital				
Net paid-up capital Subtract: Investment Allowance	42,760,273 0	0 #DIV/0!	42,760,273 0 0	
Taxable Capital	42,760,273	#DIV/0!	42,760,273	_
Capital Tax Calculation				
Taxable capital	42,760,273	#DIV/0!	42,760,273	16C
Deduction from taxable capital up to \$5,000,000	-4,757,230	I	-4,757,230	17C
Net Taxable Capital	38,003,043	#DIV/0!	38,003,043	
Rate 0.3%	0.3000%	0.3000%	0.3000%	18C
Days in taxation year Divide days by 365	92 0.2521	92 0.2521	92 0.2521	
Ontario Capital Tax	28,737	#DIV/0!	28,737	

Non-Wires

M of F

Wires-only Source

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

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

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

M of F
Corporate
Tax
Return

Non-Wires & Reg Asset Eliminations (Issue #4) * Wires-only Tax Return

45,846,046

Footnote #

Source

LARGE CORPORATION TAX

CAPITAL

CAPITAL			
ADD:			
Reserves that have not been deducted in			0
computing income for the year under Part I			0
Capital stock	22,437,505		22,437,505
Retained earnings			0
Contributed surplus			0
Any other surpluses			0
Deferred unrealized foreign exchange gains			0
All loans and advances to the corporation	25,456,358		25,456,358
All indebtedness- bonds, debentures, notes,			0
mortgages, bankers acceptances, or similar			0
obligations			0
Any dividends declared but not paid			0
All other indebtedness outstanding for more			0
than 365 days			U
Subtotal	47,893,863	0	47,893,863
Gubiolai	47,000,000		+1,000,000
DEDUCT			

DI	ΕDI	JC ⁻	Γ:
_	_		

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	-2,047,817	0 0 -2,047,817 0 0 0
Subtotal	-2,047,817	-2,047,817

45,846,046

Capital for the year

Shares in another corporation		0
Loan or advance to another corporation		0
Bond, debenture, note, mortgage, or		0
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		0
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)

M of F
Corporate
Tax
Return

Non-Wires & Reg Asset Eliminations (Issue #4) * Wires-only Tax Return

Footnote #

Source

TAXABLE CAPITAL

Capital for the year	45,846,046	0	45,846,046	
Deduct: Investment allowance	0	0	0	
Taxable Capital for taxation year	45,846,046	0	45,846,046	19C
Deduct: Capital Deduction \$10,000,000	-7,912,447		-7,912,447	20C
Taxable Capital	37,933,599	0	37,933,599	
Rate .225%	0.22500%	0.22500%	0.22500%	21C
Days in year Divide days by 365	92 0.2521	92 0.2521	92 0.2521	
Gross Part I.3 Tax LCT	21,513	0	21,513	
Federal Surtax Rate	1.1200%	1.1200%	1.1200%	
Federal Surtax = Taxable Income x Surtax Rate	-38,560	32,388	-6,172	
Net Part I.3 Tax LCT Payable (If surtax is greater than Gross LCT, then zero)	21,513	-32,388	21,513	

^{*} Issue #4 requires the exclusion of regulatory assets in the PILs calculations, BPI used column D to eliminate the impacts of the regulatory asset adjustments from their M of F Tax Return

PILs TAXES

TAX RETURN RECONCILIATION (TAXREC 3)

Shareholder-only Items should be shown on TAXREC 3 ITEMS ON WHICH TRUE-UP DOES NOT APPLY

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

Utility Name: Brantford Power Inc.

0

LINE

M of F Corporate Tax

Return

Non-wires Eliminations Wires-only Tax

Return

Version 2009.1

Reporting period: 2001

Number of days in taxation year:

365

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

Recapture of capital cost allowance	+		0
CCA adjustments	+		0
CEC adjustments	+		0
Gain on sale of non-utility eligible capital property	+		0
Gain on sale of utility eligible capital property	+		0
Loss from joint ventures or partnerships	+		0
Deemed dividend income	+		0
Loss in equity of subsidiaries and affiliates	+		0
Loss on disposal of utility assets	+		0
Loss on disposal of non-utility assets	+		0
Depreciation in inventory -end of year	+		0
Depreciation and amortization adjustments	+		0
Dividends credited to investment account	+		0
Non-deductible meals	+	2,408	2,408
Non-deductible club dues	+		0
Non-deductible automobile costs	+		0
Donations - amount per books			0
Interest and penalties on unpaid taxes			0
Management bonuses unpaid after 180 days of year end			0
Imputed interest expense on Regulatory Assets			0
	+		0
Ontario capital tax adjustments	+		0
Changes in Regulatory Asset balances	+		0
	+		0

Other Additions: (please explain in detail the nature of the item)	+			0
Income from joint ventures or partnerships	+			0
	+			0
	+			
Total Additions on which true-up does not apply	=	2,408	0	2,408
Deduct:				
CCA adjustments	-			0
CEC adjustments	-	23,179		23,179
Depreciation and amortization adjustments	-			0
Gain on disposal of assets per financial statements	-	21,731		21,731
Financing fee amorization - considered to be interest expense for PILs	-			0
Imputed interest income on Regulatory Assets	-			0
Donations - amount deductible for tax purposes	-			0
Income from joint ventures or partnerships	-			0
	-			0
	-			0
	-			0
	-			0
	-			0
Ontario capital tax adjustments to current or prior year	-			0
	-	0.004.700		0 004 700
Changes in Regulatory Asset balances	-	2,891,798		2,891,798
Other deductions (Please symbols is detail the nature of the items)	-			0
Other deductions: (Please explain in detail the nature of the item)	-			0
	-			0
	<u>-</u>			0
	-			0

Total Deductions on which true-up does not apply

2,936,708

2,936,708

SECTION 93 PILs TAX GROSS-UP "SIMPIL" 2002 REVISED **REGULATORY INFORMATION (REGINFO)** TAXREC3 tab could not be added since **Utility Name: Brantford Power Inc.** Reporting period: December 31, 2002 this workbook is protected - used 365 days checklist tab instead Days in reporting period: Total days in the calendar year: days **BACKGROUND** Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)? Y/N Was the utility recently acquired by Hydro One Ν and now subject to s.89 & 90 PILs? Ν Is the utility a non-profit corporation? Y/N (If the utility is a non-profit corporation, please contact the Rates Manager at OEB) Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate Y/N Ν group? Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC 100% spreadsheet. Accounting Year End Date 31-Dec MARR NO TAX CALCULATIONS SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS) **USE BOARD-APPROVED AMOUNTS** Rate base (wires-only) 46,980,726 Common Equity Ratio (CER) 50.00% 50.00% 1-CER Target Return On Equity 9.88% Debt rate 7.25% 4,023,899 Market Adjusted Revenue Requirement 1999 return from RUD Sheet #7 0 4,023,899 Total Incremental revenue Input Board-approved dollar amounts phased-in Amount allowed in 2001, Year 1 1,341,300 Amount allowed in 2002, Year 2 1,341,300 Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210) 0 Equity 23,490,363

2,320,848

23,490,363

1,703,051

567,684

1,135,368

1,135,368

Return at target ROE

(D38+D43)/D36)*D54

((D38+D43+D44)/D36)*D54

Deemed interest amount in EBIT

Phase-in of interest - Year 1 (2001)

Phase-in of interest - Year 2 (2002)

Phase-in of interest - Year 3 (2003) and forward

((D38+D43+D44)/D36)*D54 (due to Bill 210)

Debt

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	M of F Filing (June) 2002 REVISED	
Utility Name: Brantford Power Inc. Reporting period: December 31, 2002 Days in reporting period: Total days in the calendar year:	365 365	\$ days days		\$		\$ Column Brought From TAXREC	
I) CORPORATE INCOME TAXES Regulatory Net Income	1	2,682,599		2,180,142		4,862,741	
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 (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet Other Additions (not "Material") "TAXREC 2"	2 3 4 4 5 6 6 6	2,600,455 0 0 0 363,368 0 0 0 0		-675,014 0 0 337,623 -363,368 0 42,925 0		1,925,441 0 0 337,623 0 0 42,925 0 0	
Deductions: Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Expense Deemed/ Incurred 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 (See Tab entitled "TAXREC") "Material" Items from "TAXREC"	7 8 9 10 11 4 4 3 3 11	2,286,863 0 0 97,960 1,135,368 0 0 0 0 0		-357,448 0 0 -97,960 1,041,657 0 261,905 0 0		1,929,415 0 0 0 2,177,025 0 261,905 0 0	
Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12 12	0		0		0	
REGULATORY TAXABLE INCOME/ (LOSSES)		2,126,231	+	2,370,462		2,800,385	
CORPORATE INCOME TAX RATE Deemed %	13	38.62%		0.0000%		38.62%	
REGULATORY INCOME TAX Taxable Income x Rate		821,150		260,358		1,081,509	
Miscellaneous Tax Credits	14	0		0		0	
Total Regulatory Income Tax		821,150		260,358		1,081,509	
To determine the exemptions for capital tax and large corporations							
tax: Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%					
II) CAPITAL TAXES							
Ontario Base Less: Exemption Deemed Taxable Capital	15 16	46,980,726 5,000,000 41,980,726		1,688,000 -198,112 1,489,888		48,668,726 4,801,888 43,866,838	
Rate (.3%)	17	0.3000%		0.0000%		0.3000%	
Net Amount (Taxable Capital x Rate)		125,942		5,658		131,601	
Federal (LCT) Base Less: Exemption Deemed Taxable Capital	18 19	46,980,726 10,000,000 36,980,726		4,535,472 -1,780,648 2,754,824		51,516,198 8,219,352 43,296,846	
Rate (.225%)	20	0.2250%		0.0000%		0.2250%	
Gross Amount (Taxable Capital x Rate) Less: Federal Surtax	21	83,207 23,814		14,211 7,551		97,418 31,364	
Net LCT		59,393		21,762		66,054	

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	ITEM	Initial Estimate			M of F Filing Variance K-C	M of F Filing Variance Explanation	M of F Filing (June) 2002 REVISED
III) INCLUSION IN RATES		φ	 	1 1	φ		9
Income Tax Rate used for gross- up (exclude surtax)		37.50%					
Income Tax (grossed-up) LCT (grossed-up) Ontario Capital Tax	22 23 24	1,313,841 95,029 125,942					
Total S. 93 PILs Rate Adjustment	25	1,534,811					
IV) FUTURE TRUE-UPS (post June 2002) IV a) Calculation of the True-up Variance					DR/(CR)		
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 "TAXREC" Other additions "Material" Items "TAXREC 2"	3 4 4 5 6				0 0 337,623 -363,368 0		
Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206) Tax reserves claimed in current year Reserves from F/S beginning of year Contributions to deferred income plans Contributions to pension plans Other deductions "Material" Items "TAXREC" Other deductions "Material" Item "TAXREC 2"	8 9 10 11 4 4 3 3 12				0 -97,960 473,974 0 261,905 0 0		
Total TRUE-UPS before tax effect	26			=	-663,664		
Income Tax Rate (excluding surtax)				x	37.50%		
Income Tax Effect on True-up adjustments				=	-248,874		
Less: Miscellaneous Tax Credits	14				0		
Total Income Tax on True-ups					-248,874		
Income Tax Rate used for gross-up (exclude surtax)					37.50%		
TRUE-UP VARIANCE					(398,198)		
IV b) Calculation of the Deferral Account Variance							
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)				=	2,126,231		
REVISED CORPORATE INCOME TAX RATE				х	38.62%		
REVISED REGULATORY INCOME TAX				=	821,150		
Less: Revised Miscellaneous Tax Credits				-	0		
Total Revised Regulatory Income Tax				=	821,150		
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)				-	821,150		
Regulatory Income Tax Variance				=	0		
Ontario Capital Tax Base				=	46,980,726		
Less: Exemption Revised deemed taxable capital				-	5,000,000 41,980,726		
Rate (as a result of legislative changes)				×	0.3000%		
Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell C72) Regulatory Ontario Capital Tax Variance				= - =	125,942 125,942 0		
Federal LCT Base Less: Exemption Revised Federal LCT				- =	46,980,726 10,000,000 36,980,726		

								· · · · · · · · · · · · · · · · · · ·	_
SECTION 93 PILS TAX GROSS-UP "SIMPIL"	ITEM	Initial				M of F	M of F	M of F	
DEFERRAL/VARIANCE ACCOUNTS		Estimate				Filing	Filing	Filing	ı
TAX CALCULATIONS (TAXCALC)						Variance	Variance	41 \	
("Wires-only" business - see Tab TAXREC)						K-C	Explanation	(June)	
		•				•		2002 REVISED	
L		\$				\$		\$	-
Rate (as a result of legislative changes)						0.2250%			
						00.007			
Gross Amount						83,207			
Less: Federal surtax					-	23,814			
Revised Net LCT					=	59,393			
Loop Fodoval I CT reported in the initial actionate column (Call COA)						59,393			
Less: Federal LCT reported in the initial estimate column (Cell C84) Regulatory Federal LCT Variance					-	09,393			
Regulatory Federal LCT Variance					=	U			
Income Tax Rate used for gross-up (exclude surtax)						37.50%			ı
income rax hate used for gross-up (exclude surfax)						31.50%			ı
Income Toy (graceed up)						0			ı
Income Tax (grossed-up) LCT (grossed-up)					+	0			
					+	0			
Ontario Capital Tax					+	U			
DEFERRAL ACCOUNT VARIANCE					_	0			
DEFERRAL ACCOUNT VARIANCE					=	U			
TRUE-UP VARIANCE (from cell l132)					+	(398,198)			
TROE-OF VARIANCE (HOIII CEIL 1132)					-	(550,150)			
Deferral Account Entry (Positive Entry = Debit)						(398,198)			
(Deferral Account Variance + True-up Variance)					=	(396,196)			
To be included as deferral account in rate application)									
To be included as deferral account in rate application)									
									-1
V) INTEREST PORTION OF TRUE-UP									
Variance Caused By Phase-in of Deemed Debt									
variance daused by I mase-in or beemed best									
Total deemed interest (REGINFO)						1,703,051			
Interest phased-in (Cell C36)						1,135,368			
interest phases in (Sen Goo)						1,100,000			
Variance due to phase-in of debt structure						567,683			
according to Rate Handbook						00.,000			
									ı
Other Interest Variances (i.e. Borrowing Levels									ı
Above Deemed Debt per Rate Handbook)									Į
Interest deducted on MoF filing (Cell K36+K41)						2,177,025			
Total deemed interest (REGINFO CELL D57)						1,703,051			ı
, , , , , , , , , , , , , , , , , , ,									
Variance caused by excess debt						473,974			
Interest Adjustment for Tax Purposes (carry forward to Cell I112)						473,974			ı
· · · · · · · · · · · · · · · · · · ·									ı
Total Interest Variance						93,710			
								•	_

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

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

M of F Corporate Tax Return

LINE

Non-Wires & Reg Asset Eliminations (Issue #4) *

Wires-only Tax Return

2002 REVISED

Section A: Identification: **Utility Name: Brantford Power Inc.** Reporting period: December 31, 2002 Taxation Year's start date: Taxation Year's end date: Number of days in taxation year: 365 days Please enter the Materiality Level: 58,726 < - enter materiality level (0.25% x Rate Base x CER) Y/N (0.25% x Net Assets) Y/N Or other measure (please provide the basis of the amount) Y/N Does the utility carry on non-wire related operation? Y/N

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

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

Section B: Financial statements data:

Input unconsolidated financial statement data submitted with tax returns.

The actual categories of the income statements should be used.

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

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

Description:				
Income:				
Service Revenue	+	78,803,666		78,803,666
Other Income	+	1,079,652		1,079,652
Miscellaneous income	+			0
	+			0
	+			0
Revenue should be entered above this line			_	
Expenses:				
Cost of energy purchased	-	67,257,926		67,257,926
Direct Expenses	-	3,194,566		3,194,566
Billing & Collecting and Administration	-	2,642,644		2,642,644
Amortization	-	1,925,441		1,925,441
Contract services	-			0
Ontario Capital Tax	-			0
Property costs	-			0
Other expenses	-			0
Communication costs	-			0
Allocated to capital	<u> </u>			0
Net Income Before Interest & Income Taxes EBIT	=	4,862,741	0	4,862,741
Less: Interest expense for accounting purposes	-	2,177,025		2,177,025
Provision for payments in lieu of income taxes		83,550		83,550
Net Income (loss)	=	2,602,166	0	2,602,166

(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)

Section C: Reconciliation of accounting income to taxable income

From T2 Schedule 1

BOOK TO TAX ADDITIONS:

Provision for income tax
Depreciation & Amortization
Employee benefit plans-accrued, not paid
Tax reserves deducted in prior year
Reserves from financial statements- end of year
Regulatory adjustments
Material addition items from TAXREC 2
Other addition items (not Material) from TAXREC 2
·

	_		
+	83,550	0	83,550
+	1,925,441	0	1,925,441
+	0	0	0
+	<u>0</u>	<u>0</u>	0
+	337,623		337,623
+	2,358,235	2,358,235	0
+	0	0	0
+	0	0	0
	4,704,849	2,358,235	2,346,614

Subtotal

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 & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return 2002 REVISED
Other Additions: (Please explain the nature of the additions)				
Recapture of CCA	+			0
Non-deductible meals and entertainment expense	+	3,166		3,166
Capital items expensed	+	36,860		36,860
Provision for bad debts	+			0
Charitable donations	+			0
Ennerconnect partnership	+	2,899		2,899
-	+			0
Total Other Additions	_ =	42,925	0	42,925
Total Additions	=	4,747,774	2,358,235	2,389,539
D. M. C. LA LEC				
Recap Material Additions:			0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
T + 10th 18th 1 th		0	0	0
Total Other additions >materiality level		0	0	0
Other deductions (less than materiality level)		42,925	0	42,925
Total Other Additions		42,925	0	42,925

SECTION 93 PILs TAX GROSS-UP "SIMPIL" LINE M of F Non-Wires Wires-only TAX RETURN RECONCILIATION (TAXREC) Corporate & Reg Asset Tax (for "wires-only" business - see s. 72 OEB Act) Eliminations Return Tax (Issue #4) * Return 2002 REVISED **BOOK TO TAX DEDUCTIONS:** Capital cost allowance 1,839,075 1,839,075 Cumulative eligible capital deduction 90,340 Employee benefit plans-paid amounts Items capitalized for regulatory purposes Regulatory adjustments: CCA other deductions 5,152,832 5,152,832 Tax reserves claimed in current year Reserves from F/S- beginning of year 261,905 261,905 Contributions to deferred income plans Contributions to pension plans Interest capitalized for accounting deducted for tax Material deduction items from TAXREC 2 Other deduction items (not Material) from TAXREC 2 7,344,152 Subtotal 5,152,832 Other deductions (Please explain the nature of the deductions) Charitable donations - tax basis Gain on disposal of assets Non-taxable load transfers Bad debts Total Other Deductions **Total Deductions** 7,344,152 5,152,832 2,191,320 **Recap Material Deductions** 0 0 0 0 0 Total Other Deductions exceed materiality level 0 0 0 Other Deductions less than materiality level 0 0 **Total Other Deductions TAXABLE INCOME DEDUCT:** Non-capital loss applied 5788 Net capital loss applied NET TAXABLE INCOME Net Federal Income Tax 0 Net Ontario Income Tax 0 0 Subtotal 0 Less: Miscellaneous tax credits Total Income Tax Section D: Detail calculation of the Ontario Capital Tax ONTARIO CAPITAL TAX (From Ontario CT23) PAID-UP CAPITAL Paid-up capital stock 22,437,505 22,437,50 Retained earnings (if deficit, deduct) 554,349 Capital and other surplus excluding appraisal surplus 28,186,721 Loans and advances 28,186,721 Bank loans Bankers acceptances Bonds and debentures payable Mortgages payable Lien notes payable Deferred credits

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 & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return 2002 REVISED
Contingent, investment, inventory and similar reserves	+	337,623		337,623
Other reserves not allowed as deductions	·	001,020		0
Share of partnership(s), joint venture(s) paid-up capital	+			0
Sub-total	= [51,516,198	0	51,516,198
Subtract:	_			· · · ·
Amounts deducted for income tax purposes in excess of amounts	-			
booked		2,847,472		2,847,472
Deductible R&D expenditures and ONTTI costs deferred for	-			
income tax	_			0
Total (Net) Paid-up Capital	=	48,668,726	0	48,668,726
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

LINE SECTION 93 PILs TAX GROSS-UP "SIMPIL" M of F TAX RETURN RECONCILIATION (TAXREC) Corporate (for "wires-only" business - see s. 72 OEB Act) Tax Return **TOTAL ASSETS** Total assets per balance sheet 67,200,387 Mortgages or other liabilities deducted from assets Share of partnership(s)/joint venture(s) total assets Subtract: Investment in partnership(s)/joint venture(s) 67,200,387 Total assets as adjusted Add: (if deducted from assets) Contingent, investment, inventory and similar reserves Other reserves not allowed as deductions

Investment Allowance

Taxable Capital			
Taxable Capital			

Amounts deducted for income tax purposes in excess of amounts

Deductible R&D expenditures and ONTTI costs deferred

Subtract: Appraisal surplus if booked Add or subtract: Other adjustments

Net paid-up capital	+	48,668,726	U	48,668,726
Subtract: Investment Allowance	-	0	0	0
Taxable Capital	=	48,668,726	0	48,668,726

+/-

Non-Wires

& Reg Asset

Eliminations

(Issue #4) *

2,847,472

64,352,915

Wires-only

Tax

Return

2002 REVISED

67,200,387

2,847,472

64,352,915

4,801,888 43,866,838 0.3000%

Capital Tax Calculation Deduction from taxable capital up to \$5,000,000	4,801,888	[
Net Taxable Capital	43,866,838	0
Rate 0.3%	0.3000%	0.3000%
Days in taxation year	365	365

Divide days by 365	1.00	1.00	1.00
Ontario Capital Tax	131.601	0	131 601

LARGE CORPORATION TAX (From Federal Schedule 33)

Subtract:

booked

Total Assets

CAPITAL				
ADD:				
Reserves that have not been deducted in computing income for the				
year under Part I	+			0
Capital stock	+	22,437,505	0	22,437,505
Retained earnings	+	554,349		554,349
Contributed surplus	+			0
Any other surpluses	+			0
Deferred unrealized foreign exchange gains	+			0
All loans and advances to the corporation	+	25,949,283		25,949,283
All indebtedness- bonds, debentures, notes, mortgages, bankers	+			
acceptances, or similar obligations	т	337,623		337,623
Any dividends declared but not paid	+			0
All other indebtedness outstanding for more than 365 days	+	2,237,438		2,237,438
Subtotal	=	51,516,198	0	51,516,198

DEDUCT:

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 & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return
			,	2002 REVISED
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		51,516,198	0	51,516,198

TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)	LINE	Corporate Tax Return	& Reg Asset Eliminations (Issue #4) *	Tax Return 2002 REVISED
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
Investment Allowance	=	0	0	0
TAXABLE CAPITAL				
Capital for the year	=	51,516,198	0	51,516,198
Deduct: Investment allowance	- [0	0	0
Taxable Capital for taxation year	=	51,516,198	0	51,516,198
Deduct: Capital Deduction \$10,000,000	- [8,219,352	0	8,219,352
Taxable Capital	= [43,296,846	0	43,296,846
Rate .225%	ļ	0.22500%	0.22500%	0.22500%
Days in year Divide days by 365		365 1.0000	365 1.0000	365 1.0000
Gross Part I.3 Tax LCT	=	97,417.90	0.00	97,417.90
Federal Surtax Rate	[1.1200%	1.1200%	1.1200%
Less: 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)	= [97,418	0	97,418
RECAP: Total Income Taxes Ontario Capital Tax Federal Large Corporations Tax	+ + +	0 131,601 97,418	0 0	0 131,601 97,418
Total income and capital taxes * Issue #4 requires the exclusion of regulatory assets in the PILs	= calculations	229,018 s, BPI used colur	nn D to eliminat	229,018 e these

LINE

M of F

Non-Wires

Wires-only

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

	A	В	С	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (Tax Reserves)	LIIVE	Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiddono	Return
4	(101 111100 0111) 240111000 000 01 12 0227101)		Return		recum
5			rtotam		2002 REVISED
6					2002 K2 VIO25
7	Utility Name: Brantford Power Inc.				
8	Reporting period: December 31, 2002				
9	responding portion. Decompose on, 2002				
10	TAX RESERVES				
11	Opening balance:				
12	Accrued contingent liability				0
13	, , , , , , , , , , , , , , , , , , ,				0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21	Total (carry forward to the TAXREC worksheet)		0	0	0
22	,				
23	Ending balances:				
24	Accrued contingent liability				0
25					0
26					0
27					0
28				-	0
29					0
30				·	0
31					0
32					0
	Insert line above this line				0
34	Total (carry forward to the TAXREC worksheet)		0	0	0

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

M of F Corporate Tax Return

LINE

Non-wires Eliminations Wires-only Tax Return

2002 REVISED

Utility Name: Brantford Power Inc. Reporting period: December 31, 2002 Number of days in taxation year: Materiality Level:		365 58,726	days	
Section C: Reconciliation of accounting income to taxable income				
Add:				
Recapture of capital cost allowance	+			0
Gain on sale of eligible capital property	+			0
Income or loss for tax purposes- joint ventures or partnerships	+			0
Loss in equity of subsidiaries and affiliates	+			0
Loss on disposal of assets	+			0
Charitable donations	+			0
Taxable capital gains Depreciation in inventory -end of year	+			0
Scientific research expenditures deducted	+			0
per financial statements	+			0
Capitalized interest	+			0
Non-deductible club dues and fees	+			0
Non-deductible automobile expenses	+			0
Non-deductible life insurance premiums	+			0
Soft costs on construction and renovation of buildings	+			0
Book loss on joint ventures or partnerships	+			0
Capital items expensed	+			0
Debt issue expense	+			0
Deemed dividend income	+			0
Dividends credited to investment account	+			0
Financing fees deducted in books Gain on settlement of debt	+			0
Interest paid on income debentures	+			0
Recapture of SR&ED expenditures	+			0
Share issue expense	+			0
Write down of capital property	+			0
Amounts received in respect of qualifying environment trust	+			0
Other Additions: (please explain in detail the nature of the item)	+			0
Employee future benefit costs accrued	+			0
Provision for bad debts	+			0
	+			0
	+			0
	+			0
	+			0
	+			0
	+			0
	+			0
Total Additions	=	0	0	0
Recap of Material Additions:		1	^	
		0	0	0
		0		
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0

SECTION 93 PILS TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC 2) (for "wires-only" business - see s. 72 OEB Act)

M of F Non-wires Corporate Eliminations Tax Return

LINE

Wires-only Tax Return

		Return		2002 DEVICED
	1			2002 REVISED
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		-		-
Total Material additions		0	0	0
Other additions less than materiality level		0	0	0
Total Additions		0	0	0
Total Additions		U	0	U
Deduct: Gain on disposal of assets per f/s Dividends not taxable under section 83 Terminal loss from Schedule 8 Depreciation in inventory, end of prior year Scientific research expenses claimed in year from Form T661 Bad debt Book income of joint venture or partnership Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust Other income from financial statements Other deductions: (Please explain in detail the nature of the item) Employee future benefit expenses paid Non taxable load transfers				0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Total Deductions	=	0	0	0
Pagen of Material Deductions:				
Recap of Material Deductions:				
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Deductions exceed materiality level		0	0	0
Other deductions less than materiality level		0	0	0
Total Deductions		0	0	0
, otal 2 dadoliono		U	U	U

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

Income Range		0 to	200,001 to	>700,000
	Year	200,000	700,000	
Income Tax Rate				
Current year	2002	19.12%	34.12%	38.62%
Capital Tax Rate		0.30%		
LCT rate		0.225%		
Surtax		1.12%		
Ontario Capital Tax Exemption		5,000,000		
Federal Large Corporations Tax		10,000,000		
Exemption				
Income Range		0	225,001	>700,000
	V	to	to	
In come Tou Deta	Year	225,000	700,000	
Income Tax Rate	0000	40.000/	20.400/	00.000/
Income Tax Rates	2003	18.62%	32.12%	36.62%
used to gross up the deferral				
tne deferral account allowance				
variance				
vai idilic e				
Income Range		0	250,001	>700,000
		to	to	
	Year	250,000	700,000	
Income Tax Rate				
Income Tax Rates	2004	18.62%	32.12%	36.62%
used to gross up				
the true up				
variance				

PILS TAXES
TAX RETURN RECONCILIATION (TAXREC 3)

Shareholder-only Items should be shown on TAXREC 3 ITEMS ON WHICH TRUE-UP DOES NOT APPLY

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

M of F Corporate Tax Return

365

LINE

0

Non-wires Eliminations Wires-only Tax Return

Version 2009.1

Utility Name: Brantford Power Inc.

Reporting period: 2001

Number of days in taxation year:

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

Recapture of capital cost allowance	+			0
CCA adjustments	+			0
CEC adjustments	+			0
Gain on sale of non-utility eligible capital property	+			0
Gain on sale of utility eligible capital property	+			0
Loss from joint ventures or partnerships	+			0
Deemed dividend income	+			0
Loss in equity of subsidiaries and affiliates	+			0
Loss on disposal of utility assets	+			0
Loss on disposal of non-utility assets	+			0
Depreciation in inventory -end of year	+			0
Depreciation and amortization adjustments	+			0
Dividends credited to investment account	+			0
Non-deductible meals	+	3,166		3,166
Non-deductible club dues	+			0
Non-deductible automobile costs	+			0
Donations - amount per books				0
Interest and penalties on unpaid taxes				0
Management bonuses unpaid after 180 days of year end				0
Imputed interest expense on Regulatory Assets				0
	+			0
Ontario capital tax adjustments	+			0
Changes in Regulatory Asset balances	+	2,358,235		2,358,235
	+			0
Other Additions: (please explain in detail the nature of the item)	+			0
Income from joint ventures or partnerships	+	2,899		2,899
	+			0
	+			
Total Additions on which true-up does not apply	=	2,364,300	0	2,364,300

Deduct:

Deduct.				
CCA adjustments	-			0
CEC adjustments	-	90,340		90,340
Depreciation and amortization adjustments	-			0
Gain on disposal of assets per financial statements	-			0
Financing fee amorization - considered to be interest expense for PILs	-			0
Imputed interest income on Regulatory Assets	-			0
Donations - amount deductible for tax purposes	-			0
Income from joint ventures or partnerships	-			0
	- -			0
	-			0
	-			0
	=			0
Ontario capital tax adjustments to current or prior year	-			0
	=			0
Changes in Regulatory Asset balances	-	5,152,832		5,152,832
Other deductions. (Places explain in detail the metime of the items)	-			0
Other deductions: (Please explain in detail the nature of the item)	-			0
	_			0
	-			0
	=			0
Total Deductions on which true-up does not apply	=	5,243,172	0	5,243,172

"SIMPIL"

QUESTIONNAIRE

Utility Name: Brantford Power Inc. Reporting period: December 31, 2002

2002 REVISED

1	Does the company engage in non-regulated activities?	
	Answer:	

If the answer to question 1 is "NO", please skip question 2 to 6.

2 Please identify the types of non-wire operations carried on by the LDC.

Answer:

- 3 Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?

 Answer:
- 4 Please identify the percentage and amount of gross revenues arising from non-wire operations Answer:
- 5 Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations Answer:
- 6 Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.

Answer:

- 7 Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes? (P Answer:
- 8 Did the company have any reserve for accounting and tax purposes? (Please identify the amount. Answer:

OTHER PERTINENT INFORMATION:

9 Did the LDC incur any transition costs?
Answer:

If the answer to question 9 is "NO", please skip question 10 and 11.

- 10 Please identify the amount of transition costs recovery received from consumers during the reporting period Answer:
- 11 Please identify the amount of transition costs deducted for accounting and tax purposes Answer:

	<u>Accounting</u>	<u>Tax</u>
Amortization/CCA claimed	0	0
Other expensed	0	0
Total	0	0
Transition costs capitalized	0	0
Incurred prior to October 1, 2001 & non-deductible for tax purposes	0	0



SECTION 93 PILs TAX GROSS-UP "SIMPIL"

Analysis of Account 1562: Deferred Payment in lieu of Taxes

Utility Name: Brantford Power Inc. Reporting period: December 31, 2002

Year start: Year end:	-	10/1/2001 12/31/2001	1/1/2002 12/31/2002	1/1/2003 12/31/2003	1/1/2004 12/31/2004	1/1/2005 12/31/2005	1/1/2006 12/31/2006	Total
Opening balance: Initial Estimate PILs Rate	= +/-		0	0	0	0	0	0
Adjustment(1) Deferral Account Variance	+/-							0
PILs Rate Adjustment(2)	.,							0
Deferral Account Entry (True- up adjustments) (3)	+/-							0
Carrying charges PILs collected from	+/- -							0
customers								0
Ending balance:	-	0	0	0	0	0	0	0

Note:

The purposes of this worksheet is to show the movement in Account 1562.

For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities

Please identify the accounting method used to account for the PILs recovery.

Answer: Accrual basis

- (1) in the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet
- (2) in the Deferral Account Variance Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet
- (3) in the Ministry of Finance Variance Column, under Future True-ups, Part IV of the TAXCALC spreadsheet

2003 quarterly filing notes -

- 1. Initial estimate PILs rate adjustment estimated 2003 actual taxes owing & applied to this cell (prorated to 9 mos)
- 2. Deferral account entry reviewed 2002 deferral items & assumed all same for 2003 except \$170K adj (prorated to 9 mos)
- 3. PILs collected from customers calculated based on actual revenues from Jan Sept 2003

SECTION 93 PILs TAX GROSS-UP "SIMPIL" 2003 REVISED **REGULATORY INFORMATION (REGINFO)** TAXREC3 tab could **Utility Name: Brantford Power Inc.** not be added since Reporting period: DECEMBER 31, 2003 this workbook is protected - used 365 days checklist tab instead Days in reporting period: Total days in the calendar year: days **BACKGROUND** Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)? Y/N Was the utility recently acquired by Hydro One Ν and now subject to s.89 & 90 PILs? Ν Is the utility a non-profit corporation? Y/N (If the utility is a non-profit corporation, please contact the Rates Manager at OEB) Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate Y/N Ν group? Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet. Accounting Year End Date 31-Dec MARR NO TAX CALCULATIONS SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS) **USE BOARD-APPROVED AMOUNTS** Rate base (wires-only) 46,980,726 Common Equity Ratio (CER) 50.00% 50.00% 1-CER Target Return On Equity 9.88% Debt rate 7.25% 4,023,899 Market Adjusted Revenue Requirement 1999 return from RUD Sheet #7 0 4,023,899 Total Incremental revenue Input Board-approved dollar amounts phased-in Amount allowed in 2001, Year 1 1,341,300 Amount allowed in 2002, Year 2 1,341,300 Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210) 0 Equity 23,490,363 Return at target ROE 2,320,848 23,490,363 Debt Deemed interest amount in EBIT 1,703,051 567,684 Phase-in of interest - Year 1 (2001)

1,135,368

1,135,368

(D38+D43)/D36)*D54

((D38+D43+D44)/D36)*D54

Phase-in of interest - Year 2 (2002)

Phase-in of interest - Year 3 (2003) and forward

((D38+D43+D44)/D36)*D54 (due to Bill 210)

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	M of F Filing (June)
		\$		\$		2003 REVISED \$
Utility Name: Brantford Power Inc. Reporting period: DECEMBER 31, 2003 Days in reporting period: Total days in the calendar year:	365 365	days days				Column Brought From TAXREC
I) CORPORATE INCOME TAXES Regulatory Net Income	1	2,682,599		414,332		3,096,931
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 (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet Other Additions (not "Material") "TAXREC 2"	2 3 4 4 5 6 6 6	2,600,455 0 0 0 363,368		-630,485 0 0 421,788 -363,368 0 15,751		1,969,970 0 0 421,788 0 15,751 0
Deductions: Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Expense Deemed/ Incurred 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 (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Deductions (not "Material") "TAXREC"	7 8 9 10 11 4 4 3 3 11	2,286,863 0 97,960 1,135,368 0 0 0 0		-316,987 0 -97,960 1,041,657 0 337,623 0 0 0		1,969,876 0 0 0 2,177,025 0 337,623 0 0 0 15,000
Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2" REGULATORY TAXABLE INCOME/ (LOSSES)	12	2,126,231		837,351		1,004,916
CORPORATE INCOME TAX RATE Deemed %	13	38.62%		0.0000%		38.62%
REGULATORY INCOME TAX Taxable Income x Rate	13	821,150		-433,052		388,099
Miscellaneous Tax Credits	14	0		0		0
Total Regulatory Income Tax		821,150		-433,052		388,099
To determine the exemptions for capital tax and large corporations	Ì					
tax: Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%				
II) CAPITAL TAXES						
Ontario Base Less: Exemption	15 16	46,980,726 5,000,000		1,081,361 -202,764		48,062,087 4,797,236
Deemed Taxable Capital		41,980,726		878,597		43,264,851
Rate (.3%) Net Amount (Taxable Capital x Rate)	17	0.3000%		0.0000% 3,852		0.3000%
Federal (LCT)						
Base Less: Exemption Deemed Taxable Capital	18 19	46,980,726 10,000,000 36,980,726		5,368,070 -1,735,128 3,632,942		52,348,796 8,264,872 44,083,924
Rate (.225%)	20	0.2250%		0.0000%		0.2250%
Gross Amount (Taxable Capital x Rate) Less: Federal Surtax	21	83,207 23,814		15,982 -12,559		99,189 11,255
Net LCT		59,393	+++	3,423		87,934

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)	ITEM	Initial Estimate			M of F Filing Variance	M of F Filing Variance	M of F Filing
"Wires-only" business - see Tab TAXREC)					K-C	Variance Explanation	(June) 2003 REVISED
III) INCLUSION IN RATES		\$			\$		\$
Income Tax Rate used for gross- up (exclude surtax)		37.50%					
Income Tax (grossed-up) LCT (grossed-up)	22 23	1,313,841 95,029					
Ontario Capital Tax	24	125,942					
Total S. 93 PILs Rate Adjustment	25	1,534,811					
IV) FUTURE TRUE-UPS (post June 2002) V a) Calculation of the True-up Variance					DR/(CR)		
Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3 4				0		
Reserves from financial statements-end of year	4				421,788		
Regulatory Adjustments Other additions "Material" Items "TAXREC" Other additions "Material" Items "TAXREC 2"	5 6 6				-363,368 0		
Employee Benefit Plans - Paid Amounts	8				0		
Items Capitalized for Regulatory Purposes Regulatory Adjustments	9 10				0 -97,960		
Interest Adjustment for tax purposes (See Below - cell I206) Tax reserves claimed in current year	11				473,974		
Reserves from F/S beginning of year	4				337,623		
Contributions to deferred income plans Contributions to pension plans	3				0		
Other deductions "Material" Items "TAXREC" Other deductions "Material" Item "TAXREC 2"	12 12				0		
Total TRUE-UPS before tax effect	26			=	-655,217		
Income Tax Rate (excluding surtax)				x	37.50%		
ncome Tax Effect on True-up adjustments				=	-245,706		
Less: Miscellaneous Tax Credits	14				0		
Total Income Tax on True-ups					-245,706		
income Tax Rate used for gross-up (exclude surtax)					37.50%		
TRUE-UP VARIANCE					(393,130)		
V b) Calculation of the Deferral Account Variance							
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)				=	2,126,231		
REVISED CORPORATE INCOME TAX RATE				x	38.62%		
REVISED REGULATORY INCOME TAX				=	821,150		
Less: Revised Miscellaneous Tax Credits				-	0		
Total Revised Regulatory Income Tax				=	821,150		
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)				-	821,150		
Regulatory Income Tax Variance				=	0		
Ontario Capital Tax Base				=	46,980,726		
Less: Exemption Revised deemed taxable capital				- - =	5,000,000 41,980,726		
Rate (as a result of legislative changes)				х	0.3000%		
Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell				=	125,942		
C72) Regulatory Ontario Capital Tax Variance				=	125,942		
Federal LCT Base					46,980,726		
base Less: Exemption Revised Federal LCT				-	10,000,000 36,980,726		
INGVISCU I GUELAI LO I				=	30,980,726		

			 	_					_
SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial				M of F	M of F	M of F	1
DEFERRAL/VARIANCE ACCOUNTS		Estimate			1	Filing	Filing	Filing	ı
TAX CALCULATIONS (TAXCALC)						Variance	Variance		- 1
("Wires-only" business - see Tab TAXREC)						K-C	Explanation	(June)	
								2003 REVISED	
		\$				\$		\$	
Rate (as a result of legislative changes)						0.2250%			П
and (and an extension and gran,									
Gross Amount						83,207			
Less: Federal surtax					_	23,814			- 1
Revised Net LCT					=	59,393			
Revised Net LC I					-	J9,J9J			
Local Fordayal I CT reported in the initial actionate column (Call COA)						59,393			
Less: Federal LCT reported in the initial estimate column (Cell C84)					-				- 1
Regulatory Federal LCT Variance					=	0			
									- 1
Income Tax Rate used for gross-up (exclude surtax)						37.50%			- 1
									ı
Income Tax (grossed-up)					+	0			ı
LCT (grossed-up)					+	0			1
Ontario Capital Tax					+	0			
						_			
DEFERRAL ACCOUNT VARIANCE					=	0			
DEI ERRAE ACCOUNT VARIANCE					_	0			
TRUE-UP VARIANCE (from cell l132)					+	(393,130)			
L									
Deferral Account Entry (Positive Entry = Debit)					=	(393,130)			- 1
(Deferral Account Variance + True-up Variance)									- 1
To be included as deferral account in rate application)									
V) INTEREST PORTION OF TRUE-UP									
Variance Caused By Phase-in of Deemed Debt									
Total deemed interest (REGINFO)						1,703,051			- 1
Interest phased-in (Cell C36)						1,135,368			
Variance due to phase-in of debt structure						567,683			- 1
according to Rate Handbook									- 1
									- 1
Other Interest Variances (i.e. Borrowing Levels									ı
Above Deemed Debt per Rate Handbook)									ı
Interest deducted on MoF filing (Cell K36+K41)						2,177,025			ı
Total deemed interest (REGINFO CELL D57)						1,703,051			ı
Total deemed intelest (INEGINI O CELL DOT)						1,703,051			1
Variance and but success date						470.074			ı
Variance caused by excess debt						473,974			ı
									ı
Interest Adjustment for Tax Purposes (carry forward to Cell I112)						473,974			1
									1
Total Interest Variance						93,710			

SECTION 93 PILs TAX GROSS-UP "SIMPIL" LINE Non-Wires Wires-only M of F Corporate & Reg Asset Tax (for "wires-only" business - see s. 72 OEB Act) Tax Return Return (Issue #4) * 2003 REVISED Section A: Identification: Utility Name: Brantford Power Inc. Reporting period: DECEMBER 31, 2003 Taxation Year's start date: JANUARY 1, 2003 Taxation Year's end date: DECEMBER 31, 2003 Number of days in taxation year: 365 days 58 726 Please enter the Materiality Level : < - enter materiality level</p> (0.25% x Rate Base x CER) (0.25% x Net Assets) Y/N Y/N Or other measure (please provide the basis of the amount) Y/N Does the utility carry on non-wire related operation? (Please complete the questionnaire in the Background questionnaire worksheet.) Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K Section B: Financial statements data: Input unconsolidated financial statement data submitted with tax returns. The actual categories of the income statements should be used. If required please change the descriptions except for amortization, interest expense and provision for income tax Please enter the non-wire operation's amount as positive number, the program automatically treat all amounts in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2. Description: Income: Service Revenue 73.449.133 Other Income 944,277 Miscellaneous income Revenue should be entered above this line Expenses: Cost of energy purchased 62,453,328 Direct expenses 3,035,432 Billing & collecting and adminstration 3,837,749 Amortization 1,969,970 Contract services Ontario Capital Tax Property costs Other expenses Communication costs Allocated to capital Net Income Before Interest & Income Taxes Less: Interest expense for accounting purposes 2,177,025 Provision for payments in lieu of income taxes 384,845 Net Income (loss) (loss) per financial statements on Schedule 1 of the tax return.)

(The Net Income (loss) on the MoF column should equal to the net income

Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1

BOOK TO TAX ADDITIONS: Provision for income tax Depreciation & Amortization Employee benefit plans-accrued, not paid Tax reserves deducted in prior year Reserves from financial statements- end of year Regulatory adjustments Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2

384,845	0	384,845
1,969,970	0	1,969,970
0	0	0
0	<u>0</u>	<u>0</u>
421,788		421,788
0	7,329,553	7,329,553
0	0	0
0	0	0
2,776,603	7.329.553	10.106.156

Other Additions: (Please explain the nature of the additions) Recapture of CCA

Total Additions

SIMPIL MODEL 2004

Non-deductible meals and entertainment expense 5,009 Capital items expensed Ennerconnect partnership 10,742 Total Other Additions

Recap Material Additions:			
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Total Other additions >materiality level	0	0	0
Other deductions (less than materiality level)	15,751	0	15,751
Total Other Additions	15,751	0	15,751

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 & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return
BOOK TO TAX DEDUCTIONS:				2003 REVISED
Capital cost allowance	-	1,885,860		1,885,860
Cumulative eligible capital deduction	-	84,016		84,016
Employee benefit plans-paid amounts	-			(
Items capitalized for regulatory purposes Regulatory adjustments:	-			
CCA	-			(
other deductions		6,479,664	6,479,664	(
Tax reserves claimed in current year Reserves from F/S- beginning of year	- L	337,623	0	337,623
Contributions to deferred income plans	-	007,020		(007,020
Contributions to pension plans	-			
Interest capitalized for accounting deducted for tax Material deduction items from TAXREC 2		0	0	
Other deduction items (not Material) from TAXREC 2		0	0	
Subtotal	=	8,787,163	6,479,664	2,307,49
Other deductions (Please explain the nature of the deductions) Charitable donations - tax basis	_		i	
Gain on disposal of assets	-	15,000		15,00
	-			
				(
Total Other Deductions	[15,000	0	15,000
Total Other Deductions	- [13,000	0	13,000
Total Deductions	=	8,802,163	6,479,664	2,322,499
Description Desired Desired	_			
Recap Material Deductions:		0	0	(
		0	0	(
		0	0	(
		0	0	(
Total Other Deductions exceed materiality level		0	0	(
Other Deductions less than materiality level		15,000	0	15,000
Total Other Deductions		15,000	0	15,000
TAXABLE INCOME	_ [1,854,805	849,889	1,004,916
DEDUCT:	- [1,004,000	049,003	1,004,310
Non-capital loss applied	- [1854805	849889	1004916
Net capital loss applied	-			(
NET TAXABLE INCOME	= [0	0	0
Net Federal Income Tax	+		ĺ	0
Net Ontario Income Tax	+			0
Subtotal	=	0	0	0
Less: Miscellaneous tax credits Total Income Tax	_ [0	0	0
Section D: Detail calculation of the Ontario Capital Tax	•			
ONTARIO CAPITAL TAX				
(From Ontario CT23) PAID-UP CAPITAL				
TAID OF GALTIAL				
Paid-up capital stock	+	22,437,505		22,437,50
Retained earnings (if deficit, deduct)	+/-	1,089,410		1,089,41
Capital and other surplus excluding appraisal surplus	+			
Loans and advances	+	28,400,093		28,400,09
Bank loans	+			
Bankers acceptances	+			
Bonds and debentures payable Mortgages payable	+			
Lien notes payable	+			
Deferred credits	+			(
Contingent, investment, inventory and similar reserves	+	421,788		421,78
Other reserves not allowed as deductions Share of partnership(s), joint venture(s) paid-up capital	+			
Sub-total	= [52,348,796	0	52,348,79
Subtract:	•		,	
Amounts deducted for income tax purposes in excess of amounts	-	4 000 700		4 200 70
booked Deductible R&D expenditures and ONTTI costs deferred for	_	4,286,709		4,286,70
income tax	_			
Total (Net) Paid-up Capital	=	48,062,087	0	48,062,08
ELIGIBLE INVESTMENTS				
Bonds, lien notes, interest coupons	+			(
Mortgages due from other corporations	+			
Shares in other corporations Loans and advances to unrelated corporations	+			(
Eligible loans and advances to related corporations	+			
Share of partnership(s) or joint venture(s) eligible investments	+			(
Total Eligible Investments		0		
Total Eligible Investments	=	0	0	(

SECTION 93 PILs TAX GROSS-UP "SIMPIL" LINE Non-Wires Wires-only M of F TAX RETURN RECONCILIATION (TAXREC) Corporate & Reg Asset Tax (for "wires-only" business - see s. 72 OEB Act) Tax Return Return (Issue #4) * 2003 REVISED TOTAL ASSETS Total assets per balance sheet 64,982,869 Mortgages or other liabilities deducted from assets Share of partnership(s)/ joint venture(s) total assets Subtract: Investment in partnership(s)/joint venture(s) Total assets as adjusted Add: (if deducted from assets) Contingent, investment, inventory and similar reserves Other reserves not allowed as deductions Subtract: Amounts deducted for income tax purposes in excess of amounts 4,286,709 Deductible R&D expenditures and ONTTI costs deferred for income tax Subtract: Appraisal surplus if booked Add or subtract: Other adjustments +/-**Total Assets** Investment Allowance Taxable Capital Net paid-up capital Subtract: Investment Allowance Taxable Capital Capital Tax Calculation Deduction from taxable capital up to \$5,000,000 4,797,236 Net Taxable Capital Rate 0.3% Days in taxation year Divide days by 365 **Ontario Capital Tax** LARGE CORPORATION TAX (From Federal Schedule 33) ADD: Reserves that have not been deducted in computing income for the year under Part I 421,788 Capital stock Retained earnings 1,089,410 Contributed surplus Any other surpluses Deferred unrealized foreign exchange gains All loans and advances to the corporation 26,141,850 All indebtedness- bonds, debentures, notes, mortgages, bankers

2,258,243

acceptances, or similar obligations Any dividends declared but not paid

under Part I included in amounts above Deferred unrealized foreign exchange losses

Deferred tax debit balance

Subtotal DEDUCT:

Subtotal

Capital for the year

All other indebtedness outstanding for more than 365 days

Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income

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 & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return 2003 REVISED
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 Investment Allowance	+ + + + + + +	0	0	0 0 0 0 0 0
	_			<u> </u>
TAXABLE CAPITAL				
Capital for the year	=	52,348,796	0	52,348,796
Deduct: Investment allowance	- [0	0	0
Taxable Capital for taxation year	= [52,348,796	0	52,348,796
Deduct: Capital Deduction \$10,000,000	- [8,264,872	0	8,264,872
Taxable Capital	= [44,083,924	0	44,083,924
Rate .225%		0.22500%	0.22500%	0.22500%
Days in year Divide days by 365	[365 1.0000	365 1.0000	365 1.0000
Gross Part I.3 Tax LCT	=	99,188.83	0.00	99,188.83
Federal Surtax Rate	[1.1200%	1.1200%	1.1200%
Less: 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)	= [99,189	0	99,189
RECAP: Total Income Taxes Ontario Capital Tax Federal Large Corporations Tax	+ + +	0 129,795 99,189	0 0	0 129,795 99,189
Total income and capital taxes	_ [228 083	0	228 083

Total income and capital taxes = 228,983 0 228,983
* Issue #4 requires the exclusion of regulatory assets in the PILs calculations, BPI used column D to eliminate these

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

Total (carry forward to the TAXREC worksheet)

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

2003 REVISED

Utility Name: Brantford Power Inc. Reporting period: DECEMBER 31, 2003			
TAX RESERVES			
Opening balance:			
Accrued contingent liability			0
,			0
			0
			0
			0
			0
			0
			0
			0
Total (carry forward to the TAXREC worksheet)	0	0	0
Ending balances:			
Accrued contingent liability			0
, and the state of the state of			0
			0
			0
			0
			0
			0
			0
			0
Insert line above this line			0

LINE

SECTION 93 PILS TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC 2) (for "wires-only" business - see s. 72 OEB Act)

M of F Corporate Tax Return

LINE

Non-wires Eliminations Wires-only Tax Return

2003 REVISED

Utility Name: Brantford Power Inc. Reporting period: DECEMBER 31, 2003 Number of days in taxation year: Materiality Level:		365 58,726	days	
·			_	
Section C: Reconciliation of accounting income to taxable income Add:				
Recapture of capital cost allowance	+			0
Gain on sale of eligible capital property	+			0
Income or loss for tax purposes- joint ventures or partnerships	+			0
Loss in equity of subsidiaries and affiliates	+			0
Loss on disposal of assets	+			0
Charitable donations	+			0
Taxable capital gains Depreciation in inventory -end of year	+			0
Scientific research expenditures deducted	+			0
per financial statements	+			0
Capitalized interest	+			0
Non-deductible club dues and fees	+			0
Non-deductible automobile expenses	+			0
Non-deductible life insurance premiums	+			0
Soft costs on construction and renovation of buildings	+			0
Book loss on joint ventures or partnerships Capital items expensed	+			0
Debt issue expense	· +			0
Deemed dividend income	+			0
Dividends credited to investment account	+			0
Financing fees deducted in books	+			0
Gain on settlement of debt	+			0
Interest paid on income debentures	+			0
Recapture of SR&ED expenditures Share issue expense	+			0
Write down of capital property	+			0
Amounts received in respect of qualifying environment trust	+			0
Other Additions: (please explain in detail the nature of the item)	+			0
Employee future benefit costs accrued	+			0
Provision for bad debts	+			0
Interest & penalties	+			0
	+			0
	+			0
	+			0
	+			0
	+			0
	+			
Total Additions	=	0	0	0
Recap of Material Additions:				
		0		0
		0		0
		0		
		0		0
		0		0
		0		0
		0		0
		0		0
		0		0
		0		0
		0		0
		0		0
		0		0
		0	0	0
		0		0
		0		0
		0	0	0
		0	0	0
		0		0
		0	0	0
		0	0	0
		0		0
		0	0	0

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

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

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

LINE

Return 2003 REVISED Total Material additions Other additions less than materiality level **Total Additions** Deduct: Gain on disposal of assets per f/s Dividends not taxable under section 83 Terminal loss from Schedule 8 Depreciation in inventory, end of prior year Scientific research expenses claimed in year from Form T661 Bad debt Book income of joint venture or partnership Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust Other income from financial statements Other deductions: (Please explain in detail the nature of the item) Employee future benefits paid **Total Deductions** Recap of Material Deductions: Total Deductions exceed materiality level Other deductions less than materiality level

Total Deductions

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

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

PILs TAXES TAX RETURN RECONCILIATION (TAXREC 3)

Shareholder-only Items should be shown on TAXREC 3 ITEMS ON WHICH TRUE-UP DOES NOT APPLY

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

M of F Corporate Tax Return

LINE

0

Non-wires Eliminations Wires-only Tax Return

Version 2009.1

Reporting period: 2001 Number of days in taxation year:

Utility Name: Brantford Power Inc.

365

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

Recapture of capital cost allowance	+			0
CCA adjustments	+			0
CEC adjustments	+			0
Gain on sale of non-utility eligible capital property	+			0
Gain on sale of utility eligible capital property	+			0
Loss from joint ventures or partnerships	+			0
Deemed dividend income	+			0
Loss in equity of subsidiaries and affiliates	+			0
Loss on disposal of utility assets	+			0
Loss on disposal of non-utility assets	+			0
Depreciation in inventory -end of year	+			0
Depreciation and amortization adjustments	+			0
Dividends credited to investment account	+			0
Non-deductible meals	+	5,009		5,009
Non-deductible club dues	+			0
Non-deductible automobile costs	+			0
Donations - amount per books				0
Interest and penalties on unpaid taxes				0
Management bonuses unpaid after 180 days of year end				0
Imputed interest expense on Regulatory Assets				0
	+			0
Ontario capital tax adjustments	+			0
Changes in Regulatory Asset balances	+	7,329,553		7,329,553
	+			0
Other Additions: (please explain in detail the nature of the item)	+			0
Income from joint ventures or partnerships	+	10,742		10,742
	+			0
	+			
Total Additions on which true-up does not apply	=	7,345,304	0	7,345,304

Deduct:

				-
CCA adjustments	-			0
CEC adjustments	-	84,016		84,016
Depreciation and amortization adjustments	=			0
Gain on disposal of assets per financial statements	=	15,000		15,000
Financing fee amorization - considered to be interest expense for PILs	=			0
Imputed interest income on Regulatory Assets	=			0
Donations - amount deductible for tax purposes	=			0
Income from joint ventures or partnerships	-			0
	=			0
	-			0
	-			0
	=			0
	=			0
Ontario capital tax adjustments to current or prior year	=			0
	=			0
Changes in Regulatory Asset balances	-	6,479,664		6,479,664
	=			0
Other deductions: (Please explain in detail the nature of the item)	=			0
	-			0
	-			0
	-			0
	-			0
Total Deductions on which true-up does not apply	=	6,578,680	0	6,578,680

SECTION 93 PILs TAX GROSS-UP

"SIMPIL"

QUESTIONNAIRE

Utility Name: Brantford Power Inc. Reporting period: DECEMBER 31, 2003

2003 REVISED

1 Does the company engage in non-regulated activities?

If the answer to question 1 is "NO", please skip question 2 to 6.

2 Please identify the types of non-wire operations carried on by the LDC.

Answer:

- 3 Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date? Answer:
- 4 Please identify the percentage and amount of gross revenues arising from non-wire operations. Answer:
- 5 Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations. Answer:
- 6 Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.

Answer:

- 7 Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes? (Plea
- 8 Did the company have any reserve for accounting and tax purposes? (Please identify the amount.) Answer:

OTHER PERTINENT INFORMATION:

9 Did the LDC incur any transition costs?

Answer:

If the answer to question 9 is "NO", please skip question 10 and 11.

- 10 Please identify the amount of transition costs recovery received from consumers during the reporting period. Answer:
- 11 Please identify the amount of transition costs deducted for accounting and tax purposes. Answer:

	<u>Accounting</u>	<u>Tax</u>
Amortization/CCA claimed	0	0
Other expensed	0	0
Total	113,580	113,580
Transition costs capitalized	0	0
Incurred prior to October 1, 2001 & non-deductible for tax purposes	0	0

ase identify the amount.)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

Analysis of Account 1562: Deferred Payment in lieu of Taxes

Utility Name: Brantford Power Inc. Reporting period: DECEMBER 31, 2003

Year start: Year end:		10/1/2001 12/31/2001	1/1/2002 12/31/2002	1/1/2003 12/31/2003	1/1/2004 12/31/2004	1/1/2005 12/31/2005	1/1/2006 12/31/2006	Total
Opening balance:	=		0	0	0	0	0	0
Initial Estimate PILs Rate Adjustment(1)	+/-							0
Deferral Account Variance	+/-							
PILs Rate Adjustment(2) Deferral Account Entry (True-	+/-							0
up adjustments) (3)								0
Carrying charges	+/-							0
PILs collected from customers	-							0
Ending balance:	-	0	0	0	0	0	0	0

Note:

The purposes of this worksheet is to show the movement in Account 1562.

For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities

Please identify the accounting method used to account for the PILs recovery.

Answer: Accrual basis

- (1) in the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet
- (2) in the Deferral Account Variance Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet
- (3) in the Ministry of Finance Variance Column, under Future True-ups, Part IV of the TAXCALC spreadsheet

REGULATORY INFORMATION (REGINFO)

Utility Name: Brantford Power Inc.

Reporting period: 2004

366 Days in reporting period: days

366 Total days in the calendar year: days **BACKGROUND** Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)? Υ Y/N Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs? Y/N Ν Ν Is the utility a non-profit corporation? Y/N (If it is a non-profit corporation, please contact the Rates Manager at the OEB) Are the Ontario Capital Tax & Large Corporations Tax Exemptions OCT Y/N Υ shared among the corporate group? Υ LCT Y/N - for 2004 only Please identify the % used to allocate the OCT and LCT exemptions in OCT Cells C65 & C74 in the TAXCALC spreadsheet. LCT Accounting Year End Date 12-31-2004 MARR NO TAX CALCULATIONS Regulatory SHEET #7 FINAL RUD MODEL DATA Income (FROM 1999 FINANCIAL STATEMENTS) **USE BOARD-APPROVED AMOUNTS** Rate Base (wires-only) 46,980,726 Common Equity Ratio (CER) 50.00% 50.00% Target Return On Equity 9.88% Debt rate 7.25% Market Adjusted Revenue Requirement 4.023.899 1999 return from RUD Sheet #7 Total Incremental revenue 4,023,899 Input: Board-approved dollar amounts phased-in Amount allowed in 2001 1,341,300 1,341,300 Amount allowed in 2002 1,341,300 1,341,300 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 0 unless authorized by the Minister and the Board) 0 0 0 2,682,600 **Total Regulatory Income** 23,490,363 Equity Return at target ROE 2,320,848 Debt 23,490,363 Deemed interest amount in 100% of MARR 1,703,051 Phase-in of interest - Year 1 (2001) 567,684 ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) 1,135,368

2004 REVISED

1,135,368

RRR # 2.1.8

((D43+D47+D48)/D41)*D61

Phase-in of interest - Year 3 (2003) and forward

((D43+D47+D48)/D41)*D61 (due to Bill 210)

SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial			M of F	M of F	M of F	
DEFERRAL/VARIANCE ACCOUNTS		Estimate			Filing	Filing	Filing	
TAX CALCULATIONS (TAXCALC)					Variance K-C	Variance Explanation	(Juno)	
("Wires-only" business - see Tab TAXREC) RRR # 2.1.8					K-C	Explanation	(June) 2004 REVISED	
		\$			\$		\$	
Utility Name: Brantford Power Inc.								
Reporting period: 2004							Column	
Days in reporting period:	366	days					Brought	
Total days in the calendar year:	366	days					From TAXREC	
							TAXREC	
I) CORPORATE INCOME TAXES								
1								
Regulatory Net Income REGINFO E53	1	2,682,600			-72,023		2,610,577	
BOOK TO TAX ADJUSTMENTS								
Dear to travillosocimization								
Additions:								
Depreciation & Amortization	2	2,600,455			-442,478		2,157,977	
Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year	3 4				0		0	
Reserves from financial statements - end of year	4				474,521		474,521	
Regulatory Adjustments - increase in income	5	197,353			-197,353		0	
Other Additions (See Tab entitled "TAXREC")								
"Material" Items from "TAXREC" worksheet	6				0		0	
Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet	6 6				8,210 0		8,210 0	
Other Additions (not "Material") "TAXREC 2"	6				0		0	
, , , , , , , , , , , , , , , , , , , ,							Ü	
Deductions: Input positive numbers								
Capital Cost Allowance and CEC	7	2,286,863			309,149		1,977,714	
Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9				0		0	
Regulatory Adjustments - deduction for tax purposes in Item 5	10	97,960			97,960		0	
Interest Expense Deemed/ Incurred	11	1,135,368			-1,041,657		2,177,025	
Tax reserves - end of year	4				0		0	
Reserves from financial statements - beginning of year	4				-421,788		421,788	
Contributions to deferred income plans Contributions to pension plans	3				0		0	
Interest capitalized for accounting but deducted for tax	11				0		0	
Other Deductions (See Tab entitled "TAXREC")					0		_	
"Material" Items from "TAXREC" worksheet	12				0		0	
Other Deductions (not "Material") "TAXREC"	12				-58,694		58,694	
Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12				0		0	
Cities beddenous (not Material) 1777/1202	1.2				0		0	
TAXABLE INCOME/ (LOSS)		1,960,217			(1,344,153)	Before loss C/F	616,064	
DI ENDED INCOME TAY DATE								
BLENDED INCOME TAX RATE Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-	_	-38.6200%		0.00%	
Tab Tax Nates - Negulatory Ironi Table 1, Actual Ironi Table 3	13	30.02 /6			-38.020078		0.0078	
REGULATORY INCOME TAX		757,036			-757,036	Actual	0	
Micaellaneous Tay Cradita	4.4					A =====1		
Miscellaneous Tax Credits	14				0	Actual	0	
Total Regulatory Income Tax		757,036		1	-757,036	Actual	0	
II) CAPITAL TAXES	1							
Ontario	1							
Base	15	46,980,726			2,290,961		49,271,687	
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000			-206,360		4,793,640	
Taxable Capital		41,980,726			2,084,601		44,478,047	
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	 \vdash		0.0000%		0.3000%	
Trace - ran Itales - Itegulaluty, Table I, Actual, Table 3	''	0.3000%	\vdash	+	0.0000%		0.3000%	
Ontario Capital Tax		125,942			7,492		133,434	
Federal Large Corporations Tax	4.0	40.000.77			50440==		F0 700 055	
Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	46,980,726 10,000,000	 \vdash		5,811,277 38,227,844		52,792,003 48,227,844	
Taxable Capital	19	36,980,726	\vdash	-	38,227,844 44,039,121		48,227,844	
	1	20,000,120			,500,121		-1,004,100	
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%			-0.0250%		0.2000%	
Cross Amount of LCT hofers quitay affect /Tayabla Capital y Batal		00.007		_	74.070		0.400	
Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	83,207 21,954	\vdash	-	-74,078 -21,954		9,128	
2000. 1 Subtat Guttax 1.12/0 x Taxable Intollie	-	21,004			-21,004		0	
Net LCT		61,252			-96,033		9,128	
1								

SECTION 93 PILS TAX GROSS-UP "SIMPIL" DEFERRAL/VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC) RRR # 2.1.8 III) INCLUSION IN RATES	ITEM	Initial Estimate \$			M of F Filing Variance K-C	M of F Filing Variance Explanation	M of F Filing (June) 2004 REVISED \$
Income Tax Rate used for gross- up (exclude surtax)		37.50%					
Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	22 23 24	1,211,257 98,004 125,942				Actual 2004 Actual 2004 Actual 2004	9,128 133,434
Total PILs for Rate Adjustment MUST AGREE WITH 2002 RAM DECISION	25	1,435,203				Actual 2004	142,562
IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions:					DR/(CR)		
Employee Benefit Plans - Accrued, Not Paid	3 4				0		
Tax reserves deducted in prior year Reserves from financial statements-end of year	4				474,521		
Regulatory Adjustments Other additions "Material" Items TAXREC	5 6				-197,353 0		
Other additions "Material" Items TAXREC 2	6				0		
In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	8				0)	
Items Capitalized for Regulatory Purposes	9				0		
Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I204)	10 11				-97,960 473,974		
Tax reserves claimed in current year	4				0		
Reserves from F/S beginning of year Contributions to deferred income plans	4 3				421,788 0		
Contributions to pension plans Other deductions "Material" Items TAXREC	3 12				0		
Other deductions "Material" Item TAXREC 2	12				0		
Total TRUE-UPS before tax effect	26			=	-520,634		
Income Tax Rate (excluding surtax) from 2004 Utility's tax return				x	17.50%		
Income Tax Effect on True-up adjustments				=	-91,111		
Less: Miscellaneous Tax Credits	14				0		
Total Income Tax on True-ups					-91,111		
Income Tax Rate used for gross-up (exclude surtax)					35.00%		
TRUE-UP VARIANCE ADJUSTMENT					(140,171)		
IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)				=	1,960,217		
REVISED CORPORATE INCOME TAX RATE				х	36.12%		
REVISED REGULATORY INCOME TAX				=	708,030		
Less: Revised Miscellaneous Tax Credits				-	0		
Total Revised Regulatory Income Tax				=	708,030		
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)				_	757,036		
Regulatory Income Tax Variance				=	(49,005)		
Ontario Capital Tax							
Base Less: Exemption from tab Tax Rates, Table 2, cell C39				=	46,980,726 5,000,000		
Revised deemed taxable capital				=	41,980,726		
Rate - Tab Tax Rates cell C54				х	0.3000%		
Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell				=	125,942		
C70) Regulatory Ontario Capital Tax Variance				=	125,942		
Federal LCT							
Base Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT				-	46,980,726 50,000,000 (3,019,274)		

SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial				M of F	M of F	M of F	
DEFERRAL/VARIANCE ACCOUNTS		Estimate				Filing	Filing	Filing	
TAX CALCULATIONS (TAXCALC)						Variance	Variance		
("Wires-only" business - see Tab TAXREC)						K-C	Explanation	(June)	
RRR # 2.1.8							·	2004 REVISED	
		\$				\$		\$	
Rate (as a result of legislative changes) tab 'Tax Rates' cell C51		·				0.2000%		,	$\overline{}$
Trace (as a result of legislative changes) tas Tax reales con cor						0.200070			
Gross Amount						0			
Less: Federal surtax					_	0			
Revised Net LCT					=	0			
IVENISED NET EO I					_	0			
Less: Federal LCT reported in the initial estimate column (Cell C82)						61,252			
Regulatory Federal LCT Variance					_	(61,252)			
Regulatory Federal LCT Variance					=	(01,232)			
Actual Income Tay Date wood for evens up (evaluate evitaria)						47.500/			
Actual Income Tax Rate used for gross-up (exclude surtax)						17.50%			
L						(50.15.1)			
Income Tax (grossed-up)					+	(59,401)			
LCT (grossed-up)					+	(74,245)			
Ontario Capital Tax					+	0			
DEFERRAL ACCOUNT VARIANCE ADJUSTMENT					=	(133,646)			
TRUE-UP VARIANCE (from cell I130)					+	(140,171)			
Total Deferral Account Entry (Positive Entry = Debit)					=	(273,816)			
(Deferral Account Variance + True-up Variance)						(-,,			
									_
V) INTEREST PORTION OF TRUE-UP									
Variance Caused By Phase-in of Deemed Debt									
variance Causeu by Friase-in or Deemed Debt									
Total deemed interest (REGINFO)						1,703,051			
						1,135,368			
Interest phased-in (Cell C36)						1,133,300			
Various adve to phase in of dokt component of MADD in the						E07.004			
Variance due to phase-in of debt component of MARR in rates						567,684			
according to the Board's decision									
L									
Other Interest Variances (i.e. Borrowing Levels									
Above Deemed Debt per Rate Handbook)									
Interest deducted on MoF filing (Cell K36+K41)						2,177,025			
Total deemed interest (REGINFO CELL D61)						1,703,051			
Variance caused by excess debt						473,974			
Interest Adjustment for Tax Purposes (carry forward to Cell I110)						473,974			
Total Interest Variance						93,710			

SECTION 93 PILs TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8

M of F Corporate Tax Return

LINE

Non-Wires & Reg Asset Eliminations (Issue #4) *

Wires-only Tax Return

2004 REVISED

Section A: Identification: Utility Name: Brantford Power Inc. Reporting period: 2004

Taxation Year's start date: JANUARY 1, 2004 Taxation Year's end date: DECEMBER 31, 2004

Number of days in taxation year: 366 days Please enter the Materiality Level : 58 726 < - enter materiality level Y/N

(0.25% x Rate Base x CER) (0.25% x Net Assets) Y/N Or other measure (please provide the basis of the amount) Y/N Does the utility carry on non-wires related operation?

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

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

Section B: Financial statements data:

Input unconsolidated financial statement data submitted with Tax returns.

The actual categories of the income statements should be used.

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

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

+	75,827,384	75,827,384
+		0
+	1,016,565	1,016,565
+		0
+		0
-	64,497,368	64,497,368
-	3,897,978	3,897,978
-	3,680,049	3,680,049
-	2,157,977	2,157,977
-		0
-		0
-		0
-		0
-		0
_		0
		- 64,497,368 - 3,897,978 - 3,680,049 - 2,157,977

2,610,577 Net Income Before Interest & Income Taxes EBIT 2,610,577 Less: Interest expense for accounting purposes 2,177,025 2,177,025 Provision for payments in lieu of income taxes Net Income (loss)
(The Net Income (loss) on the MoF column should equal to the net income 401.55 401.552

(loss) per financial statements on Schedule 1 of the tax return.)

Section C: Reconciliation of accounting income to taxable income

From 12 Schedule 1				
BOOK TO TAX ADDITIONS:				
Provision for income tax	+	32,000	0	32,000
Federal large corporation tax	+			0
Depreciation & Amortization	+	2,157,977	0	2,157,977
Employee benefit plans-accrued, not paid	+		0	0
Tax reserves - beginning of year	+	0	0	0
Reserves from financial statements- end of year	+	474,521	0	474,521
Regulatory adjustments	+	8,887,185	8,887,185	0
Material addition items from TAXREC 2	+	0	0	0
Other addition items (not Material) from TAXREC 2	+	0	0	0
Subtotal		11,551,683	8,887,185	2,664,498
Other Additions: (Please explain the nature of the additions)				
Recapture of CCA	+			0

Other Additions: (Please explain the nature of the additions)				
Recapture of CCA	+			0
Non-deductible meals and entertainment expense	+	3,340		3,340
Capital items expensed	+			0
Ennerconnect partnership	+	4,870		4,870
	+			0
	+			0
	+			0
Total Other Additions	_ =	8,210	0	8,210
		·	·	
Total Additions	=	11,559,893	8,887,185	2,672,708

Recap Material Additions:			
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Total Other additions >materiality level	0	0	0
Other deductions (less than materiality level)	8,210	0	8,210
Total Other Additions	8,210	0	8,210

SECTION 93 PILs TAX GROSS-UP "SIMPIL" LINE Non-Wires Wires-only M of F TAX RETURN RECONCILIATION (TAXREC) Corporate & Reg Asset Tax Eliminations (for "wires-only" business - see s. 72 OEB Act) Tax Return RRR # 2.1.8 Return (Issue #4) * 2004 REVISED BOOK TO TAX DEDUCTIONS: 1.899.579 1.899.579 Capital cost allowance Cumulative eligible capital deduction 78.135 78,135 Employee benefit plans-paid amounts Items capitalized for regulatory purposes Regulatory adjustments : CCA 8,320,493 8.320.493 other deductions Tax reserves - end of year Reserves from financial statements- beginning of year 421,788 Contributions to deferred income plans Contributions to pension plans Interest capitalized for accounting deducted for tax Material deduction items from TAXREC 2 Other deduction items (not Material) from TAXREC 2 Subtotal 10,719,995 Other deductions (Please explain the nature of the deductions) Charitable donations - tax basis Gain on disposal of assets 58,694 58,694 Total Other Deductions = 58,694 58,694 10,778,689 8,320,493 **Total Deductions** 2,458,196 Recap Material Deductions: Total Other Deductions exceed materiality level Other Deductions less than materiality level 58.694 58.694 **Total Other Deductions** 58,694 58,694 TAXABLE INCOME 1,182,756 566,692 616,064 DEDUCT: 566,692 616,064 Non-capital loss applied positive number 1,182,756 Net capital loss applied positive number Donations NET TAXABLE INCOME FROM ACTUAL TAX RETURNS Net Federal Income Tax (Must agree with tax return) 0 Net Ontario Income Tax (Must agree with tax return) 0 Subtotal 0 Less: Miscellaneous tax credits (Must agree with tax returns) 0 **Total Income Tax** FROM ACTUAL TAX RETURNS Net Federal Income Tax Rate (Must agree with tax return) 0.00% Net Ontario Income Tax Rate (Must agree with tax return) 0.00% Blended Income Tax Rate Section D: Detailed calculation of Ontario Capital Tax ONTARIO CAPITAL TAX PAID-UP CAPITAL 22,437,505 Paid-up capital stock 22,437,505 Retained earnings (if deficit, deduct) +/-1,490,962 1,490,962 Capital and other surplus excluding appraisal surplus Loans and advances 28,389,015 28,389,015 Bank loans Bankers acceptances Bonds and debentures payable Mortgages payable Lien notes payable Deferred credits 0 Contingent, investment, inventory and similar reserves 0 Other reserves not allowed as deductions 474,521 474,521 Share of partnership(s), joint venture(s) paid-up capital Sub-total 52,792,00 52,792,003 Subtract: Amounts deducted for income tax purposes in excess of amounts 3,520,316 booked 3,520,316 Deductible R&D expenditures and ONTTI costs deferred for Total (Net) Paid-up Capital 49,271,687 49,271,687 **ELIGIBLE INVESTMENTS** Bonds, lien notes, interest coupons Mortgages due from other corporations Shares in other corporations Loans and advances to unrelated corporations Eligible loans and advances to related corporations Share of partnership(s) or joint venture(s) eligible investments **Total Eligible Investments**

SECTION 93 PILS TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8

M of F Corporate Tax Return

LINE

Non-Wires & Reg Asset Eliminations (Issue #4) * Wires-only Tax Return

2004 REVISED

SECTION 93 PILS TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8

M of F Corporate Tax Return

LINE

Non-Wires & Reg Asset Eliminations (Issue #4) *

Wires-only Tax Return

2004 REVISED

TOTAL ASSETS				
Total assets per balance sheet	+	65,168,596		65,168,59
Mortgages or other liabilities deducted from assets	+			
Share of partnership(s)/ joint venture(s) total assets	+			
Subtract: Investment in partnership(s)/joint venture(s)	: -			
Jubilaci. Investment in partiership(s)/joint venture(s)	_			
Fotal assets as adjusted	=	65,168,596	0	65,168,59
· · · · · · · · · · · · · · · · · · ·				00,100,0
Add: (if deducted from assets)				
Contingent, investment, inventory and similar reserves	+			
Other reserves not allowed as deductions	+			
Subtract:				
Amounts deducted for income tax purposes in excess of amounts	-			
pooked		3,520,316		3,520,3
Deductible R&D expenditures and ONTTI costs deferred	-			
or income tax				
Subtract: Appraisal surplus if booked	-			
Add or subtract: Other adjustments	+/-			
Total Assets	=	61,648,280	0	61,648,28
nvestment Allowance		0	0	
Faxable Capital				
lat maid .m. asmital		40 074 007	٥	40.074.0
Net paid-up capital	+	49,271,687	0	49,271,6
Subtract: Investment Allowance	- L	0	0	
T 11 0 % 1		10.071.007		10.071.0
Taxable Capital	=	49,271,687	0	49,271,6
Capital Tax Calculation				
Deduction from taxable capital up to maximum of \$5,000,000		4,793,640	0	4,793,6
(Input in tab Tax Rates)	<u> </u>	1,1 00,0 10	0	1,7 00,0
Net Taxable Capital		44,478,047	0	44,478,0
Not Taxable Supital		44,470,047	0	44,470,0
Rate		0.3000%	0.3000%	0.3000
	_			
		366	366	
		366 1.00	366 1.00	
				1.0
Divide days by 366 Ontario Capital Tax (Must agree with CT23 return)		1.00	1.00	36 1.0 133,4
Section E: Detailed calculation of Large Corporation Tax		1.00	1.00	1.0
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX		1.00	1.00	1.0
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33)		1.00	1.00	1.0
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL		1.00	1.00	1.0
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) SAPITAL ADD:		1.00	1.00	1.0
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the	+	1.00	1.00	1.0
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) APITAL ADD: Reserves that have not been deducted in computing income for the rear under Part I		1.00 133,434 474,521	1.00	1.0 133,4 474,5
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL NDD: Reserves that have not been deducted in computing income for the rear under Part I Capital stock	+	1.00 133,434 474,521 22,437,505	1.00	1.0 133,4 174,5 22,437,5
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL NDD: Reserves that have not been deducted in computing income for the rear under Part I Capital stock Retained earnings	+ +	1.00 133,434 474,521	1.00	1.0 133,4 174,5 22,437,5
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax ARGE CORPORATION TAX From Federal Schedule 33) APITAL ADD: Reserves that have not been deducted in computing income for the rear under Part I Apital stock Retained earnings Contributed surplus	+	1.00 133,434 474,521 22,437,505	1.00	1.0 133,4 174,5 22,437,5
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax ARGE CORPORATION TAX From Federal Schedule 33) APITAL ADD: Reserves that have not been deducted in computing income for the rear under Part I Apital stock Retained earnings Contributed surplus	+ +	1.00 133,434 474,521 22,437,505	1.00	1.0 133,4 174,5 22,437,5
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL NDD: Reserves that have not been deducted in computing income for the rear under Part I Capital stock Retained earnings Contributed surplus Any other surpluses	+ + + + +	1.00 133,434 474,521 22,437,505	1.00	1.0 133,4 174,5 22,437,5
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL NDD: Reserves that have not been deducted in computing income for the ear under Part I Capital stock Retained earnings Contributed surplus Any other surpluses Deferred unrealized foreign exchange gains	+ + + + + + + +	1.00 133,434 474,521 22,437,505	1.00	1.0 133,4 174,5 22,437,5 1,490,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) SAPITAL NDD: Reserves that have not been deducted in computing income for the rear under Part I Capital stock Retained earnings Contributed surplus Any other surpluses Deferred unrealized foreign exchange gains Ill Ill loans and advances to the corporation Ill indebtedness- bonds, debentures, notes, mortgages, bankers	+ + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962	1.00	1.0 133,4 174,5 22,437,5 1,490,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL LDD: Capital stock Reserves that have not been deducted in computing income for the ear under Part I Capital stock Retained earnings Contributed surplus Long to the surpluses Deferred unrealized foreign exchange gains Ill loans and advances to the corporation Ill indebtedness- bonds, debentures, notes, mortgages, bankers inceptances, or similar obligations	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962	1.00	1.0 133,4 133,4 474,5 22,437,5 1,490,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL LDD: Reserves that have not been deducted in computing income for the ear under Part I Capital stock Retained earnings Contributed surplus Large Volume Schedule Sc	+ + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990	1.00	1.0 133,4 133,4 474,5 22,437,5 1,490,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL LDD: Reserves that have not been deducted in computing income for the ear under Part I Capital stock Retained earnings Contributed surplus Large Volume Schedule Sc	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962	1.00	1.0 133,4 474,5 22,437,5 1,490,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL NDD: Reserves that have not been deducted in computing income for the rear under Part I Capital stock Retained earnings Contributed surplus Nny other surpluses Deferred unrealized foreign exchange gains All loans and advances to the corporation Ill indebtedness- bonds, debentures, notes, mortgages, bankers incompanies or similar obligations Nny dividends declared but not paid	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990	1.00	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the rear under Part I Capital stock Retained earnings Contributed surplus Any other surplusess All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days Subtotal	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the rear 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 Subtotal DEDUCT:	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the rear 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 Subtotal DEDUCT: Deferred tax debit balance	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the rear 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 Subtotal DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the rear 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 Subtotal DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL LADD: Reserves that have not been deducted in computing income for the rear 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 Subtotal DEDUCT: Deferred tax debit balance Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the vear 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 Subtotal DEDUCT: Deferred tax debit balance Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) CAPITAL ADD: Reserves that have not been deducted in computing income for the rear under Part I Capital stock Retained earnings Contributed surplus Any other surplusess All loans and advances to the corporation All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days Subtotal DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above Deferred unrealized foreign exchange losses	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025 52,792,003	0	1.0
Ontario Capital Tax (Must agree with CT23 return) Section E: Detailed calculation of Large Corporation Tax LARGE CORPORATION TAX From Federal Schedule 33) APITAL ADD: Reserves that have not been deducted in computing income for the ear under Part I Apital 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 Coceptances, or similar obligations Any dividends declared but not paid All other indebtedness outstanding for more than 365 days Subtotal DEDUCT: Deferred tax debit balance Any deficit deducted in computing shareholders' equity Any patronage dividends 135(1) deducted in computing income Independent of the Computing income Independent	+ + + + + + + + + + + + + + + + + + + +	1.00 133,434 474,521 22,437,505 1,490,962 26,211,990 2,177,025	0	1.0 133,4 474,5 22,437,5 1,490,9 26,211,9

SECTION 93 PILs TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8	LINE	M of F Corporate Tax Return	Non-Wires & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return 2004 REVISED
INVESTMENT ALLOWANCE				
Shares in another corporation Loan or advance to another corporation Bond, debenture, note, mortgage, or similar obligation of another corporation	+ + + + + +			0 0 0
Long term debt of financial institution Dividend receivable from another corporation	+ +			0
Debts of corporate partnerships that were not exempt from tax under Part I.3 Interest in a partnership	+			0
Investment Allowance		0	0	0
investment Anomanoe	- L		٥	<u> </u>
TAXABLE CAPITAL				
Capital for the year	=	52,792,003	0	52,792,003
Deduct: Investment allowance	- [0	0	0
Taxable Capital for taxation year	=	52,792,003	0	52,792,003
Deduct: Capital Deduction - maximum of \$50,000,000 (Input in tab 'Tax Rates')	-	48,227,844	0	48,227,844
Taxable Capital	= [4,564,159	0	4,564,159
Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.20000%	0.20000%	0.20000%
Days in year Divide days by 366	E	366 1.0000	366 1.0000	366 1.0000
Gross Part I.3 Tax LCT (Must agree with tax return)	= [9,128	0	9,128
Federal Surtax Rate		0.0000%	0.0000%	0.0000%
Less: Federal Surtax = Actual Surtax from tax return	- [0
Net Part I.3 Tax - LCT Payable (Must agree with tax return) (If surtax is greater than Gross LCT, then zero)	=	9,128	0	9,128
Section F: Income and Capital Taxes				
RECAP FROM ABOVE:	_			
Total Income Taxes	+	122 424	0	122 424
Ontario Capital Tax Federal Large Corporations Tax	++	133,434 9,128	0	133,434 9,128
Total income and capital taxes	=	142,562	0	142,562

 $^{^{\}star}$ Issue #4 requires the exclusion of regulatory assets in the PILs calculations, BPI used column D to eliminate these

SECTION 93 PILs TAX GROSS-UP "SIMPIL" **Tax and Accounting Reserves**

For MoF Column of TAXCALC

(for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8

M of F Corporate Tax Return

Non-wires Eliminations

Wires-only Tax Return

2004 REVISED

Utility Name: Brantford Power Inc.

Reporting period: 2004

TAX RESERVES

		1
Beginning of Year:		
		0
Reserve for doubtful accounts ss. 20(1)(l)		0
Reserve for goods & services ss.20(1)(m)		0
Reserve for unpaid amounts ss.20(1)(n)		0
Debt and share issue expenses ss.20(1)(e)		0
Other		0
Other		0
		0
		0
Total (carry forward to the TAXREC worksheet)	0	0
	•	•
End of Year:		
		0
Reserve for doubtful accounts ss. 20(1)(I)		0
Reserve for goods & services ss.20(1)(m)		0
Reserve for unpaid amounts ss.20(1)(n)		0
Debt and share issue expenses ss.20(1)(e)		0
Other		0
Other		0
		0
		0
Insert line above this line	-	
Total (carry forward to the TAXREC worksheet)	0	0

LINE

FINANCIAL STATEMENT RESERVES

T		1	
Beginning of Year:			
			0
			0
Environmental			0
Allowance for doubtful accounts			0
Inventory obsolescence			0
Property taxes			0
Other			0
Other			0
			0
Total (carry forward to the TAXREC worksheet)	0	0	0
End of Year:			
			0
			0
Environmental			0
Allowance for doubtful accounts			0
Inventory obsolescence			0
Property taxes			0
Other			0
Other			0
			0
Insert line above this line			
Total (carry forward to the TAXREC worksheet)	0	0	0

SECTION 93 PILS TAX GROSS-UP "SIMPIL" TAX RETURN RECONCILIATION (TAXREC 2) (for "wires-only" business - see s. 72 OEB Act)

(for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8

M of F Corporate Tax Return

LINE

Non-wires Eliminations Wires-only Tax Return

2004 REVISED

0

Utility Name: Brantford Power Inc. Reporting period: 2004 Number of days in taxation year: 366 **Materiality Level:** Section C: Reconciliation of accounting income to taxable income Add: Recapture of capital cost allowance Gain on sale of eligible capital property Income or loss for tax purposes- joint ventures or partnerships Loss in equity of subsidiaries and affiliates Loss on disposal of assets Charitable donations Taxable capital gains Depreciation in inventory -end of year Scientific research expenditures deducted per financial statements Capitalized interest Non-deductible club dues and fees Non-deductible automobile expenses Non-deductible life insurance premiums Soft costs on construction and renovation of buildings Non-deductible meals and entertainment Book loss on joint ventures or partnerships Capital items expensed Debt issue expense Deemed dividend income Dividends credited to investment account Financing fees deducted in books Gain on settlement of debt Interest paid on income debentures Recapture of SR&ED expenditures Share issue expense Write down of capital property Amounts received in respect of qualifying environment trust Other Additions: (please explain in detail the nature of the item) Debt financing expenses Non-deductible meals & entertainment expenses Provision for bad debts **Total Additions** 0 Recap of Material Additions: 0 О 0 (for "wires-only" business - see s. 72 OEB Act) Tax Return RRR # 2.1.8 Return 2004 REVISED Total Material additions Other additions less than materiality level **Total Additions** Deduct: Gain on disposal of assets per f/s Dividends not taxable under section 83 Terminal loss from Schedule 8 Depreciation in inventory, end of prior year Scientific research expenses claimed in year from Form T661 Bad debts Book income of joint venture or partnership Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust Other income from financial statements Other deductions: (Please explain in detail the nature of the item) Imputed interest on Reg Assets **Total Deductions** Recap of Material Deductions: Total Deductions exceed materiality level Other deductions less than materiality level

LINE

M of F

Corporate

Non-wires

Eliminations

Wires-only

Tax

Total Deductions

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

TAX RETURN RECONCILIATION (TAXREC 2)

PILs TAXES

TAX RETURN RECONCILIATION (TAXREC 3)

Shareholder-only Items should be shown on TAXREC 3 ITEMS ON WHICH TRUE-UP DOES NOT APPLY

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

Utility Name: Brantford Power Inc.

LINE M of F
Corporate
Tax

Return

0

Non-wires Eliminations Wires-only Tax Return

Version 2009.1

Reporting period: 2001

Number of days in taxation year:

365

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

Recapture of capital cost allowance	+		0
CCA adjustments	+		0
CEC adjustments	+		0
Gain on sale of non-utility eligible capital property	+		0
Gain on sale of utility eligible capital property	+		0
Loss from joint ventures or partnerships	+		0
Deemed dividend income	+		0
Loss in equity of subsidiaries and affiliates	+		0
Loss on disposal of utility assets	+		0
Loss on disposal of non-utility assets	+		0
Depreciation in inventory -end of year	+		0
Depreciation and amortization adjustments	+		0
Dividends credited to investment account	+		0
Non-deductible meals	+	3,340	3,340
Non-deductible club dues	+		0
Non-deductible automobile costs	+		0
Donations - amount per books			0
Interest and penalties on unpaid taxes			0
Management bonuses unpaid after 180 days of year end			0
Imputed interest expense on Regulatory Assets			0
	+		 0
Ontario capital tax adjustments	+		0

Changes in Regulatory Asset balances	+	8,887,185		8,887,185
	+			0
Other Additions: (please explain in detail the nature of the item)	+			0
Income from joint ventures or partnerships	+	4,870		4,870
	+	,		
	+			
Total Additions on which true-up does not apply	=	8,895,395	0	8,895,395
Total Additions on which true-up does not apply	_	0,090,090	U	0,090,090
De less				
Deduct:				
CCA adjustments	-			0
CEC adjustments	-	78,135		78,135
Depreciation and amortization adjustments	-			0
Gain on disposal of assets per financial statements	-	58,694		58,694
Financing fee amorization - considered to be interest expense for PILs	-			0
Imputed interest income on Regulatory Assets	_			0
Donations - amount deductible for tax purposes	_			0
Income from joint ventures or partnerships	_			0
income nom joint ventures of partnerships	_			0
	-			0
	-			0
	-			0
	-			0
	-			0
Ontario capital tax adjustments to current or prior year	-			0
	-			0
Changes in Regulatory Asset balances	-	8,320,493		8,320,493
5 5 7	_			0
Other deductions: (Please explain in detail the nature of the item)	_			0
outer deductions. It loaded explain in detail the nature of the item)	_			0
	-			0
	-			0
	-			0
	-			0
Total Deductions on which true-up does not apply	=	8,457,322	0	8,457,322

Corporate Tax Rates Exemptions, Deductions, or Thresholds

Utility Name: Brantford Power Inc. Reporting period: 2004

2004 REVISED RRR # 2.1.8

Table 1

					Table I
Rates Used in 2002 RAM PI	Ls Applicat	tions			
Income Range RAM 2002		0 to		200,001 to	>700,000
	Year	200,000		700,000	
Income Tax Rate					
Proxy Tax Year	2002				
Federal (Includes surtax)		0.00%			
and Ontario blended		19.12%		34.12%	38.62%
Blended rate		19.12%	0.00%	34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax	MAX				
Exemption **	\$5MM				
Federal Large	MAX				
Corporations Tax Exemption **	\$10MM				

^{**}Exemption amounts must agree with the Board-approved 2002 RAM PILs filing

Table 2

Expected Rates and Exemp	otions for 20				
Income Range		0	250,001	400,001	
Expected Rates 2004		to	to	to	>1,128,000
	Year	250,000	400,000	1,128,000	
Income Tax Rate					
Current year	2004				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption ***	MAX \$5MM	5,000,000			
Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000			

^{***}Allocation of exemptions must comply with the Board's instructions regarding regulated activities.

Table 3

					rable 3
Input Information from Utili	ty's Actual	2004 Tax Ret	urns		
Income Range	Year	0 to	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
I T D.(-	rear	250,000	400,000	1,120,000	
Income Tax Rate					
Current year	2004				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax					
Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000			
Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000			

^{*} Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

SIMPIL RRR FILING REGULATORY INFORMATION (REGINFO) Utility Name: Brantford Power Inc.			Colour Code	Version 2005.1 RRR # 2.1.8
Reporting period: 2005			Input Cell Formula in Cell	
Days in reporting period: Total days in the calendar year:	365 365	days days		
BACKGROUND				
Has the utility reviewed section 149(1) ITA to				
confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?		Y/N	Υ	1
Was the utility recently acquired by Hydro One				_
and now subject to s.89 & 90 PILs?		Y/N	N	
Is the utility a non-profit corporation? (If it is a non-profit corporation, please contact the Rates Manager at the OEB)		Y/N	N	l
Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
shared among the corporate group? Please identify the % used to allocate the OCT and LCT exemptions in	LCT OCT	Y/N	N	
Cells C68 & C77 in the TAXCALC spreadsheet.	LCT			
Accounting Year End		Date	12-31-2005	
MARR NO TAX CALCULATIONS				Regulatory
SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS)				Income
USE BOARD-APPROVED AMOUNTS	_			
Rate Base (wires-only)			46,980,726	
Common Equity Ratio (CER)			50.00%	
1-CER			50.00%	
Target Return On Equity			9.88%	
Debt rate			7.25%	
Market Adjusted Revenue Requirement			4,023,899	
1999 return from RUD Sheet #7			0	0
Total Incremental revenue Input: Board-approved dollar amounts phased-in			4,023,899	
Amount allowed in Year 1 - 2001			1,341,300	
Amount allowed in Year 2 - 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210;			1,341,300	1,341,300
unless authorized by the Minister and the Board)				0
Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM pl Other adjustments approved by the Board	lan)		1,341,300 143,900	
			,,,,,	0
Total Regulatory Income				4,167,799
Equity			23,490,363]
Return at target ROE			2,320,848]
Debt			23,490,363]
Deemed interest amount in 100% of MARR			1,703,051]
Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D62			567,684]
(D43+D47+D48)/D41)*D62 (Due to Bill 210)			1,135,368]
Phase-in of interest - Year 3 (2005) and forward			1,703,051]

\$ 4,167,799 2,600,455 2,286,863 1,703,051				Variance K-C \$ 47,440 -102,755 0 0 821,850 0 0 4,406 0 0 473,974 0 0 474,521 0 0 -265,000 0 0 0	Variance Explanation	Column Brought From TAXREC
2,286,863 2,286,863 2,286,000				\$ 47,440 -102,755 0 0 821,850 0 4,406 0 0 473,974 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Explanation	Version 2005.1 \$ Column Brought From TAXREC 4,215,239 2,497,700 0 0 821,850 0 0 4,406 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2,286,863 2,286,863 2,286,000				47,440 -102,755 0 0 821,850 0 0 4,406 0 0 80,153 0 0 473,974 474,521 0 0 0		\$ Column Brought From TAXREC 4,215,239 2,497,700 0 0 821,850 0 0 4,406 0 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2,600,455 2,600,455 2,286,863 1,703,051				47,440 -102,755 0 0 821,850 0 0 4,406 0 0 80,153 0 0 473,974 474,521 0 0 0		870 Brought From TAXREC 4,215,239 4,215,239 2,497,700 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2,600,455 2,600,455 2,286,863 1,703,051				-102,755 0 0 821,850 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		870 Brought From TAXREC 4,215,239 4,215,239 2,497,700 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2,600,455 2,600,455 2,286,863 1,703,051				-102,755 0 0 821,850 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		## From TAXREC 4,215,239 2,497,700 0 821,850 0 4,406 0 0 2,367,016 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0
2,286,863 1,703,051				-102,755 0 0 821,850 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		4,215,239 2,497,700 0 0 821,850 0 0 4,406 0 0 0 2,367,016 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2,600,455 2,600,455 2,286,863 1,703,051				-102,755 0 0 821,850 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		2,497,700 0 0 0 821,850 0 0 4,406 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0
2,600,455 2,600,455 2,286,863 1,703,051				-102,755 0 0 821,850 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		2,497,700 0 0 0 821,850 0 0 4,406 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0
2,286,863				821,850 0 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		0 0 0 0 0 0 0 0 4,406 0 0 0 0 0 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2,286,863				821,850 0 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		0 0 0 0 0 0 0 0 4,406 0 0 0 0 0 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
2,286,863				821,850 0 0 0 4,406 0 0 80,153 0 0 0 473,974 0 474,521 0 0		0 0 0 0 0 0 0 0 4,406 0 0 0 0 0 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
1,703,051				821,850 0 0 0 4,406 0 0 80,153 0 0 0 473,974 474,521 0 0		0 0 4,406 0 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0
1,703,051				0 0 4,406 0 0 0 80,153 0 0 0 473,974 0 474,521 0 0		0 0 4,406 0 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0
1,703,051				0 0 4,406 0 0 0 80,153 0 0 0 473,974 0 474,521 0 0		0 0 4,406 0 0 0 2,367,016 0 0 0 2,177,025 0 474,521 0 0 0
1,703,051				0 4,406 0 0 0 80,153 0 0 0 0 473,974 0 474,521 0		2,367,016 0 0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				0 4,406 0 0 0 80,153 0 0 0 0 473,974 0 474,521 0		2,367,016 0 0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				4,406 0 0 0 80,153 0 0 0 473,974 0 474,521 0 0		2,367,016 0 0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				4,406 0 0 0 80,153 0 0 0 473,974 0 474,521 0 0		2,367,016 0 0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				80,153 0 0 0 0 473,974 0 474,521 0 0		2,367,016 0 0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				0 0 0 473,974 0 474,521 0 0		0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				0 0 0 473,974 0 474,521 0 0		0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				0 0 0 473,974 0 474,521 0 0		0 0 0 0 2,177,025 0 474,521 0 0 0 0
1,703,051				0 0 0 473,974 0 474,521 0 0		0 0 0 0 2,177,025 0 474,521 0 0 0 0
265,000				0 0 473,974 0 474,521 0 0		2,177,025 0 2,177,025 0 474,521 0 0 0 0
265,000				0 0 473,974 0 474,521 0 0		0 0 2,177,025 0 474,521 0 0 0 0
265,000				473,974 0 474,521 0 0		2,177,025 0 474,521 0 0 0 0 0 0 0
265,000				0 474,521 0 0		0 474,521 0 0 0 0
				0 0		0 0 0 0 0
				0 0		0 0 0 0 0
				0		0 0 0 0 0 0
				0		0 0 0
						0 0 0
				-265,000 0		0
				0		
				0		
		j j				
		1 1		0		0
				0		0
2,513,340				7,293	Before loss C/F	2,520,633
36.12%	_			0.0000%	Formula	36.12%
907,818				-224,379	Actual	683,439
				0	Actual	0
907,818	+			-224,379	Actual	683,439
46,980,726				8,890,957		55,871,683
6,195,000				1,004,055		7,199,055
40,785,726	\bot			9,895,012		48,672,628
0.3000%	$\pm \pm$			0.3000%		0.3000%
122,357				23,661		146,018
				13,472,091		60,452,817
46,980,726				6,799,683 20,271,774		48,099,683 12,353,134
46,980,726 41,300,000 5,680,726		1 -		0.0000%		0.1750%
41,300,000				11 677		21,618
41,300,000 5,680,726 0.1750%						21,618
41,300,000 5,680,726 0.1750%				-6,531		·
	46,980,726	46,980,726 41,300,000	46,980,726 41,300,000 5,680,726	46,980,726 41,300,000 5,680,726 0.1750%	46,980,726	46,980,726

SIMPIL RRR FILING DEFERRAL/VARIANCE ACCOUNTS	ITEM	Initial Estimate			M of F Filing	M of F Filing	M of F Filing
TAX CALCULATIONS (TAXCALC)					Variance	Variance	
"Wires-only" business - see Tab TAXREC)					K-C	Explanation	(June)
RRR # 2.1.8		¢			\$		Version 2005.1
II) INCLUSION IN RATES		\$	į į	[*		\$
ncome Tax Rate used for gross- up		36.12%					
Income Tax (proxy tax is grossed-up)	22	1,421,131				Actual 2005	683,439
LCT (proxy tax is grossed-up)	23	1,421,131				Actual 2005	000,400
Ontario Capital Tax (no gross-up since it is deductible)	24	122,357				Actual 2005	146,018
ornano Sapital Tax (no gross up sinos it is deductible)		122,001				Actual 2000	140,010
Total PILs for Rate Adjustment MUST AGREE WITH 2005 RAM DECISION	25	1,543,488				Actual 2005	829,457
IV) FUTURE TRUE-UPS							
IV a) Calculation of the True-up Variance					DR/(CR)		
In Additions:							
Employee Benefit Plans - Accrued, Not Paid	3				0		
Tax reserves deducted in prior year	4	[0		
Reserves from financial statements-end of year	4	[821,850		
Regulatory Adjustments	5	[0		
Other additions "Material" Items TAXREC	6	[0		
Other additions "Material" Items TAXREC 2	6				0		
In Deductions - positive numbers	1	[
Employee Benefit Plans - Paid Amounts	8				0		
tems Capitalized for Regulatory Purposes	9	[0		
Regulatory Adjustments	10				0		
	11				473,974		
Interest Adjustment for tax purposes (See Below - cell I207)	4				413,914		
Tax reserves claimed in current year	4	[474,521		
Reserves from F/S beginning of year							
Contributions to deferred income plans	3				0		
Contributions to pension plans	3	[0		
Other deductions "Material" Items TAXREC	12				0		
Other deductions "Material" Item TAXREC 2	12	[0		
Total TRUE LIPS hafara tay affect	20				100.015		
Total TRUE-UPS before tax effect	26			=	-126,645		
Income Tay Rate from 2005 Utility's tay return					36.12%		
Income Tax Rate from 2005 Utility's tax return				х	30.12%		
Income Tax Effect on True-up adjustments	Ī			=	-45,744		
				_			
Less: Miscellaneous Tax Credits	14				0		
Total Income Tax on True-ups					-45,744		
income Tax Rate used for gross-up					35.00%		
TRUE-UP VARIANCE ADJUSTMENT					(70,375)		
IV b) Calculation of the Deferral Account Variance caused by					, , ,		
changes in legislation							
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
estimate column)					2,513,340		
DELVICED CORROBATE INCOME TO THE							
REVISED CORPORATE INCOME TAX RATE					36.12%		
REVISED REGULATORY INCOME TAX					907,818		
Less: Revised Miscellaneous Tax Credits					0		
Total Revised Regulatory Income Tax				:	907,818		
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell							
C61)					907,818		
Regulatory Income Tax Variance				:	= 0		
Ontario Capital Tax	Ī						
<u>Ontario Capitai Tax</u> Base					46,980,726		
					7,500,000		
Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital					= 39,480,726		
псивси исстви тахары сартаг					39,400,720		
Rate - Tab Tax Rates cell C54					0.3000%		
Revised Ontario Capital Tax					118,442		
Less: Ontario Capital Tax reported in the initial estimate column (Cell							
C73)	1	i			122,357		
Regulatory Ontario Capital Tax Variance					(3,915)		

					 _				_
SIMPIL RRR FILING	ITEM	Initial				M of F	M of F	M of F	
DEFERRAL/VARIANCE ACCOUNTS		Estimate		1	1	Filing	Filing	Filing	
TAX CALCULATIONS (TAXCALC)						Variance	Variance		
("Wires-only" business - see Tab TAXREC)						K-C	Explanation	(June)	
RRR # 2.1.8								Version 2005.1	
		\$				\$		\$	
Federal LCT									
Base						46,980,726			
Less: Exemption from tab Tax Rates, Table 2, cell C40					-	50,000,000			
Revised Federal LCT					=	(3,019,274)			
Rate (as a result of legislative changes) tab 'Tax Rates' cell C55						0.1750%			
Gross Amount						0			
Less: Federal surtax					-	0			
Revised Net LCT					=	0			
Less: Federal LCT reported in the initial estimate column (Cell C85)					-	0		1	
Regulatory Federal LCT Variance					=	0		1	
Actual Income Tax Rate used for gross-up						35.00%			
Income Tax (grossed-up)					+	0			
LCT (grossed-up)					+	0			
Ontario Capital Tax					+	(3,915)			
						(, ,			
DEFERRAL ACCOUNT VARIANCE ADJUSTMENT					=	(3,915)			
TRUE-UP VARIANCE (from cell I133)					+	(70,375)			
,						,			
Total Deferral Account Entry (Positive Entry = Debit)					=	(74,290)			
(Deferral Account Variance + True-up Variance)						(1.1,=00)			
(2010) tally locality variation is that up variation									
V) INTEREST PORTION OF TRUE-UP									
Variance Caused By Phase-in of Deemed Debt									
Turiding duality i riado in or boomed book									
Total deemed interest (REGINFO)						1,703,051			
Interest phased-in (Cell C38)						1,703,051			
interest phased in (Sen Coo)						1,700,001			
Variance due to phase-in of debt component of MARR in rates						0			
according to the Board's decision						0		1	
according to the board's decision									
Other Interest Variances (i.e. Borrowing Levels								1	
Above Deemed Debt per Rate Handbook)								1	
						2,177,025		1	
Interest deducted on MoF filing (Cell K38+K43) Total deemed interest (REGINFO CELL D62)						1,703,051		1	
Total deemed littelest (INEGINI O CELL DOZ)						1,703,051			
Variance caused by excess debt						473,974			
variance caused by excess debt						413,914		1	
Interest Adjustment for Tax Purposes (carry forward to Cell I113)						473,974			
interest Aujustinent for rax rulposes (carry forward to Cell 1113)						413,914			
Total Interest Variance						-473,974			
TOTAL INTEREST VARIANCE		l	1			-413,914			

M of F Corporate Tax Return

LINE

Non-Wires & Reg Asset Eliminations (Issue #4) * Wires-only Tax Return

Version 2005.1

Section A: Identification:			
Utility Name: Brantford Power Inc.			
Reporting period: 2005			
Taxation Year's start date:		Jan 1/	05
Taxation Year's end date:		Dec 31/	05
Number of days in taxation year:		365	days
Please enter the Materiality Level :		58,726	< - enter materiality level
(0.25% x Rate Base x CER)	Y/N		Y
(0.25% x Net Assets)	Y/N		N
Or other measure (please provide the basis of the amount)	Y/N		N
Does the utility carry on non-wires related operation?	Y/N		Y
(Please complete the questionnaire in the Background question	ınaire w	orksheet.)	

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

Section B: Financial statement data:

Input unconsolidated financial statement data submitted with Tax returns.

The actual categories of the income statements should be used.

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

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

Energy Sales	+	91,924,315	91,924,315
Distribution Revenue	+		0
Other Income	+	868,279	868,279
Miscellaneous income	+		0
	+		0

Revenue should be entered above this line

Costs and Expenses:

Cost of energy purchased	-
Direct OM&A	-
Indirect OM&A	-
Contract services	-
Amortization (links to C61 below)	-
Ontario Capital Tax	
CDM Expenses for 2005	
Property costs	-
Other expenses	-
Communications costs	-
Recovery of regulatory assets	
Allocated to capital	
·	-

78,083,275	78,083,275
5,491,889	5,491,889
2,227,993	2,227,993
	0
2,497,700	2,497,700
	0
	0
	0
276,498	276,498
	0
	0
	0
	0

Net Income Before Interest & Income Taxes EBIT
Less: Interest expense for accounting purposes
Provision for payments in lieu of income taxes

Net income (loss)
(The Net Income (loss) in the MoF column should equal to the net income
(loss) per financial statements on Schedule 1 of the tax return.)

4,215,239	0	4,215,239
2,177,025		2,177,025
650,513		650,513
1,387,701	0	1,387,701

Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1

BOOK TO TAX ADDITIONS:

Provision for income tax
Federal large corporations tax
Depreciation & Amortization
Employee benefit plans-accrued, not paid
Tax reserves - beginning of year
Reserves from financial statements- end of year
Regulatory adjustments
Regulatory Assets changes
Material addition items from TAXREC 2
Other addition items (not Material) from TAXREC 2

Subtotal

+	650,513	0	650,513
+			0
+	2,497,700	0	2,497,700
+		0	0
+	0	0	0
+	821,850	0	821,850
+	10,074,133	10,074,133	0
+			0
+	0	0	0
+	0	0	0
	14,044,196	10,074,133	3,970,063

Other Additions: (Please explain the nature of the additions) Recapture of CCA

Recapture of CCA		+		0	

SIMPIL RRR FILING	LINE	M of F	Non-Wires	Wires-only
TAX RETURN RECONCILIATION (TAXREC)		Corporate	& Reg Asset	Tax
(for "wires-only" business - see s. 72 OEB Act)		Tax	Eliminations	Return
RRR # 2.1.8		Return	(Issue #4) *	
		•		Version 2005.1
Non-deductible meals and entertainment expense	+	5,748		5,748
Capital items expensed	+			0
Charitable donations	+			0
Capital tax accrued in income statement	+			0
Book loss of joint venture	+	-1,342		-1,342
	+			0
Total Other Additions	=	4,406	0	4,406
	,			
Total Additions	=	14,048,602	10,074,133	3,974,469
<u></u>	_			
Recap Material Additions:				
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
T + 10 th 1 th 1		0	0	0
Total Other additions >materiality level		0	0	0
Other deductions (less than materiality level)		4,406	0	4,406
Total Other Additions		4,406	0	4,406

RRR # 2.1.8

M of F Corporate Tax Return

LINE

Non-Wires & Reg Asset Eliminations (Issue #4) * Wires-only Tax Return

Version 2005.1

				Version 2005.1
BOOK TO TAX DEDUCTIONS:				
Capital cost allowance	-	2,294,351		2,294,351
Cumulative eligible capital deduction	-	72,665		72,665
Employee benefit plans-paid amounts	-			0
Items capitalized for regulatory purposes	-			0
Regulatory adjustments :	-			0
CCA	-			0
other deductions	-			0
Regulatory Assets changes		9,893,847	9,893,847	0
Tax reserves - end of year	-	0	0	0
Reserves from financial statements- beginning of year	-	474,521	0	474,521
Contributions to deferred income plans	-			0
Contributions to pension plans	-			0
Interest capitalized for accounting deducted for tax	-			0
Material deduction items from TAXREC 2	-	0	0	0
Other deduction items (not Material) from TAXREC 2	-	0	0	0
Outstand	1	40.705.004	0.000.047	0.044.507
Subtotal Other deductions (Please explain the nature of the deductions)	=	12,735,384	9,893,847	2,841,537
Other deductions (Please explain the nature of the deductions)	ĺ			0
Charitable donations - tax basis	-			0
Gain on disposal of assets	-			0
Capital tax per CT23	-			0
Capital tax per C123				0
Total Other Deductions	_	0	0	0
Total Other Deductions	_	U	O _I	0
Total Deductions	=	12,735,384	9,893,847	2,841,537
D. Maria D. L. C.	1			
Recap Material Deductions:			0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Other Deductions exceed materiality level		0	0	0
Other Deductions less than materiality level		0	0	0
Total Other Deductions		0	0	0
Total Other Deductions		U	U _I	U
TAXABLE INCOME	=	2,700,919	180,286	2,520,633
DEDUCT:	_	2,100,010	100,200	2,020,000
Non-capital loss applied positive number	_	399,534	180,286	219,248
Net capital loss applied positive number	_	000,001	.00,200	0
Charitable donations				0
NET TAXABLE INCOME	=	2,301,385	0	2,301,385
		, ,		, ,
FROM ACTUAL TAX RETURNS				
Net Federal Income Tax (Must agree with tax return)	+	509,065		509,065
Net Ontario Income Tax (Must agree with tax return)	+	174,374		174,374
Subtotal	=	683,439	0	683,439
Less: Miscellaneous tax credits (Must agree with tax returns)	-			0
Total Income Tax	=	683,439	0	683,439
ADDITIONAL E TAY DATES EDOM ACTUAL TAY DETURNS				
APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS Net Federal Income Tax Rate (Must agree with tax status)	I	22.12%	Г	22.12%
(,			-	
Net Ontario Income Tax Rate (Must agree with tax status) Blended Income Tax Rate		14.00%	-	14.00%
Dienueu IIICUITIE TAX Kale		36.12%	L	36.12%
Section D: Detailed calculation of Ontario Capital Tax				

ONTARIO CAPITAL TAX (From Ontario CT23) PAID-UP CAPITAL

Paid-up capital stock	+	22,437,505	22,437,505
Retained earnings (if deficit, deduct)	+/-	4,294,113	4,294,113
Capital and other surplus excluding	+		0
appraisal surplus	+		0
Loans and advances	+	27,799,349	27,799,349
Bank loans	+	5,100,000	5,100,000
Bankers acceptances	+		0
Bonds and debentures payable	+		0
Mortgages payable	+		0
Lien notes payable	+		0
		·	

SIMPIL RRR FILING TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8	LINE	M of F Corporate Tax Return	Non-Wires & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return Version 2005.1
Deferred credits	+			0
Contingent, investment, inventory and similar reserves	+			0
Other reserves not allowed as deductions	+	821,850		821,850
Share of partnership(s), joint venture(s) paid-up capital	+			0
Sub-total	=	60,452,817	0	60,452,817
Subtract:	•			
Amounts deducted for income tax purposes in excess of amounts	-			
booked		4,581,134		4,581,134
Deductible R&D expenditures and ONTTI costs deferred for	-			
income tax				0
Total (Net) Paid-up Capital	=	55,871,683	0	55,871,683

RRR # 2.1.8

M of F Corporate Tax Return

LINE

Non-Wires & Reg Asset Eliminations (Issue #4) * Wires-only Tax Return

Version 2005.1

				Version 2005.1
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
Č				
TOTAL ASSETS				
Total assets per balance sheet	+	77,437,212		77,437,212
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	=	77,437,212	0	77,437,212
Total assets as adjusted		77,107,212	<u> </u>	77,107,212
Add: (if deducted from assets)				
Contingent, investment, inventory and similar reserves	+			0
Other reserves not allowed as deductions Subtract:	+			0
Amounts deducted for income tax purposes in excess of amounts				U
booked	-	4,581,134		4,581,134
Deductible R&D expenditures and ONTTI costs deferred	-	1,001,101		0
for income tax				
Subtract: Appraisal surplus if booked	-			0
Add or subtract: Other adjustments	+/-			0
Total Assets	_	72,856,078	0	72,856,078
Total Addition		12,000,010	<u>~</u> լ	72,000,070
Investment Allowance		0	0	0
investment Allowance		0	0	0
Taxable Capital				
Net paid-up capital	+	55,871,683	0	55,871,683
Subtract: Investment Allowance	-	0	0	0
Taxable Capital	=	55,871,683	0	55,871,683
. anable capital		00,0,000	<u> </u>	00,0,000
Capital Tax Calculation				
Deduction from taxable capital up to maximum of \$7,5000,000 (Input in tab Tax Rates)		7,199,055	0	7,199,055
Net Taxable Capital		48,672,628	0	48,672,628
Parts		0.00000/	0.00000/	0.00000/
Rate		0.3000%	0.3000%	0.3000%
Days in taxation year		365	365	365
Divide days by 365		1.00	1.00	1.00
Ontario Capital Tax (as calculated)		146,018	0	146,018
· · · · · · · · · · · · · · · · · · ·		,	<u> </u>	,

Section E: Detailed calculation of Large Corporations Tax

(Must agree with CT23 return)

LARGE CORPORATIONS TAX

Ontario Capital Tax

(From Federal Schedule 33)

CAPITAL

ADD:

Reserves that have not been deducted in	computing income for the
year under Part I	
Capital stock	

Retained earnings Contributed surplus Any other surpluses

Deferred unrealized foreign exchange gains All loans and advances to the corporation

+	821,850	821,850
+	22,437,505	22,437,505
+	4,294,113	4,294,113
+		0
+		0
+		0
+	25,622,324	25,622,324

0

146,018

146,018

SIMPIL RRR FILING TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8	LINE	M of F Corporate Tax Return	Non-Wires & Reg Asset Eliminations (Issue #4) *	Wires-only Tax Return Version 2005.1
All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	5,100,000		5,100,000
Any dividends declared but not paid	+	-,,		0
All other indebtedness outstanding for more than 365 days	+	2,177,025		2,177,025
Subtotal	=	60,452,817	0	60,452,817

TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8	Corporate Tax Return	& Reg Asset Eliminations (Issue #4) *	Tax Return
			Version 2005.1
DEDUCT:			
Deferred tax debit balance	-		0
Any deficit deducted in computing shareholders' equity	-		0
Any patronage dividends 135(1) deducted in computing income	-		0
under Part I included in amounts above Deferred unrealized foreign exchange losses			0
ů ů			
Subtotal	= 0	0	0
Capital for the year	60,452,817	0	60,452,817
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
TAXABLE CAPITAL			
Capital for the year	= 60,452,817	0	60,452,817
Deduct: Investment allowance	- 0	0	0
Taxable Capital for taxation year	= 60,452,817	0	60,452,817
Deduct: Capital Deduction - maximum of \$50,000,000 (Input in tab Tax Rates)	48,099,683	0	48,099,683
Taxable Capital	= 12,353,134	0	12,353,134
Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005	0.17500%	0.17500%	0.17500%
Days in year	365	365	365
Divide days by 365	1.0000	1.0000	1.0000
Gross Part I.3 Tax LCT (Must agree with tax return)	= 21,618	0	21,618
Federal Surtax Rate	0.0000%	0.0000%	0.0000%
Less: Federal Surtax = Actual Surtax from tax return	- 21,618		21,618
Net Part I.3 Tax - LCT Payable (Must agree with tax return) (If surtax is greater than Gross LCT, then zero)	= 0	0	0
Section F: Income and Capital Taxes			
RECAP FROM ABOVE:			
Total Income Taxes	+ 683,439	0	683,439
Ontario Capital Tax Federal Large Corporations Tax	+ 146,018 + 0	0	146,018 0
Total income and capital taxes	= 829,457	0	829,457

LINE

M of F

Corporate

Non-Wires

& Reg Asset

Wires-only

Tax

SIMPIL RRR FILING

TAX RETURN RECONCILIATION (TAXREC)

^{*} Issue #4 requires the exclusion of regulatory assets in the PILs calculations, BPI used column D to eliminate these

SIMPIL RRR FILING **Tax and Accounting Reserves** For MoF Column of TAXCALC (for "wires-only" business - see s. 72 OEB Act)

M of F Corporate Tax Return

Non-wires Eliminations (positive numbers) Wires-only Tax Return

Version 2005.1

Utility Name: Brantford Power Inc. Reporting period: 2005

TAX RESERVES

RRR # 2.1.8

- · · · · ·			
Beginning of Year:			
			0
Reserve for doubtful accounts ss. 20(1)(I)			0
Reserve for goods & services ss.20(1)(m)			0
Reserve for unpaid amounts ss.20(1)(n)			0
Debt and share issue expenses ss.20(1)(e)			0
Other			0
Other			0
			0
			0
Total (carry forward to the TAXREC worksheet)	0	0	0
End of Year:			
			0
Reserve for doubtful accounts ss. 20(1)(I)			0
Reserve for goods & services ss.20(1)(m)			0
Reserve for unpaid amounts ss.20(1)(n)			0
Debt and share issue expenses ss.20(1)(e)			0
Other			0
Other			0
			0
			0
Insert line above this line			
Total (carry forward to the TAXREC worksheet)	0	0	0

LINE

FINANCIAL STATEMENT RESERVES

Insert line above this line

Total (carry forward to the TAXREC worksheet)

Beginning of Year:			
			0
			0
Environmental			0
Allowance for doubtful accounts			0
Inventory obsolescence			0
Property taxes			0
Other	474,521		474,521
Other			0
			0
Total (carry forward to the TAXREC worksheet)	474,521	0	474,521
End of Year:			
			0
			0
Environmental			0
Allowance for doubtful accounts	330,000		330,000
Inventory obsolescence			0
Property taxes			0
Other	491,850		491,850
Other			0
			0

821,850

0

821,850

SIMPIL RRR FILING TAX RETURN RECONCILIATION (TAXREC 2) (for "wires-only" business - see s. 72 OEB Act) RRR # 2.1.8 M of F Corporate Tax Return

LINE

Non-wires Eliminations (positive numbers) Wires-only Tax Return

Version 2005.1

Utility Name: Brantford Power Inc.				
Reporting period: 2005		-	•	
Number of days in taxation year:		365		
Materiality Level:		58,726		
Section C: Reconciliation of accounting income to taxable income				
Add:				
Recapture of capital cost allowance	+			(
Gain on sale of eligible capital property	+			(
Income or loss for tax purposes- joint ventures or partnerships	+			(
Loss in equity of subsidiaries and affiliates	+			(
Loss on disposal of assets	+			(
Charitable donations	+			(
Taxable capital gains	+			(
Depreciation in inventory -end of year	+			(
Scientific research expenditures deducted	+			
per financial statements	+			
Capitalized interest	+			(
Non-deductible club dues and fees	+			(
Non-deductible automobile expenses	+			(
Non-deductible life insurance premiums	+			(
Soft costs on construction and renovation of buildings	+			(
Non-deductible meals and entertainment	+			(
Book loss on joint ventures or partnerships	+			(
Capital items expensed	+			(
Debt issue expense	+			
Deemed dividend income	+			
Dividends credited to investment account	+			(
Financing fees deducted in books	+			(
Gain on settlement of debt	+			(
Interest paid on income debentures	+			(
Recapture of SR&ED expenditures	+			
Share issue expense	+			
Write down of capital property	+			
Amounts received in respect of qualifying environment trust	+			
Other Additions: (please explain in detail the nature of the item)	+			
Debt financing expenses	+			
	+			
0.40(4)(-)	+			
S.12(1)(x)	+			
	+			
	+			
	+			
	+			
	+			,
Total Additions	=	0	0	(
Total / taditions	_	- U	- U	
Recap of Material Additions:				
Troop of material resultant		0	0	(
		0	0	
		0	0	
		0	0	
		0	0	
		0	0	
		0	0	
		0	0	(
		0	0	(
		0	0	(
		0	0	(
		0	0	(
		0	0	(
		0	0	(
		0	0	(
		0	0	
		0	0	
		0	0	(
		0	0	
		0	0	(
		0	0	(
		0	0	(
		0	0	(
		0	0	(
		0	0	

SIMPIL RRR FILING LINE M of F Non-wires Wires-only **TAX RETURN RECONCILIATION (TAXREC 2)** Corporate Eliminations Tax (positive numbers) (for "wires-only" business - see s. 72 OEB Act) Tax Return RRR # 2.1.8 Return Version 2005.1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 **Total Material additions** 0 Other additions less than materiality level 0 Total Additions 0 Deduct: Gain on disposal of assets per f/s Dividends not taxable under section 83 Terminal loss from Schedule 8 Depreciation in inventory, end of prior year Scientific research expenses claimed in year from Form T661 Bad debts Book income of joint venture or partnership 0 Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust Other income from financial statements Other deductions: (Please explain in detail the nature of the item) Imputed interest on Reg Assets SEC 20(1) (e) Capital gains adjustment Equipment s.13(7.4) **Total Deductions** Recap of Material Deductions:

Recap of Material Deductions:			
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Total Deductions exceed materiality level	0	0	0
Other deductions less than materiality level	0	0	0
Total Deductions	0	0	0

Exemptions, Deductions, or Thresholds
Utility Name: Brantford Power Inc.

Reporting period: 2005

Table 1

Rates Used in 2005 RAM PILs Applications						
Income Range		0		400,001		
RAM 2005		to		to	>1,128,000	
	Year	400,000		1,128,000		
Income Tax Rate		Ĭ		Ĭ	Ĭ	
Proxy Tax Year	2005					
Federal (Includes surtax)		13.12%		17.75%	22.12%	
Ontario		5.50%		9.75%	14.00%	
Blended rate		18.62%	0.00%	27.50%	36.12%	
Capital Tax Rate	1	0.300%	Input in C18			
LCT rate		0.175%		Input in C19		
Surtax		1.12%		Input in C20		
Ontario Capital Tax Exemption **	MAX \$7.5MM	6,195,000	Input in C21			
Federal Large Corporations Tax Exemption **	MAX \$50MM	41,300,000	Input in C22			

^{**}Exemption amounts must agree with the Board-approved 2005 RAM PILs filing

Table 2

Expected Rates and Exemp	otions for 20	005			
Income Range Expected Rates 2005	Year	0 to 300,000	300,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate					
Current year	2005				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%	Input in C36		
LCT rate		0.175%		Input in C37	
Surtax		1.12%		Input in C38	
Ontario Capital Tax Exemption ***	MAX \$7.5MM	7,500,000	Input in C39		
Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000	Input in C40		

^{***}Allocation of exemptions must comply with the Board's instructions regarding regulated activities.

Table 3

Input Information from Utility's Actual 2005 Tax Returns					
Income Range	Year	0 to 300,000	300,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate		Ĭ			
Current year	2005				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%		Input in C54	
LCT rate		0.175%		Input in C55	
Surtax				Input in C56	
Ontario Capital Tax Exemption *	MAX \$7.5MM	7,500,000	Input in C57		
Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000		Input in C58	

^{*} Include copies of the actual tax returns - Ontario CT23, federal T2. Please see the Checklist.

PILs TAXES

TAX RETURN RECONCILIATION (TAXREC 3)

Shareholder-only Items should be shown on TAXREC 3 ITEMS ON WHICH TRUE-UP DOES NOT APPLY

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

Utility Name: Brantford Power Inc.

LINE M of F
Corporate
Tax

Return

0

Non-wires Eliminations Wires-only Tax Return

Version 2009.1

Reporting period: 2001

Number of days in taxation year:

365

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

Recapture of capital cost allowance	+		0
CCA adjustments	+		0
CEC adjustments	+		0
Gain on sale of non-utility eligible capital property	+		0
Gain on sale of utility eligible capital property	+		0
Loss from joint ventures or partnerships	+		0
Deemed dividend income	+		0
Loss in equity of subsidiaries and affiliates	+		0
Loss on disposal of utility assets	+		0
Loss on disposal of non-utility assets	+		0
Depreciation in inventory -end of year	+		0
Depreciation and amortization adjustments	+		0
Dividends credited to investment account	+		0
Non-deductible meals	+	5,748	5,748
Non-deductible club dues	+		0
Non-deductible automobile costs	+		0
Donations - amount per books			0
Interest and penalties on unpaid taxes			0
Management bonuses unpaid after 180 days of year end			0
Imputed interest expense on Regulatory Assets			0
	+		0
Ontario capital tax adjustments	+		0

Changes in Regulatory Asset balances	+	10,074,133		10,074,133
	+			0
Other Additions: (please explain in detail the nature of the item)	+			0
Income from joint ventures or partnerships	+	-1,342		-1,342
	+			0
	+			
Total Additions on which true-up does not apply	=	10,078,539	0	10,078,539
			•	
Deduct:				
CCA adjustments	_			0
CEC adjustments	_	72,665		72,665
Depreciation and amortization adjustments	_	7 2,000		0
Gain on disposal of assets per financial statements	_			0
Financing fee amorization - considered to be interest expense for PILs	_			0
	-			0
Imputed interest income on Regulatory Assets	-			0
Donations - amount deductible for tax purposes	-			0
Income from joint ventures or partnerships	-			0
	-			0
	-			0
	-			0
	-			0
	-			0
Ontario capital tax adjustments to current or prior year	-			0
	-			0
Changes in Regulatory Asset balances	-	9,893,847		9,893,847
	-			0
Other deductions: (Please explain in detail the nature of the item)	_			0
,	_			0
	_			0
	_			0
	_			0
Total Deductions on which true up does not apply		9,966,512	0	9,966,512
Total Deductions on which true-up does not apply	=	9,900,512	U	9,900,512