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54 Total Regulatory Income 11 55 11 11 56 Equity 78,318,723 57 7 7 58 Return at target ROE 7,737,890 59 7 7 60 Debt 95,722,883 61 7 70,602 62 Deemed interest amount in 100% of MARR 6,700,602 63 6 6,700,602 64 Phase-in of interest - Year 1 (2001) 4,067,611 65 ((D43+D47)/D41)*D61 7,384,106 66 Phase-in of interest - Year 2 (2002) 5,384,106 67 ((D43+D47+D48)/D41)*D61 7 68 Phase-in of interest - Year 3 (2003) and forward 5,384,106 69 ((D43+D47+D48)/D41)*D61 (due to Bill 210) 6,700,602					
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63 63 64 64 Phase-in of interest - Year 1 (2001) 4,067,611 65 ((D43+D47)/D41)*D61 6 66 Phase-in of interest - Year 2 (2002) 5,384,106 67 ((D43+D47+D48)/D41)*D61 6 68 Phase-in of interest - Year 3 (2003) and forward 5,384,106 69 ((D43+D47+D48)/D41)*D61 (due to Bill 210) 6 70 Phase-in of interest - 2005 6,700,602					
64 Phase-in of interest - Year 1 (2001) 4,067,611 65 ((D43+D47)/D41)*D61 5,384,106 66 Phase-in of interest - Year 2 (2002) 5,384,106 67 ((D43+D47+D48)/D41)*D61 6 68 Phase-in of interest - Year 3 (2003) and forward 5,384,106 69 ((D43+D47+D48)/D41)*D61 (due to Bill 210) 6 70 Phase-in of interest - 2005 6,700,602	6,700,602			Deemed interest amount in 100% of MARR	
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66 Phase-in of interest - Year 2 (2002) 5,384,106 67 ((D43+D47+D48)/D41)*D61 68 Phase-in of interest - Year 3 (2003) and forward 5,384,106 69 ((D43+D47+D48)/D41)*D61 (due to Bill 210) 70 Phase-in of interest - 2005 6,700,602	4,067,611				
67 ((D43+D47+D48)/D41)*D61 Image: Constraint of the constra	E 204 400				
68 Phase-in of interest - Year 3 (2003) and forward 5,384,106 69 ((D43+D47+D48)/D41)*D61 (due to Bill 210) 6 70 Phase-in of interest - 2005 6,700,602	5,384,106				
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70 Phase-in of interest - 2005 6,700,602	<u> </u>				
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72	<u> </u>				

2	A PILs TAXES PILs DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC) 0	B ITEM	C Initial Estimate	D E M of F Filing Variance K-C	F M of F Filing Variance Explanation	G Tax Returns Version 2009.1	H
6 7 8	Utility Name: London Hydro Inc. Reporting period: 2004	2000				Column	
	Days in reporting period: Total days in the calendar year:	366 366	days days \$	\$		Brought From TAXREC \$	
13 14	I) CORPORATE INCOME TAXES						
15 16	Regulatory Net Income REGINFO E53	1	11,601,700	<u>5,109,300</u>		16,711,000	
17 18	BOOK TO TAX ADJUSTMENTS						
	Additions: Depreciation & Amortization	2	10,687,477	1,890,523		12,578,000	
21	Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year	3	1,720,831	-1,720,831		0	
23	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4	359,294	0		0	
25	Other Additions (See Tab entitled "TAXREC")		339,294			0	
26 27	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6 6		0		0	
28 29	"Material Items from "TAXREC 2" worksheet Other Additions (not "Material") "TAXREC 2"	6 6		0 0		0 0	
30 31	Items on which true-up does not apply "TAXREC 3"			2,858,705		2,858,705	
32	Deductions: Input positive numbers Capital Cost Allowance and CEC	7	7,980,951	4,333,338		12,314,289	
34	Employee Benefit Plans - Paid Amounts	8		0		0	
36	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	9 10	0	0		0	
38	Interest Expense Deemed/ Incurred Tax reserves - end of year	11	5,384,106 1,806,831	-911,106 -1,806,831		4,473,000 0	
40	Reserves from financial statements - beginning of year Contributions to deferred income plans	4 3		0 0		0 0	
42	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11		0		0	
	Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	12		0		0	
45 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12 12		19,013 0		19,013 0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0 6,498,000		0 6,498,000	
48 49	Items on which true-up does not apply "TAXREC 3"						
51	TAXABLE INCOME/ (LOSS)		9,197,414	(354,011)	Before loss C/F	8,843,403	
	BLENDED INCOME TAX RATE Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-2.5000%		<u>36.12%</u>	
54 55	REGULATORY INCOME TAX		3,552,041	-357,804	Actual	3,194,237	
56 57							
	Miscellaneous Tax Credits	14		111,098	Actual	111,098	
60	Total Regulatory Income Tax		3,552,041	-468,902	Actual	3,083,139	
61 62							
64	II) CAPITAL TAXES						
	Ontario Base	15	174,041,606	49,027,394		223,069,000	
	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	<u>5,000,000</u> 169,041,606	0 49,027,394		5,000,000 218,069,000	
69	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71 72	Ontario Capital Tax		507,125	147,082		654,207	
73	Federal Large Corporations Tax			,			
75	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	174,041,606	28,284,394		202,326,000 50,000,000	
77	Taxable Capital	19	10,000,000 164,041,606	40,000,000 68,284,394		152,326,000	
	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	-0.0250%		0.2000%	
	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		369,094	-64,442		304,652	
83	Less: Federal Surtax 1.12% x Taxable Income	21	103,011	-3,965		<u>99,046</u>	
	Net LCT		266,083	-60,477		205,606	
_	III) INCLUSION IN RATES						
	Income Tax Rate used for gross- up (exclude surtax)		37.50%				
90	Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	22 23	5,683,266 425,732		Actual 2004 Actual 2004	3,083,139 205,606	
92	Ontario Capital Tax (no gross-up since it is deductible)	23	423,732 507,125		Actual 2004 Actual 2004	654,207	
93 94 95 96 97	Total PILs for Rate Adjustment MUST AGREE WITH 2002 RAM DECISION	25	6,616,123		Actual 2004	3,942,952	
	IV) FUTURE TRUE-UPS						
	IV a) Calculation of the True-up Variance In Additions:			DR/(CR)			
102	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3		0 			
104	Reserves from financial statements-end of year Regulatory Adjustments	4 4 5		-1,720,831			
106	Other additions "Material" Items TAXREC	6		0			
108	Other additions "Material" Items TAXREC 2 In Deductions - positive numbers	6		0			
110	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9		0 0			
111	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10 11		0			
113	Tax reserves claimed in current year Reserves from F/S beginning of year	4		-1,806,831			
115	Contributions to deferred income plans Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
119	Other deductions "Material" Item TAXREC 2	12	<u> </u>	0			
121	Total TRUE-UPS before tax effect	26	=	-273,294			
122 123	Income Tax Rate (excluding surtax) from 2004 Utility's tax return		x	36.12%			

The Subset Priod		A	В	С	D	E	F	G	Н
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27 Control <	124				_	-90,714			
Bit Montel Laron Laron Laron Laron Laron Laron Laron Laron Laron State St		Less: Miscellaneous Tax Credits	14			111,098			
Second Tax Russ and far process questions using a second region of the Default Account Variance caused by a second vari		Total Income Tax on True-ups				-209,812			
Image: Process Construction for the Determinant of th	129								
DFINUE-WARRANCE ADJUSTNENT DB DB <td< td=""><td>130 131</td><td>ncome Tax Rate used for gross-up (exclude surtax)</td><td></td><td></td><td></td><td>35.00%</td><td></td><td></td><td></td></td<>	130 131	ncome Tax Rate used for gross-up (exclude surtax)				35.00%			
W D A Columbian of the Defraint Account Variance caused by control can be included in the model of the m	132	TRUE-UP VARIANCE ADJUSTMENT				(322,787)			
alphanger -	133	W b) Coloulation of the Deformal Account Variance caused by							
BC COUNTRY A. S.127.41 Set COUNTRY A. G. 1124 A. G. 1124 Set Private Oracle Count A. G. 1124 A. G. 1124 Set Private Oracle Count A. G. 1124 A. G. 1124 Set Private Oracle Count A. G. 1124 A. G. 1124 Set Private Oracle Count A. G. 1124 A. G. 1124 Set Private Oracle Count A. G. 1124 A. G. 1124 Set Private Oracle Count A. G. 1124 A. G. 1124 Set Private Oracle Count A. G. 1124 A. G. 1124 Set Private Oracle Count on the Intel Estimate Count A. G. 1126 A. G. 1126 Set Private Oracle Count on the Intel Estimate Count A. G. 1126 A. G. 1126 Set Private Oracle Count on the Intel Estimate Count A. G. 1126 A. G. 1126 Set Private Oracle Count on the Intel Estimate Count A. G. 1126 A. G. 1126 Set Private Oracle Count Tax Market B. G. 1126 A. G. 1126 A. G. 1126 Set Private Oracle Count Tax Market B. G. 1126 A. G. 1126 A. G. 1126 Set Private Oracle Count Tax Market B. G. 1126 A. G. 1126 A. G.									
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20 PARSED CORPURATE NOCKME TAX ATTE 3 3 36(2)2 1 40 PARSED SECURATIONY MODULE TAX ATTE - 3,357 100 1 41 PARSED SECURATIONY MODULE TAX ATTE - 3,357 100 1 42 PARSED SECURATIONY MODULE TAX ATTE - 3,357 100 1 43 PARSED CORPUTATIONY MODULE TAX ATTE - 3,357 100 1 44 PARSED CORPUTATIONY MODULE TAX ATTE - 3,357 100 1 45 PARSED CORPUTATIONY MODULE TAX ATTER TAX ATTER - 1,345 100 1 45 PARSED CORPUTATIONY MODULE TAX ATTER, TUDIA 2, 001 C32 - 1,750 01 503 1 45 PARSED CORPUTATION TAX ATTER, TUDIA 2, 001 C32 - 1,750 01 503 1 45 PARSED CORPUTATION TAX ATTER, TUDIA 2, 001 C32 - 1,750 01 503 1 45 PARSED CORPUTATION TAX ATTER, TUDIA 2, 001 C32 - 1,750 01 503 1 45 PARSED CORPUTATION TAX ATTER, TUDIA 2, 001 C32 - 1,750 01 503 1 45 PARSED CORPUTATION TAX ATTER, TUDIA 2, 001 C32 - 1,750 01 503 1 45 PARSED CORPUTATION TAX ATTER, TUDIA 2, 001 C32 - 1,750 01 503 1 45 PARSED CORPUTATION TAX ATTER						0 407 444			
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Bit PC/SCR 1250LATOY INCOME TAX a 3.827.08 Construction Virtual income Tax - <td< td=""><td>138</td><td>REVISED CORPORATE INCOME TAX RATE</td><td></td><td></td><td>x</td><td>36.12%</td><td></td><td></td><td></td></td<>	138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
10 core: Review Magualacy Income Tax Seconds 111.08 111.08 41 Cost Revised Regulatory Income Tax Seconds in the Initial Estimate Column 2 3.552.041 1 Last: Regulatory Income Tax Seconds in the Initial Estimate Column - 3.552.041 - 1 Last: Regulatory Income Tax Seconds in the Initial Estimate Column - 0.441.053 - 1 State Comptoin Cons Tax States - - 0.441.053 - 1 State Comptoin Cons Tax States - - 0.441.051 - - State Comptoin Cons Tax States - - 0.441.051 - - State Comptoin Cons Tax States - - 0.41.051 - - State Comptoin Cons Tax States - - 0.0000 -	139 140					2 222 106			
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del.	143 144	Total Revised Regulatory Income Tax			=	3,211,008			
ab [Cel C6b] - 3.552,041 - ab pagatany income Tar Variance - (341,503) - ab pagatany income Tar Variance - (341,503) - ab pagatany income Tar Variance - (341,503) - - ab pagatany income Tar Variance - - (301,502) - - ab pagatany income Tar X - - (301,502) - <	145	-				0,211,000			
27 Regulatory hearing Tax Volumez - (341 205) 30 Data Capital Tax - 174 2441 660 - 32 Lattic Exception from lab Tax Rates, Table 2, cell C39 - 5.0000 - 32 Lattic Exception from lab Tax Rates, Table 2, cell C39 - 5.0000 - 35 Nate : Tab Tax Rates cell C54 X 3.0000 - 35 Nate : Tab Tax Rates cell C54 X 3.0000 - 36 Regulatory Oranic Capital Tax - 0.001 (200) - 37 Rescale Capital Tax Variance - 0 - 0.001 (200) 38 Regulatory Oranic Capital Tax Variance - 0 - 0.001 (200) 38 Regulatory Oranic Capital Tax Variance - 174 (416 00) - 0.001 (200) 38 Regulatory Oranic Capital Tax Variance - 174 (416 00) - 0.001 (200) 38 Regulatory Tax Rates cell C51 - 174 (416 00) - 0.0001 (200) 39 Revise C1 Caporol In the influe science call C51 - 174 (416 00) - 0.0001 (200) 0.0001 (200) - 0.000						2 552 041			
Bis Regulatory income Tax Vanance - (BH 100) Database Depined Tax - (BH 100) Database Depined Tax - 174 Abl 1000 Database Depined Tax - 174 Abl 1000 Database Depined Tax - 15000000 Depart-Tax - 150000000 Depart-Tax - 0.00000000 Depart-Tax - 0.00000000 Depart-Tax - 0.00000000 Depart-Tax - 0.00000000 Preveate Oratina Capital Tax - 0.0000000 Depart-Tax - 0.0000000 - Depart-Tax	147				-	3,352,041			
Solution Solution - 122,041.00 Solution - 1500.00 - Solution - 1500.00 - Solution - 1000.041.000 - 1000.041.000 - Strate - - 500.000	148	Regulatory Income Tax Variance			=	(341,033)			
57 Bits = 11/40106 57 Bits = 1500100 58 Set Scenging from table sopted = 15004100 58 Set Scenging from table sopted = 15004100 58 Set Scenging from table sopted = 15004100 58 Set Scenging from table sopted = 507.125 = 59 Set Scenging from table sopted in the initial estimate column (Cell = 507.125 = 50 Set Scenging from table sopted in the initial estimate column (Cell = 507.125 = = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.125 = 507.557 = 507.557	149 150	Ontario Canital Tax							
Signet deamed taxabe copial = 180.01565 Signet deamed taxabe copial Tax 90.11565 Signet deamed taxabe copial Tax 90.125 Signet deamed taxabe copial Tax 90.0000 Signet deamed taxabe copial Tax 90.00000 </td <td>151</td> <td>Base</td> <td></td> <td></td> <td>=</td> <td></td> <td></td> <td></td> <td></td>	151	Base			=				
Gr x 0.3000 State - Tab Tax Rates cell C54 x 0.3000 Beact Ontatio Capital Tax = 68/7,125 Desciontation Capital Tax = 68/7,125 Desciontation Capital Tax = 68/7,125 State - Tab = 0 State - Tab = 124,041566 State - Tab = 124,041566 State - Tab = 145,072									
55, Ruin - Tub Tub Rates coll C54 x 0.30005 67 Research Outanio Capital Tax - 507,125 - 1000 - 507,125 - - 507,125 - 1000 - - 507,125 -	153	Revised deemed taxable capital			=	169,041,606			
57 Rest. Ontatio Capital Tax. = 507.125 68 Ontatio Capital Tax. Variance - 607.125 69 Capital Tox. Variance = 0 61 Pederal LCT - 66.000.000 62 Disc. Ontatio Capital Tax. Variance = 0 61 Pederal LCT - 66.000.000 62 Base - 174.044.000 - 63 Less. Chain Capital Tax. - 124.044.000 - 63 Less. Chain Capital Tax. - 124.044.000 - 64 Revised Faccal LCT - 0.20005 - 65 Casa Anount - 10.0011 - 66 Casa Factar LCT Variance - 10.0011 - 71 Less Factar LCT Variance - 10.0011 - 72 Less Factar LCT Variance - 10.0011 - 73 Less Factar LCT Variance - 10.0011 - 74 L	155	Rate - Tab Tax Rates cell C54			x	0.3000%			
Loss: Contain Capital Tax Variance - 507,175 Brighting Ontatio Optical Dax Variance - 0 Disse: Examplion from tab Tax Rates, Table 2, cell C40 - 55000000 Eleast: Examplion from tab Tax Rates, Table 2, cell C40 - 55000000 Eleast: Examplion from tab Tax Rates, Table 2, cell C40 - 55000000 Eleast: Examplion from tab Tax Rates, Table 2, cell C40 - 5000000 Eleast: Examplion from tab Tax Rates, Table 2, cell C40 - 124.041.006 Eleast: Examplion from tab Tax Rates, Table 2, cell C40 - 124.041.006 Eleast: Examplion from tab Tax Rates cell C51 - 280.000 Eleast: CT - 145.072 - To State Case Rotal LCT records in the initial estimate column (Cell C82) - 280.000 - To State Case Rotal LCT records in the initial estimate column (Cell C82) - 280.000 - To State Case Rotal LCT records in the initial estimate column (Cell C82) - 280.000 - To Case Rotal LCT records in the initial estimate column (Cell C82) - 145.072 - To Case Rotal LCT records in the initial estini	156	Revised Ontario Capital Tax				507 125			
B9 Regulatory toxino Capital Tax Variance = 0 B1 Gedaral LCT - 174 (A11, 826) - B2 Base - 174 (A11, 826) - B2 Loss: Los						507,125			
66 Federal LCT									
61 Frederal LCT 174.041.060 62 Joss: 50.000 63 Lots: 174.041.060 63 Lots: 120.000 64 Desc. 120.000 65 Desc. 120.000 66 Desc. 120.000 67 Desc. 120.000 68 Desc. 120.000 69 Desc. 120.000 69 Desc. 140.000 69 Desc. 140.000 60 Desc. 140.001 70 Restand LCT = 145.072 71 Restand LCT reported in the initial estimate column. (Call C&) - 266.083 72 Desc. 200000 73 Repatial DCT reported in the initial estimate column. (Call C&) - 105.000 74 Desc. - 105.000 75 Actual LCT reported in the initial estimate column. (Call C&) - 106.000 74 Desc. - 106.000 76 Desc. - 106.000 77 Income Tax (grossed-up) + 106.100 78 Desc. - 100.000 79 Desc. - 100.000 70 Desc. - 100.000 70 Desc. - 100.000	159 160	Regulatory Ontario Capital Tax Variance			=	0			
Siles: Exemption from to Tax Rates, Table 2, cell C40 - 50,000,000 Siles: Exemption from tab Tax Rates, Table 2, cell C41 = 124,041,665 Siles: Exemption from tab logislative changes) tab Tax Rates' cell C51 = 0,200% Siles: Exetant autax - 100,011 = Siles: Federal LCT variance = (121,010) = Siles: Si	161								
641 Revised Fieldard LCT = 124,041,006 656									
66 Brate (as a result of legislative changes) tab Tax Rates cell C51 0.2000% 67 Brate (as a result of legislative changes) tab Tax Rates cell C51 0.2000% 67 Brate (as a result of legislative changes) tab Tax Rates cell C51 0.2000% 68 Brate (as a result of legislative changes) tab Tax Rates cell C51 0.2000% 69 Brate (as a result of legislative changes) tab Tax Rate scale C51 0.2000% 70 0.00011 71 0.00011 72 1.5004 73 1.600 74 1.6007 74 1.600 74 1.6004 74 1.6004 74 1.6004 75 1.6004 76 1.6004 76 1.6004 76 1.6004 76 1.6004 76 1.6004 76 1.6004 76 1.6004 76 1.6004 77 1.6004 78 1.6004 78 1.6004 78 1.6004									
67 SGross Amount 246,005 Image: Control of Co	165								
B8 Gross Amount 248.083 Delses: Federal surtax - 103.011 T0 Revised Net LCT - 20.011 T2 Less: Federal LCT reported in the initial estimate column (Cel C82) - 20.011 T2 Regulatory Federal LCT variance - 103.011 T2 Regulatory Federal LCT variance - 20.005 <td< td=""><td>166 167</td><td>Rate (as a result of legislative changes) tab 'Tax Rates' cell C51</td><td></td><td></td><td></td><td>0.2000%</td><td></td><td></td><td></td></td<>	166 167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
707 Revised Net LCT = 145,072	168								
71									
737 Regulatory Federal LCT Variance = (121,010) 74	171					143,072			
74 Actual Income Tax Rate used for gross-up (exclude surtax) 35.00% 76 * (524,667) 1 77 Income Tax (grossed-up) + (158,170) 1 78 LCT (grossed-up) + (168,170) 1 79 DATA (Grossed-up) + (108,170) 1 80 - - - 1 81 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT = (710,837) 1 1 82 - - - - 1<									
757 Actual Income Tax Rate used for gross-up (exclude surtax) 35.00% 76 - 77 Income Tax (grossed-up) + 78 (624.667) 70 + (624.667) 70 - + 70 Ontario Capital Tax + 0 70 DetFERRAL ACCOUNT VARIANCE ADJUSTMENT = (710.837) 72 - - - 73 TUCI (grossed-up) + (322.787) - 74 - - - - 75 Total Deferral Account Entry (Positive Entry = Debit) - - - 76 - - - - - 76 - - - - - 76 -	173 174	Regulatory Federal LCT Variance			=	(121,010)			
77 Income Tax (grossed-up) + (524,667) 70 Ontario Capital Tax + (184,670) 70 Ontario Capital Tax + (184,670) 70 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT = (710,837) - 80 - - - 81 - - - - 82 - - - - - 82 -	175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
Tell LCT (grossed-up) + (196,170) 90 Ontario Capital Tax + 0 80 - - 80 - - 80 - - 80 - - 80 - - 81 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT - - 82 3TRUE-UP VARIANCE (from cell H32) + (322,787) - 84 - - - - - 85 Total Deferral Account Variance + True-up Variance) -	176	neomo Tax (greeced un)				(504.007)			
79 Ontario Capital Tax + 0 - <td>178</td> <td>LCT (grossed-up)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	178	LCT (grossed-up)							
81 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT = (710,837) 82 = (710,837) = 83 TRUE-UP VARIANCE (from cell 1132) + (322,787) 84 = (1,033,624) = 85 Total Deferral Account Entry (Positive Entry = Debit) = (1,033,624) = 86 Deferral Account Variance + True-up Variance) = (1,033,624) = = 87 E	179								
82 TRUE-UP VARIANCE (from cell 1132) + (322,787) 84 = (1,033,624) = 85 Total Deferral Account Entry (Positive Entry = Debit) = (1,033,624) = 86 (Deferral Account Veriance + True-up Variance) = (1,033,624) =	180 181					(710 837)			
84	182								
gg Total Deferral Account Entry (Positive Entry = Debit) = (1,033,624) 86 (Deferral Account Variance + True-up Variance) = (1,033,624) 87 = = = 88 = = = = 89 = = = = = 90 V) INTEREST PORTION OF TRUE-UP =	183 184	TRUE-UP VARIANCE (from cell I132)			+	(322,787)			
86 Deferral Account Variance + True-up Variance) Image: Constraint of the second		Total Deferral Account Entry (Positive Entry = Debit)			=	(1.033.624)			
88 Image: Constraint of the second of the seco	186					(1,000,024)			
89 V) INTEREST PORTION OF TRUE-UP	187 188								
90 V) INTEREST PORTION OF TRUE-UP Image: constraint of Deemed Debt Image: constraint of Deemed Debt 91 Variance Caused By Phase-in of Deemed Debt Image: constraint of Deemed Debt Image: constraint of Deemed Debt 92 Image: constraint of Deemed Debt Image: constraint of Deemed Debt Image: constraint of Deemed Debt 92 Image: constraint of Deemed Debt Image: constraint of Deemed Debt Image: constraint of Deemed Debt 94 Interest phased-in (Cell C36) Image: constraint of Deemed Debt component of MARR in rates Image: constraint of Deemed Debt Image: constraint of Deemed Debt 95 Image: constraint of Deemed Debt component of MARR in rates Image: constraint of Deemed Debt Deemed Debt component of MARR in rates Image: constraint of Deemed Debt D	189								
92	190								
33 Total deemed interest (REGINFO) 6,700,602 1 94 Interest phased-in (Cell C36) 5,384,106 1 95 1 1 1 96 Variance due to phase-in of debt component of MARR in rates 1,316,496 1 97 according to the Board's decision 1 1 98 1 1 1 1 99 Other Interest Variances (i.e. Borrowing Levels 1 1 1 90 Above Deemed Debt per Rate Handbook) 1 1 1 01 Interest deducted on MoF filing (Cell K36+K41) 4,473,000 1 1 02 Actual Interest Paid 4,473,000 1 1 1 03 1 1 0 4,473,000 1 1 04 Variance caused by excess debt 0 0 1	191 192	variance Caused By Phase-in of Deemed Debt							
95 Image: Second pase-in of debt component of MARR in rates 1,316,496 Image: Second pase-in of debt component of MARR in rates 96 Variance due to phase-in of debt component of MARR in rates Image: Second pase-in of debt component of mark in rates Image: Second pase-in of debt component of mark in rates Image: Second pase-in of debt component of mark in rates <td>193</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	193								
96 Variance due to phase-in of debt component of MARR in rates 1,316,496 1 97 according to the Board's decision 1 1 98 1 1 1 1 99 Other Interest Variances (i.e. Borrowing Levels 1 1 1 1 99 Other Interest Variances (i.e. Borrowing Levels 1	194 195	nterest phased-in (Cell C36)				5,384,106			
97 according to the Board's decision Image: constraint of the Board's decision Image: con	196					1,316,496			
99 Other Interest Variances (i.e. Borrowing Levels Image: constraint of the state of th	197								
00 Above Deemed Debt per Rate Handbook) Image: Coll K36+K41) I	198 199	Other Interest Variances (i.e. Borrowing Levels							
02Actual Interest Paid14,473,0001103000000004Variance caused by excess debt0000000500 </td <td>200</td> <td>Above Deemed Debt per Rate Handbook)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	200	Above Deemed Debt per Rate Handbook)							
03 04 Variance caused by excess debt 0									
04 Variance caused by excess debt 0	202	างเนล่ แแต่เอง ที่สี่เน				4,473,000			
06 Interest Adjustment for Tax Purposes (carry forward to Cell I112) 0	204	Variance caused by excess debt				0			
07 07 08 08 1,316,496 09 00	205 206	nterest Adjustment for Tax Purnoses (carry forward to Coll 1112)				0			
09 10	207								
10		Total Interest Variance				1,316,496			
	209 210								
	211								

<u> </u>	A	В	С	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	L Wires-only	1
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
6	Section A: Identification:					
7 8	Utility Name: London Hydro Inc. Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
	Please enter the Materiality Level :		195,797	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N	у			
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
	Does the utility carry on non-wires related operation?	Y/N	N			
18 19	(Please complete the questionnaire in the Background questionnaire	worksi	neet.)			
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
20	Note. Carry forward Wires-only Data to Tab TANCALC Column R					
	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest	expens	e and provision for	income tax		
26			-			
27	Please enter the non-wire operation's amount as a positive number, the pro-			all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and 1	AXRE	02.			
29	Incomo					
30 31	Income:		0		0	
31	Energy Sales Distribution Revenue	+ +	40,015,000		40,015,000	
33	Other Income	+	4,399,000		4,399,000	
34	Miscellaneous income	+	3,895,000		3,895,000	
35	Recovery of Regulatory Amounts	+	6,498,000		6,498,000	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	0		0	
40	Administration	-	17,033,000	0	17,033,000	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	8,485,000		8,485,000	
43 44	Amortization Ontario Capital Tax	-	12,578,000	0	12,578,000	
	Recovery of regulatory assets - expense	-	0		0	
46		-	0		0	
47		-			0	
48		-			0	
49						
	Net Income Before Interest & Income Taxes EBIT	=	16,711,000	0	16,711,000	
	Less: Interest expense for accounting purposes	-	4,473,000		4,473,000	
52	Provision for payments in lieu of income taxes	-	4,130,000		4,130,000	
53	Net Income (loss)	=	8,108,000	0	8,108,000	
54	(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.)					
55						
	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	4,130,000	0	4,130,000	
	Federal large corporation tax	+	0		0	
	Depreciation & Amortization	+	12,578,000		12,578,000	
	Employee benefit plans-accrued, not paid	+	0	, ,	0	
	Tax reserves - beginning of year	+	0	-	0	
	Reserves from financial statements- end of year Regulatory adjustments on which true-up may apply (see A66)	++	0	0	0	
	Items on which true-up does not apply "TAXREC 3"		2,858,705	0	2,858,705	
	Material addition items from TAXREC 2	+	2,838,703		2,000,700	
	Other addition items (not Material) from TAXREC 2	+ +	0		0	
69		· ·	0	0	0	
70	Subtotal		19,566,705	0	19,566,705	
71						
72	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+	0		0	
	Capital items expensed	+			0	
76		+	0		0	
		+			0	
77		++			0	
78					0	ļJ
78 79	Total Other Additions		0	0	0	
78 79 80	Total Other Additions	=	0	0	0	
78 79 80 81	Total Other Additions Total Additions			0		
78 79 80		=	0 19,566,705		0 19,566,705	
78 79 80 81 82 83		=				

	A	В	С	D	E	F
2	PILS TAXES	LINE	M of F	Non-wires	Wires-only	•
!	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
			0	0	0	
93 94	Other additions (less than materiality level) Total Other Additions		0	0	0	
94 95	Total Other Additions		0	0	U	
	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	12,314,289		12,314,289	
	Cumulative eligible capital deduction	_	0		0	
	Employee benefit plans-paid amounts	-	0		0	
	Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-			0	
	Items on which true-up does not apply "TAXREC 3"		6,498,000	0	6,498,000	
	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	
112 113	Subtotal		10.010.000	0	18,812,289	
	Other deductions (Please explain the nature of the deductions)	=	18,812,289	0	18,812,289	
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets		19,013		19,013	
117			19,013		19,019	
118					0	
119		-			0	
120	Total Other Deductions	=	19,013	0	19,013	
121						
122	Total Deductions	=	18,831,302	0	18,831,302	
123		_				
	Recap Material Deductions:					
125 126			0	0	0	
126 127			0	0	0	
127			0	0	0	
129			0	0	0	
	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions less than materiality level		19,013	0	19,013	
	Total Other Deductions		19,013	0	19,013	
133						
	TAXABLE INCOME	=	8,843,403	0	8,843,403	
	DEDUCT:					
136		-	0		0	
137	Net capital loss applied positive number	-			0	
138		_			0	
	NET TAXABLE INCOME	=	8,843,403	0	8,843,403	
140	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax (Must agree with tax return)	- , I	1,956,161	0	1,956,161	
	Net Federal Income Lax (Must agree with tax return) Net Ontario Income Tax (Must agree with tax return)	+ +	1,956,161	0	1,956,161	
143		+	3,194,237	0	3,194,237	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	111,098	0	111,098	
	Total Income Tax	=	3,083,139	0	3,083,139	
147			2,000,100		2,300,100	
	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
	Section F: Income and Capital Taxes	_				
154						
	RECAP Total Income Taxes	<u> </u>	2 002 420		2 002 400	
155		+	3,083,139 654,207	0	3,083,139 654,207	
155 156	Ontario Capital Tax				004.207	
155 156 157	Ontario Capital Tax Federal Large Corporations Tax	+ +				
155 156 157	Ontario Capital Tax Federal Large Corporations Tax	+	205,606		205,606	
155 156 157 158	Federal Large Corporations Tax			0	205,606	

	A	В	С	D	E	F
						<u> </u>
	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
	Utility Name: London Hydro Inc.					
	Reporting period: 2004					
9						
	TAX RESERVES					
11						
	Beginning of Year:					
13					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)(i)				0	
	Other - Please describe				0	
	Other - Please describe				0	
20					0	
20					0	
	Total (carry forward to the TAXREC worksheet)		0	0		
22			0	0	0	
	End of Year:				+	
24					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)				-	
	Other - Please describe				0	
	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:					
41					0	
42	-				0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51					l	
	End of Year:					
53					0	
54					0	
55	Environmental				0	
	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
61					0	
60	Insert line above this line					
021					t	
	Total (carry forward to the TAXREC worksheet)		0	0	0	

	Α	В	С	D	E	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3 4	TAX RETURN RECONCILIATION (TAXREC 2) (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Tax	
4	RATEPAYERS ONLY		Return		Return	
6	Shareholder-only Items should be shown on TAXREC 3		Retain		Version 2009.1	
7	•					
	Utility Name: London Hydro Inc.					
9	Reporting period: 2004					
10 11	Number of days in taxation year: Materiality Level:		366 195,797			
12	Materianty Level.		193,797			
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16 17	Add:	+			0	
	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22 23	Scientific research expenditures deducted	+			0	
23	per financial statements	++			0	
	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense Financing fees deducted in beeks	+			0	
30	Financing fees deducted in books Gain on settlement of debt	++			0	
	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust Provision for bad debts	++	0		0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41 42		++			0	
43		+			0	
44		+			0	
45		+				
46 47	Total Additions	=	0	0	0	
47	Recap of Material Additions:					
49			0	0	0	
50			0	0	-	
51			0	0		
52 53			0	0		
54			0	0		
55			0	0	0	
56			0	0		
57			0	0		
58 59			0	0		
60			0	0		
61			0	0	0	
62			0	0		
63			0	0		
64 65			0	0		
66			0	0		
67			0	0	0	
68			0	0		
69 70			0	0		
70			0	0	-	
72			0	0		
73			0	0	0	
74			0	0		
75			0	0	0	

	Α	В	С	D	E	F
1						
	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Тах	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: London Hydro Inc.					
	Reporting period: 2004					
10	Number of days in taxation year:		366			
	Materiality Level:		195,797			
12						
13						
76			0	0	0	
77	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
	Total Additions		0	0	0	
80						
	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	0		0	
88	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
	Total Deductions	=	0	0	0	
100						
	Recap of Material Deductions:		0	0	0	
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106 107			0	0	0	
107			0	0	0	
108			0	0	0	
1109			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			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	
122			0	0	0	ļ
		1				

	Δ.		0	D		F
	Α	В	С	D	E	F
1						
-	PILS TAXES					
3	TAX RETURN RECONCILIATION (TAXREC 3)		Mart	Nie in in in		
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Тах	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return		Rotani	
8	Utility Name: London Hydro Inc.	U	Return		Version 2009.1	
9	ounty Name. London Hydro inc.				Version 2005.1	
9 10						
	Reporting period: 2004					
			200			
12	Number of days in taxation year:		366			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
21	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	
25	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+	0	0		
	Loss on disposal of non-utility assets	+	0	0	0	
	Depreciation in inventory -end of year	+			0	
	Depreciation in inventory -end of year Depreciation and amortization adjustments				0	
		+				
_	Dividends credited to investment account	+	05 000		0	
32	Non-deductible meals	+	25,600		25,600	
	Non-deductible club dues	+	4,605		4,605	
34	Non-deductible automobile costs	+	-		0	
	Donations - amount per books		0		0	
	Interest and penalties on unpaid taxes		1,700		1,700	
	Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+	2,752,800		2,752,800	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Non-deductible company pension plans	+	74,000		74,000	
45		+	,		0	
46		+				
47	Total Additions on which true-up does not apply	=	2,858,705	0	2,858,705	
48			_,000,100	·	_,000,100	
49	Deduct:					
50						
	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments				0	
		-				
	Gain on disposal of assets per financial statements	-	0		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		0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-	0		0	
61		-			0	
	Changes in Regulatory Asset balances	-	6,498,000		6,498,000	
63		-			0	
64	Assessment Notice	-	0		0	
65		-			0	
66		-			0	
67		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		_			0	
					0	
						ļ
71						
71 72	Total Deductions on which true-up does not apply	-	6 409 000	0	0 6 498 000	
71 72 73	Total Deductions on which true-up does not apply	- =	6,498,000	0		
71 72	Total Deductions on which true-up does not apply		<u>6,498,000</u>	0	-	

										
1	A PILs TAXES	В	С	D	E	F	G	Н		I
	PILS TAXES Corporate Tax Rates				V	/ersion 2009.1				
	Exemptions, Deductions, or	r Threshold	S		v	51 51011 2003. I				
	Utility Name: London Hydro		-							
	Reporting period: 2004	-								
6										
7						Table 1				
	Rates Used in 2002 RAM PI	Ls Applicati								
	Income Range		0		200,001					
	RAM 2002		to		to	>700000				
11		Year	200,000		700,000					
	Income Tax Rate	0000								
	Proxy Tax Year	2002	10,100/		00.400/	00.400/				
14 15	Federal (Includes surtax) and Ontario blended		13.12%		26.12%	26.12%				
15	Blended rate		6.00% 19.12%		6.00% 34.12%	12.50% 38.62%				
17	Biended rate		19.1270		34.12%	30.02%				
	Capital Tax Rate		0.300%							
	LCT rate		0.300%							
	Surtax		1.12%							
	Ontario Capital Tax	МАХ								
	Exemption **	\$5MM	5,000,000							
	Federal Large									
	Corporations Tax	MAX	10,000,000							
	Exemption **	\$10MM	,,							
	**Exemption amounts	must aare	e with the	Board-app	oved 2002	2 RAM				
	PILs filing			· · · · · ·						
23										
24										
25						Table 2				
_	Expected Income Tax Rates	s for 2004 a	nd Capital Ta							
	Income Range		0	250,001	400,001					
	Expected Rates		to	to		>1,128,000				
29		Year	250,000	400,000	1,128,000					
	Income Tax Rate	0004				└──── ┤				
	Current year	2004	40.4000	00.400/	00.400/	00.400/				
	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%	22.12%				
	Ontario Blandad rata	2004	5.50%	5.50%	9.75%	14.00%				
34 35	Blended rate	2004	18.62%	27.62%	31.87%	36.12%				
	Capital Tax Rate	2004	0.300%							
	LCT rate	2004	0.300%							
	Surtax	2004	1.12%							
	Ontario Capital Tax	MAX								
	Exemption *** 2004	\$5MM	5,000,000							
	Federal Large									
	Corporations Tax	MAX	50,000,000							
	Exemption *** 2004	\$50MM	, , , , , , , , , , , , , , , , , , , ,							
	***Allocation of exempt	tions mus	t comply w	ith the Boa	rd's instru	uctions				
	regarding regulated ac									
42	gai anig i ogulatou ao					-				
43	Instant Information for the					Table 3				
	Input Information from Utilit	ty's Actual 2			400.004					
45 46	Income Range		0 to	250,001	400,001 to	>1 129 000				
40 47		Year	to 250,000	to 400,000	to 1,128,000	>1,128,000				
	Income Tax Rate	i caí	230,000	+00,000	1,120,000					
	Current year	2004								
	Federal (Includes surtax)	2004	13.12%	22.12%	22.29%	22.12%		22.12	%	0.00
	Ontario		5.50%	5.50%	13.77%	14.00%		14.00		0.00
52	Blended rate		18.62%	27.62%	36.06%	36.12%		36.12		0.00
53		1						00.12		5.00
	Capital Tax Rate		0.300%							
	LCT rate		0.200%							
55.	Surtax		1.12%							
_		MAX								
			5,000,000							
56	Ontario Capital Tax									
56 57	Ontario Capital Tax Exemption *	\$5MM								
56 57	Ontario Capital Tax Exemption * Federal Large	\$5MM MAX								
56 57	Ontario Capital Tax Exemption * Federal Large Corporations Tax	\$5MM	50,000,000							
56 57 58	Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	\$5MM MAX \$50MM	50,000,000	cation cal	ulations i	n vour				
56 57 58 59	Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the	\$5MM MAX \$50MM actual tax	50,000,000 c return allc			n your				
56 57 58 59	Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	\$5MM MAX \$50MM actual tax	50,000,000 c return allc			n your				

	Α	В	С	D	E	F	G	Н		J	K	L	М	N	0
1	PILs TAXES									-					
2	Analysis of PILs Tax Account														
3	3 Utility Name: London Hydro Inc. Vertical Vertica														Version 2009.1
4															0
6															
7	7														
8	8 Year start: 10/1/2001 1/1/2002 1/1/2003 1/1/2004 1/1/2005 1/1/2006														
9	Year end: 12/31/2001 12/31/2002 12/31/2003 12/31/2004 12/31/2005 4/30/2006														Total
	0 Opening balance:														
11	1 0 <u>2,104,536</u> <u>2,742,460</u> <u>2,217,410</u> <u>2,293,976</u> <u>7,153,404</u>														0
	Board-approved PILs tax +/-														
12	2 proxy from Decisions (1) 2,092,231 6,616,123 8,708,354 7,139,181 1,654,031 1,413,007														
13	PILs proxy from April 1, 2005 4,239,022 3 - input 9/12 of amount 4,239,022														
	True-up Variance +/-														
14	4 Adjustment Q4, 2001 (2) 15,545														
	True-up Variance	+/-													
15	Adjustment (3) Deferral Account Variance				-		-353,632		-203,990		-322,787		0		-880,409
16	Adjustment Q4, 2001 (4)														0
10	Deferral Account Variance	+/-	-		-		-		-						Ĵ
17	Adjustment (5)								-287,858		-710,837		0		-998,695
	Adjustments to reported	+/-	_		-		-								
	prior years' variances (6)		-		_		_		-						0
19	Carrying charges (7)	+/-	12,305		222,441		148,530		121,283						504,559
	PILs billed to (collected	-			,				,						
	from) customers (8)		0		-6,216,185		-9,028,302		-6,692,050						-21,936,537
21	Ending balance: # 1562		2,104,536		2,742,460		2,217,410		2,293,976		7,153,404		8,566,412		8,566,412
23	Linding balance. # 1502		2,104,000		2,172,700		2,217,410		2,200,010	_	7,100,404		0,000,412		0,300,412
24															
25															
26	Uncollected PILs														
	NOTE: The purpose of this wor	rksheet	t is to show the n	nov	ement in Accour	t 15	62 which establis	hes	the receivable fr	om o	r liability to rate	epaye	rs.		
	For explanation of Account 156	2 pleas	se refer to Accou	ntin	g Procedures Ha	andb	ook for Electric D	Distri	bution Utilities ar	nd FA	Q April 2003.				
30 31	Please identify if Method 1, 2	or 3 w	as used to acco	unt	for the PII s pr	οχν	and recovery	NS	WFR Method	2					
32	-				-	-	-								
33	(1) (i) From the Board's Decision						•			02.					
34 35	Please insert the Q4, 20 If the Board gave more	•			-				1, 2002.						
36	(ii) If the Board approved dif			-		-		-	E13.						
37	(iii) Column G - In 2003, the i	initial e	stimate should in	nclu	de the Q4 2001 I	PILs	tax proxy and th	e 20	02 PILs tax prox	-					
38	(iv) Column I - The Q4 2001														
39 40	(v) Column K - The 2002 PI (vi) Column M - The 2005 PI				•					y fron	n April 1 to Dec	cembe	er 31, 2005.		
41															
42												001 p	roxy has to be		
43 44	trued up in 2002, 2003 and	d for th	e period January	y 1-	March 31, 2004.	Inp	ut the variance i	n the	e whole year reco	oncila	tion.				
45	(3) From the Ministry of Finance									adsh	eet.				
46	The true-up will compare t	o the 2	2002 proxy for 20	02,	2003, 2004 and	Jan	uary 1 to March 3	31, 2	2005.						
47 48	(4) From the Ministry of Finance	Varia	nce Column und	ler F	- uture True-ups	Part	IV b. cell 1181	f the		adsh	eet. The O4 2	2001 r	proxy has to he		
49	trued up in 2002, 2003 and														
50				•					-						
51	(5) From the Ministry of Finance	variar	nce Column, und	ier F	-uture Irue-ups,	Part	iv a, cell 1181, c	t the	e TAXCALC spre	adsh	eet.				

The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
 (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

56 (7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.