1       PILs TAXES       Version 21         2       REGULATORY INFORMATION (REGINFO)       Input Cell         4       Reporting period:       Colour Code         5       Juility Name: London Hydro Inc.       Input Cell         6       Days in reporting period:       366       days         7       Total days in the calendar year:       366       days         8       Interporting period:       366       days         9       BACKGROUND       Interfore subject to regular corporate       days         11       confirm that it is not subject to regular corporate       Y/N       N         12       tax (and therefore subject to s.89 & 90 PLs?       Y/N       N         14       Was the utility a non-profit corporation?       Y/N       N         19       Are the Ontario Capital Tax & Large Corporations Tax Exemptions       OCT       Y/N       N         19       Are the Ontario Capital Tax & Large Corporations Tax Exemptions in Cort       OCT       Y/N       N         21       Please identify the % used to allocate the OCT and LCT exemptions in Cort       OCT       Y/N       N         22       Cells C68 & C74 in the TAXCALC spreadsheet.       LCT       100%       23       12-31-2004       24	C D E	C	В	A	
Image: Constraint Con			D		1
3         Utility Name: London Hydro Inc.         Colour Code           4         Reporting period:         366           5         Bays in reporting period:         366           6         Bays in reporting period:         366           7         Total days in the calendar year:         366           9         BACKROUND         4095           9         BACKROUND         4097           10         Confirm that it is not subject to regular corporate         70           11         confirm that it is not subject to regular corporate         70           12         tax (and therefore subject to regular corporation?         70           13         and now subject to 8.89 & 90 PLE?         70           14         Was the utility recently scipulated by Hydro One         70           18         that a non-profit corporation?         70           18         that an on-profit corporation?         70           18         that not function Capital Tax & Large Corporation for CT         100%           21         bases of the tax (And the ans Manager at the OEB)         OCT         100%           22         bases of the TAX & Large Corporation for CT         100%         12.31004         12.31004           23         bate and the TAX					
A         Reporting period:         Set of the period is a set of the period is set of the period is a set of the perid	Colour Code				
6         Devis in reporting period:         366         Pormula in Cell           7         Total days in the calendar year:         366         days           9         BACKGROUND         566         days           10         Desk the duily reviewed section 149(1) ITA to         1         1           11         confirm that it is not subject to regular corporate         1         1           12         tax (and therefore subject to regular corporate)         1         1           13         and now subject to as 8 & 80 PLLs?         Y/N         N           14         Was the utility recently acquired by Hydro One         1         1         1         1           15         and now subject to as 8 & 80 PLLs?         Y/N         N         1           15         and now subject to as 8 & 80 PLLs?         Y/N         N         1           16         and now subject to as 8 & 80 PLLs?         Y/N         N         100%           12         beta end anong the corporate group?         Y/N         N         100%           12         cale GaS & CA'n the TAXALCL spreadsheet.         LCT         100%         100%           22         beta end wear only         174,041,606         1000%         100%					
Comparison reporting period:         366         days           Total days in the calendar year:         366         days           8         BACKGROUND					5
Total days in the calendar year:         386         days           I and AcKGROUND         Image: Comparison of the calendar year:         Image: Comparison of the calendar year:           I Acs Ret utility reviewed socian 149(1) ITA to         Image: Comparison of the calendar year:         Image: Comparison of the calendar year:           I as Acad Materiors subject to Figure of the calendar year:         YN         Y         Y           I was the utility reviewed socian 149(1) ITA to         YN         Y         YN           I was the utility reviewed socian 149(1) ITA to         YN         Y         Y           I was the utility reviewed socian 149(1) ITA to         YN         Y         YN           I was the utility reviewed socian of DELS?         YN         N         YN           I is the unsprot corporation?         YN         N         N         100%           I as Acad Marchic Capital Tax & Large Corporations Tax Exemptions in LCT         YN         N         100%           I cap Social to allocate the OCT and LCT exemptions in LCT         YN         N         12-31-2004           I as a cap Social to allocate the OCT and LCT exemptions in LCT         ION%         12-31-2004         12-31-2004           I as a cap Social to allocate the OCT and LCT exemptions in LCT         ION%         12-31-2004         12-31-2004         12-31-2004 </td <td></td> <td>days</td> <td>366</td> <td>Days in reporting period:</td> <td></td>		days	366	Days in reporting period:	
6         BACKGROUND			366		7
10         Table Has the utility reviewed section 149(1) ITA to         Image: Comparing the time of the regular corporate or program corporate           12         tax (and therefore subject to PILs)?         Y/N         Y           14         Was the utility recently acquired by Hydro One         Image: Comparing the tax (and therefore subject to PILs)?         Y/N         N           15         and now subject to s.8 & 80 PILs?         Y/N         N         N           16         If and now subject to s.8 & 80 PILs?         Y/N         N         N           17         Is the utility a non-profit corporation?         Y/N         N         N           18         Are the Ontario Capital Tax & Large Corporations Tax Exemptions in CCT         Y/N         N         N           21         Accounting Year End         Date         12:31-2004         12:31-2004           24         Accounting Year End         Date         12:31-2004         100%           23         HEET #7 FINAL RUD MODEL DATA         Inco         100%         12:31-2004         12:31-2004           24         Accounting Year End         Date         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004 <td></td> <td></td> <td></td> <td></td> <td>8</td>					8
11       confirm that it is not subject to PILs)?       V/N         12       lax (and therefore subject to PILs)?       V/N         13       and now subject to s.89 & 80 PILs?       V/N         17       Is the utility recently acquired by Hydro One       V/N         13       and now subject to s.89 & 80 PILs?       V/N         17       Is the utility recently acquired by Hydro One       V/N         18       and now subject to s.89 & 80 PILs?       V/N         19       Are the Ontario Cappolation, place contact the Rates Manager at the OEB)       V/N       N         19       Are the Ontario Cappolation, place contact the Rates Manager at the OEB)       V/N       N         12       belaced anong the corporate, place contact the Rate Manager at the OEB)       V/N       N         21       placease identify the % used to allocate the OCT and LCT exemptions in LCT       LCT       100%         22       Accounting Year End       Date       12-31-2004       12-31-2004         28       MARR NO TAX CALCULATIONS       174,041,066       33       Controno Equity Ratio (CER)       45 00%       174,041,066         33       Controno Equity Ratio (CER)       174,041,066       35       174,041,066       35       174,041,066       35       174,041,066       36,013/4				BACKGROUND	9
12       tax (and therefore subject to PILs)?       Y/N       Y         14       Was the utility recently acquired by Hydro One				Has the utility reviewed section 149(1) ITA to	10
12     Was the utility recently acquired by Hydro One     Y/N     N       15     and now subject to s.89.8 90 PLLs?     Y/N     N       17     Is the utility a non-profil corporation?     Y/N     N       18     If it is a non-profil corporation?     Y/N     N       19     Are the Ontario Capital Tax & Large Corporations Tax Exemptions in 20 Shared among the corporate group?     OCT     Y/N     N       21     Please identify the % used to allocate the OCT and LCT exemptions in LCT     I/N     N       22     Cells C65 & C74 in the TAXCALC spreadsheet.     LCT     Y/N     N       23     Bated among the corporation ST at Exemptions in LCT     I/N     N       24     Accounting Year End     Date     12-31-2004       25     Bated among the corporation ST at Exemptions in LCT     I/N     N       26     Bate T#7 FINAL RUD MODEL DATA     Date     12-31-2004       28     USE BOARD-APPROVED AMOUNTS     Date     12-31-2004       30     Rate Base (wires-only)     174.041,606     174.041,606       31     Rate Base (wires-only)     9.88%     90-00%       33     Common Equity Ratio (CER)     5.00%     5.00%       34     Market Adjusted Revenue Requirement     14.438.492     45.102.374       41     Market Adjusted Re				confirm that it is not subject to regular corporate	11
14       Was the utility recompt acquired by Hydro One       Y/N         15       and now subject to s.98 & 90 PLLs?       Y/N         16       Ind now subject to s.98 & 80 PLLs?       Y/N         17       Is the utility a non-profit corporation; Plasse ortnatt the Rates Manager at the OEB)       Y/N         18       If it is a non-profit corporation; Plasse ortnatt the Rates Manager at the OEB)       Y/N         19       Are the Ontario Capital Tax & Large Corporations Tax Exemptions in UCT       Y/N         21       Please identify the % used to allocate the OCT and LCT exemptions in UCT       Y/N       N         22       Accounting Year End       Date       12:31-2004       Regult         23       Steet af Y FINAL RUD MODEL DATA       ECT       100%       12:31-2004         24       Marcounting Year End       Date       12:31-2004       Regult         25       Steet af Y FINAL RUD MODEL DATA       Inco       16:00%       16:00%         30       Camone Equity Ratio (CER)       45:00%       17:4,041,608       13:32         31       Rate Base (wires-only)       9:88%       7:00%       17:4,041,808       17:4,041,808       17:4,041,808       17:4,041,808       17:4,041,808       17:4,041,808       17:4,041,808       17:1,00%       16:00%       17:1,00%	Y/N Y	Y/N		tax (and therefore subject to PILs)?	
15         and now subject to 8.89 & 90 PILs?         Y/N         N           17         Is the utility a non-profit corporation?         Y/N         N           18         If it is a non-profit corporation?         Y/N         N           19         Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?         OCT         Y/N         N           20         shared among the corporate group?         ICT         Y/N         N           22         caccounting Year End         DCT         100%         12:31-2004           23         Accounting Year End         Date         12:31-2004         12:31-2004           23         Incom Yax CALCULATIONS         112:41-2004         12:31-2004         12:31-2004           24         Incom Yax CALCULATIONS         112:31-2004         12:31-2004         12:31-2004           25         Increm 1999 FINANCALL STATEMENTS)         20         12:31-2004         12:31-2004         12:31-2004           26         Grown Equily Ratio (CER)         14:438,492         14:438,492         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-2004         12:31-20				Was the utility recently acquired by Hydro One	
To         Image: Constraint of the anomy of the properties of the anomy of the comparison, please contract the Rates Manager at the OEB)         V/N         N           18         If it is a non-profit corporation, please contract the Rates Manager at the OEB)         V/N         N           19         Are the Outratio Capital Tax & Large Corporations Tax Exemptions         OCT         V/N         N           20         Please identify the % used to allocate the OCT and LCT exemptions in OCT         LCT         100%           22         Cells C6S & C74 in the TAXCALC spreadsheet.         LCT         100%           24         Accounting Year End         Date         12-31-2004           26         MARR NO TAX CALCULATIONS         Image: Calculation of the CR         100%           28         IFCOM 1999 FINANCIAL STATEMENTS)         Image: Calculation of the CR         116.00%           30         Image: Rate GER         55.00%         37         174,041,606           31         Carget Return On Equity         9.88%         39         9.88%         39           31         Date rate         7.00%         41         14.43.43.421           43         Image: Rand-approved dollar amounts phased-in         7.00%         41           44         Image: Rand-approved dollar amounts phased-in         9.283,791 <td> Y/NN</td> <td></td> <td></td> <td></td> <td></td>	 Y/NN				
In         International State Control the Rates Manager at the OEB)         OCT         Y/N         N           19         Are the Ontario Capital Tax & Large Corporations Tax Exemptions         OCT         Y/N         N           21         Please identify the % used to allocate the OCT and LCT exemptions in OCT         LCT         100%           22         Cells C66 & C74 in the TAXCALC spreadsheet.         LCT         100%           22         Accounting Year End         Date         12-31-2004           24         Accounting Year End         Date         12-31-2004           25         Buest and structures the CCT and LCT exemptions in OCT         100%         100%           24         Accounting Year End         Date         12-31-2004           25         Buest Anno TAX CALCULATIONS         100%         100%           26         MARR NO TAX CALCULATIONS         100%         100%           28         BS ECOARD-APPROVED AMOUNTS         100%         100%           30         Common Equity Ratio (CER)         45.00%         1174,041,606           31         Rate Base (wires-only)         94.500%         96.500%           32         Carmon Equity Ratio (CER)         94.500%         96.500%           33         Common Equity Ratio (C		1711			
19         Are the Ontario Capital Tax & Large Corporations Tax Exemptions         OCT         Y/N         N           10         shared among the corporate group?         LCT         Y/N         N           12         blared among the corporate group?         LCT         Y/N         N           12         Cells C65 & C74 in the TAXCALC spreadsheet.         DCT         100%         100%           12         Cells C65 & C74 in the TAXCALC spreadsheet.         Date         12-31-2004         Reguint           24         Accounting Year End         Date         12-31-2004         Reguint           25         MARR NO TAX CALCULATIONS         Reguint         Inco         Reguint         Inco           28         IFCRM 1999 FINANCIAL STATEMENTS)         90         174,041,606         174,041,041,606         174,041,041,606	Y/N N	Y/N			17
Sol shared among the corporate group?         LCT         Y/N         N           21         Please identify the % used to allocate the OCT and LCT exemptions in Corporation of the TAXCALC spreadsheet.         100%         100%           24         Accounting Year End         Date         12-31-2004         12-31-2004           26         MARR NO TAX CALCULATIONS         Date         12-31-2004         Regult           28         IFCOM 1999 FINANCIAL STATEMENTS)         20				(If it is a non-profit corporation, please contact the Rates Manager at the OEB)	18
Sol shared among the corporate group?         LCT         Y/N         N           21         Please identify the % used to allocate the OCT and LCT exemptions in Corporation of the TAXCALC spreadsheet.         100%         100%           24         Accounting Year End         Date         12-31-2004         12-31-2004           26         MARR NO TAX CALCULATIONS         Date         12-31-2004         Regult           28         IFCOM 1999 FINANCIAL STATEMENTS)         20	Y/N N	Y/N	OCT	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	19
21         Please identify the % used to allocate the OCT and LCT exemptions in Colls C65 & C74 in the TAXCALC spreadsheet.         DCT         100%           22         Cells C65 & C74 in the TAXCALC spreadsheet.         Date         12-31-2004           24         Accounting Year End         Date         12-31-2004           25         MARR NO TAX CALCULATIONS (FROM 1999 FINANCIAL STATEMENTS)         12-31-2004         Regult Inco           28         (FROM 1999 FINANCIAL STATEMENTS)         174,041,606         174,041,606           30         30         31         174,041,606         45.00%           31         Rate Base (wires-only)         174,041,606         45.00%           32         Common Equity Ratio (CER)         45.00%         9.88%           33         1-CER         55.00%         7.00%           34         Target Return On Equity         9.88%         7.00%           35         1-CER         5.928,118         5           34         Total Incremental revenue         8.510,374         8.510,374           45         Total Incremental revenue         8.510,374         2           46         Input: Board-approved dollar amounts phased-in         8.510,374         2           47         Amount allowed in 2001         2.836,79	Y/N N	Y/N	LCT		
ICT         LCT         100%           22         Cells C65 & C74 in the TAXCALC spreadsheet.         LCT         12-31-2004           24         Accounting Year End         Date         12-31-2004           26         MARR NO TAX CALCULATIONS         Regult         Regult           28         IFCOM 1999 FINANCIAL STATEMENTS)         Image: Common Equity Ratio (CER)         Image: Common Eq					-
23         Accounting Year End         Date         12-31-2004           24         Accounting Year End         Date         12-31-2004           25         MARR NO TAX CALCULATIONS         Regula         Inco           27         SHEET #7 FINAL RUD MODEL DATA         Inco         Inco           29         USE BOARD-APPROVED AMOUNTS         174,041,606         174,041,606           31         Rate Base (wires-only)         174,041,606         55.00%           35         1-CER         55.00%         174,041,606           36         7         Target Return On Equity         9.88%           36         7.00%         144,438,402         7.00%           37         Target Return On Equity         9.88%         5.0374           41         Market Adjusted Revenue Requirement         14,438,402         1.038,10374           43         1999 return from RUD Sheet #7         5.928,118         5           45         Total Incremental revenue         8.510.374         2           46         Input: Board-approved dollar amounts phased-in         2         2.836,791         2           47         Amount allowed in 2002         2.836,791         2         2.836,791         2           47					
Example         Regult           27         SHEET #7 FINAL RUD MODEL DATA         Regult           28         (FROM 1989 FINANCIAL STATEMENTS)         174,041,606           29         USE BOARD-APPROVED AMOUNTS         174,041,606           30         attable         45,00%           31         Rate Base (wires-only)         174,041,606           32         Common Equity Ratio (CER)         45,00%           35         1-CER         55,00%           37         Target Return On Equity         9,88%           39         Debt rate         7,00%           41         Market Adjusted Revenue Requirement         14,438,492           43         1999 return from RUD Sheet #7         5,928,118         5           44         Input: Board-approved dollar amounts phased-in         8,510,374         2           47         Amount allowed in 2002         2,836,791         2         2,836,791         2           48         Amount allowed in 2002 attrik the Board)         4         4         4         4           49         Amount allowed in 2002 attrik the Board)         4         4         4         4         4           51         Amount allowed in 2005 - Third tranche of MARR re: CDM         4					ZO
27         SHEET #7         FINAL RUD MODEL DATA         Inco           28         (FROM 1999 FINANCIAL STATEMENTS)	Jate 12-31-2004	Date		Accounting Year End	24
27       SHEET #7       FINAL RUD MODEL DATA       Inco         28       (FROM 1999 FINANCIAL STATEMENTS)       Inco         30       20       174.041.606         31       Rate Base (wires-only)       174.041.606         32       Common Equity Ratio (CER)       45.00%         35       1-CER       55.00%         37       Target Return On Equity       9.88%         39       Debt rate       7.00%         41       Market Adjusted Revenue Requirement       14.438.492         43       1999 return from RUD Sheet #7       5.928,118         45       Total Incremental revenue       8.510.374         46       Input: Board-approved dollar amounts phased-in       2.836,791         47       Amount allowed in 2001       2.836,791         48       Amount allowed in 2002       2.836,791         49       Amount allowed in 2002       2.836,791         51       Amount allowed in 2002 August and the Board)       0         52       Other Board-approved changes to MARR re: CDM       11         54       Total Regulatory Income       77.378,90         59        78.318,723         61        95,722,883         61	Regula			MARR NO TAX CALCULATIONS	
Image: Second					
30         174,041,606           31         Rate Base (wires-only)         174,041,606           33         Common Equity Ratio (CER)         45.00%           33         Common Equity Ratio (CER)         55.00%           37         Target Return On Equity         9.88%           39         Debt rate         7.00%           31         Market Adjusted Revenue Requirement         14,438,492           31         99 return from RUD Sheet #7         5,928,118           30         Total Incremental revenue         8,510,374           46         Input: Board-approved dollar amounts phased-in         2,836,791           47         Amount allowed in 2003         2,836,791         2           48         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         2,836,791         2           50         other Board-approved changes to MARR or incremental revenue         5         1           51         Amount allowed in 2005 - Third tranche of MARR re: CDM         5         1           52         Other Board-approved changes to MARR or incremental revenue         1         1           55         5         5         5         5           54         Total Regulatory Income         11         5         5     <				(FROM 1999 FINANCIAL STATEMENTS)	28
31         Rate Base (wires-only)         174,041,606           33         Common Equity Ratio (CER)         45.00%           35         1-CER         55.00%           37         Target Return On Equity         9.88%           39         Debt rate         7.00%           41         Market Adjusted Revenue Requirement         14.438,492           42         1999 return from RUD Sheet #7         5,928,118         5           43         1999 return from RUD Sheet #7         5,928,118         5           44         Input: Board-approved dollar amounts phased-in         8,510,374         4           47         Amount allowed in 2001         2,836,791         2           48         Amount allowed in 2002         2,836,791         2           49         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         0         0           50         unless authorized by the Minister and the Board)         5         0         0           51         Amount allowed in 2005 - Third tranche of MARR re: CDM         0         0         0           52         Other Board-approved changes to MARR or incremental revenue         11         15         15           54         Total Regulatory Income         77.37.890 <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>					
32         Common Equity Ratio (CER)         45.00%           33         Common Equity Ratio (CER)         945.00%           34         1-CER         55.00%           37         Target Return On Equity         9.88%           39         Debt rate         7.00%           41         Market Adjusted Revenue Requirement         14,438,492           43         1999 return from RUD Sheet #7         5,928,118           45         Total Incremental revenue         8,510,374           46         Input: Board-approved dollar amounts phased-in         2,836,791         2           47         Amount allowed in 2001         2,836,791         2           48         Amount allowed in 2002         2,836,791         2           49         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         0         0           50         Unless authorized by the Minister and the Board)         4         11           51         Amount allowed in 2003 - Third tranche of MARR re: CDM         0         11           52         Total Regulatory Income         11         11           55         Fauity         78,318,723         11           56         Equity         7,378,990         11					30
33         Common Equity Ratio (CER)         45.00%           35         1-CER         55.00%           37         Target Return On Equity         9.88%           39         Debt rate         7.00%           41         Market Adjusted Revenue Requirement         14.438,492           43         1999 return from RUD Sheet #7         5.928,118           45         Total Incremental revenue         8,510,374           47         Amount allowed in 2001         8,510,374           48         Amount allowed in 2002         2,836,791         2           49         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         2         2,836,791         2           49         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         2         2,836,791         2           40         unless authorized by the Minister and the Board)         2         2         2,836,791         2           51         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         2         2         11           52         Other Board-approved changes to MARR re: CDM         5         11           54         Total Regulatory Income         11         11           55         Equity         78,318,723         11<	174,041,606			Rate Base (wires-only)	
Target Return On Equity         55.00%           30         Debt rate         7.00%           31         Target Return On Equity         9.88%           32         Debt rate         7.00%           33         Debt rate         7.00%           34         1999 return from RUD Sheet #7         5.928,118           35         Total Incremental revenue         8.510,374           46         Input: Board-approved dollar amounts phased-in         2.836,791         2           47         Amount allowed in 2002         2.836,791         2           48         Amount allowed in 2002         2.836,791         2           49         Amount allowed in 2002         2.836,791         2           49         Amount allowed in 2002 - Third tranche of MARR re: CDM         2.836,791         2           50         Unless authorized by the Minister and the Board)         11         11           51         Amount allowed in 2005 - Third tranche of MARR re: CDM         11         11           53         Feturn at target ROE         7.737,890         11           56         Equity         78,318,723         11           57         Go Debt         95,722,883         11           61         95,	45.00%			Common Equity Ratio (CER)	
Target Return On Equity         9.88%           37         Target Return On Equity         9.88%           39         Debt rate         7.00%           41         Market Adjusted Revenue Requirement         14,438,492           42         1999 return from RUD Sheet #7         5,928,118           45         Total Incremental revenue         8,510,374           46         Input: Board-approved dollar amounts phased-in         2,836,791           47         Amount allowed in 2001         2,836,791           48         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         0           50         unless authorized by the Minister and the Board)         0           51         Amount allowed in 2005 - Third tranche of MARR re: CDM         0           52         Other Board-approved changes to MARR or incremental revenue         11           56         Equity         78,318,723           57         7         7           58         Return at target ROE         7,737,890           59         9         9           61         95,722,883           61         9         14           62         Deemed interest amount in 100% of MARR         6,700,602           63         9					0-
37         Target Return On Equity         9.88%           38         Debt rate         7.00%           41         Market Adjusted Revenue Requirement         14,438,492           43         1999 return from RUD Sheet #7         5,928,118         5           45         Total Incremental revenue         8,510,374         8,510,374           46         Input: Board-approved dollar amounts phased-in         8,510,374         2,836,791         2           48         Amount allowed in 2002         2,836,791         2         2,836,791         2           49         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         0	55.00%			1-CER	
Image: state of the second s	9.88%			Target Return On Equity	37
Image: state of the second s	7 00%			Debt rate	39
Tx         5,928,118         5           43         1999 return from RUD Sheet #7         5,928,118         5           44         Total Incremental revenue         8,510,374         4           46         Input: Board-approved dollar amounts phased-in         2,836,791         2           47         Amount allowed in 2003         2,836,791         2         2,836,791         2           48         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         0         0         0         0           50         unless authorized by the Minister and the Board)         0					τU
Amount allowed in 2001         8,510,374           47         Amount allowed in 2001         2,836,791         2           48         Amount allowed in 2002         2,836,791         2           49         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         0         0           50         unless authorized by the Minister and the Board)         0         0           51         Amount allowed in 2005 - Third tranche of MARR re: CDM         0         0           52         Other Board-approved changes to MARR or incremental revenue         0         11           56         Equity         78,318,723         0           57         58         Return at target ROE         7,737,890         11           58         60         95,722,883         61         62         67,703,602         63           61         62         Deemed interest amount in 100% of MARR         6,700,602         63         64         6,700,602         63         64         6,700,602         63         64         6,700,602         63         64         6,700,602         63         64         64         67         64         6,700,602         63         64         64         64         64         66         64         <	14,438,492			Market Adjusted Revenue Requirement	41
45       Total Incremental revenue       8,510,374         46       Input: Board-approved dollar amounts phased-in       2,836,791       2         47       Amount allowed in 2001       2,836,791       2         48       Amount allowed in 2003 and 2004 (will be zero due to Bill 210       0       0         50       unless authorized by the Minister and the Board)       0       0         51       Amount allowed in 2005 - Third tranche of MARR re: CDM       0       0         52       Other Board-approved changes to MARR or incremental revenue       11         53       57       11       11         56       Equity       78,318,723       57         57       57       58       7,737,890       59         60       Debt       95,722,883       61         61       95,722,883       61       11         62       Deemed interest amount in 100% of MARR       6,700,602       63         63       61       53       53       53       53         64       Phase-in of interest - Year 1 (2001)       4,067,611       65       6,700,602       63         63       61       5384,106       11       11       11       11       11       11 </td <td>5,928,118 5</td> <td></td> <td></td> <td>1999 return from RUD Sheet #7</td> <td></td>	5,928,118 5			1999 return from RUD Sheet #7	
46         Input: Board-approved dollar amounts phased-in         2,836,791         2           47         Amount allowed in 2001         2,836,791         2         2,836,791         2           48         Amount allowed in 2003 and 2004 (will be zero due to Bill 210         0         0         0           50         unless authorized by the Minister and the Board)         0         0         0           51         Amount allowed in 2005 - Third tranche of MARR re: CDM         0         0         0           52         Other Board-approved changes to MARR or incremental revenue         0         0         0           53	8 510 374			Total Incromental revenue	
47       Amount allowed in 2001       2,836,791       2         48       Amount allowed in 2003 and 2004 (will be zero due to Bill 210       0       2,836,791       2         49       Amount allowed in 2003 and 2004 (will be zero due to Bill 210       0       0       0         50       unless authorized by the Minister and the Board)       0       0       0         51       Amount allowed in 2005 - Third tranche of MARR re: CDM       0       0       0         52       Other Board-approved changes to MARR or incremental revenue       0       11         55       5       1       11         56       Equity       78,318,723       1         57       58       7       1       1         58       Return at target ROE       7,737,890       1         59       59       1       1       1         60       Debt       95,722,883       1       1         62       Deemed interest amount in 100% of MARR       6,700,602       1       1         63       1       1       1       1       1       1         64       Phase-in of interest - Year 1 (2001)       4,067,611       1       1       1       1       1 <td< td=""><td>0,310,374</td><td></td><td></td><td></td><td></td></td<>	0,310,374				
48       Amount allowed in 2002       2,836,791       2         49       Amount allowed in 2003 and 2004 (will be zero due to Bill 210       0       0         50       unless authorized by the Minister and the Board)       0       0         51       Amount allowed in 2005 - Third tranche of MARR re: CDM       0       0         52       Other Board-approved changes to MARR or incremental revenue       0       11         53       54       Total Regulatory Income       11         56       Equity       78,318,723       57         57       58       7,737,890       59         60       Debt       95,722,883       61         61       95,722,883       61       6,700,602         62       Deemed interest amount in 100% of MARR       6,700,602       63         63       61       95,722,883       61       6,700,602         64       Phase-in of interest - Year 1 (2001)       4,067,611       6,700,602         65       ((D43+D47)/D41)*D61       95,384,106       6,704,602         66       Phase-in of interest - Year 2 (2002)       5,384,106       6,700,602         68       Phase-in of interest - Year 3 (2003) and forward       5,384,106       6,700,602         <	2 836 791 2				
49       Amount allowed in 2003 and 2004 (will be zero due to Bill 210       0         50       unless authorized by the Minister and the Board)       0         51       Amount allowed in 2005 - Third tranche of MARR re: CDM       0         52       Other Board-approved changes to MARR or incremental revenue       0         53       1       11         55       1       11         56       Equity       78,318,723         57       1       11         58       Return at target ROE       11         59       1       1         60       Debt       95,722,883         61       1       1         62       Deemed interest amount in 100% of MARR       6,700,602         63       1       1         64       Phase-in of interest - Year 1 (2001)       4,067,611         65       1       1         66       Phase-in of interest - Year 2 (2002)       5,384,106         67       ((D43+D47+D48)/D41)*D61       5,384,106         68       Phase-in of interest - Year 3 (2003) and forward       5,384,106         69       ((D43+D47+D48)/D41)*D61       5,384,106         69       10       5,384,106         69					
50         unless authorized by the Minister and the Board)         Image: Constraint of the second o					
51       Amount allowed in 2005 - Third tranche of MARR re: CDM         52       Other Board-approved changes to MARR or incremental revenue         53       1         54       Total Regulatory Income         55       1         56       Equity         57       7         58       Return at target ROE         59       7,737,890         59       7         60       Debt         62       Deemed interest amount in 100% of MARR         63       6,700,602         63       1         64       Phase-in of interest - Year 1 (2001)         65       4,067,611         66       9hase-in of interest - Year 2 (2002)         67       5,384,106         68       Phase-in of interest - Year 3 (2003) and forward         69       (D43+D47+D48)/D41)*D61         69       (D43+D47+D48)/D41)*D61 <td></td> <td></td> <td></td> <td></td> <td></td>					
52         Other Board-approved changes to MARR or incremental revenue         1           53         1         11           55         7         78,318,723           56         Equity         78,318,723           57         7         78,318,723           58         Return at target ROE         7,737,890           59         7         7           60         Debt         95,722,883           61         64         95,722,883           62         Deemed interest amount in 100% of MARR         6,700,602           63         64         95,722,883           61         67         6700,602           63         67         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 3 (2002) and forward         5,384,106           67         ((D43+D47+D48)/D41)*D61         67           68         Phase-in of interest - Year 3 (2003) and forward         5,384,106           69         ((D43+D47+D48)/D41)*D61 (due to Bill 210)         70           70         Phase-in of interest - 2005         6,700,602					
53       11       0       11         54       Total Regulatory Income       11         55       1       11         56       Equity       78,318,723         57       1       1         58       Return at target ROE       7,737,890         59       1       1         60       Debt       95,722,883         61       1       1         62       Deemed interest amount in 100% of MARR       6,700,602         63       1       1         64       Phase-in of interest - Year 1 (2001)       4,067,611         65       (IQ43+D47)/D41)*D61       1         66       Phase-in of interest - Year 2 (2002)       5,384,106         67       (IQ43+D47+D48)/D41)*D61       1         68       Phase-in of interest - Year 3 (2003) and forward       5,384,106         69       (IQ43+D47+D48)/D41)*D61 (due to Bill 210)       1         70       Phase-in of interest - 2005       6,700,602					
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					
55       For the second s	11,			Total Regulatory Income	
57       Image: constraint of interest inter					55
58       Return at target ROE       7,737,890         59       9       95,722,883         60       Debt       95,722,883         61       62       Deemed interest amount in 100% of MARR       6,700,602         63       64       Phase-in of interest - Year 1 (2001)       4,067,611         64       Phase-in of interest - Year 2 (2002)       5,384,106         66       Phase-in of interest - Year 2 (2002)       5,384,106         67       ((D43+D47+D48)/D41)*D61       5,384,106         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         70       Phase-in of interest - 2005       6,700,602	78,318,723			Equity	
59       95,722,883         60       Debt       95,722,883         61       66,700,602         62       Deemed interest amount in 100% of MARR       6,700,602         63       66,700,602         64       Phase-in of interest - Year 1 (2001)       4,067,611         65       ((D43+D47)/D41)*D61       95,384,106         66       Phase-in of interest - Year 2 (2002)       5,384,106         67       ((D43+D47+D48)/D41)*D61       9         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         70       Phase-in of interest - 2005       6,700,602					57
60       Debt       95,722,883         61       61       61         62       Deemed interest amount in 100% of MARR       6,700,602         63       63       64         64       Phase-in of interest - Year 1 (2001)       4,067,611         65       ((D43+D47)/D41)*D61       65         66       Phase-in of interest - Year 2 (2002)       5,384,106         67       ((D43+D47+D48)/D41)*D61       66         68       Phase-in of interest - Year 3 (2003) and forward       5,384,106         69       ((D43+D47+D48)/D41)*D61 (due to Bill 210)       66,700,602         70       Phase-in of interest - 2005       6,700,602	7,737,890			Return at target ROE	
61       61       61         62       Deemed interest amount in 100% of MARR       6,700,602         63       63       64         64       Phase-in of interest - Year 1 (2001)       4,067,611         65       ((D43+D47)/D41)*D61       66         66       Phase-in of interest - Year 2 (2002)       5,384,106         67       ((D43+D47+D48)/D41)*D61       67         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         70       Phase-in of interest - 2005       6,700,602					
62       Deemed interest amount in 100% of MARR       6,700,602         63       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	95,722,883			Debt	
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	
65       ((D43+D47)/D41)*D61       Image: Constraint of interest - Year 2 (2002)       5,384,106         66       Phase-in of interest - Year 2 (2002)       5,384,106         67       ((D43+D47+D48)/D41)*D61       Image: Constraint of interest - Year 3 (2003) and forward       5,384,106         68       Phase-in of interest - Year 3 (2003) and forward       Image: Constraint of interest - Year 3 (2003) and forward       Image: Constraint of interest - Year 3 (2003) and forward         69       ((D43+D47+D48)/D41)*D61 (due to Bill 210)       Image: Constraint of interest - 2005       Image: Constraint of interest - 2005         70       Phase-in of interest - 2005       Image: Constraint of interest - 2005       Image: Constraint of interest - 2005	1007.011			Phase in of interact, Mass 4 (2004)	
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				
69       ((D43+D47+D48)/D41)*D61 (due to Bill 210)         70       Phase-in of interest - 2005         60       6,700,602	5 294 406				
70 Phase-in of interest - 2005         6,700,602	<u> </u>				
	6 700 602				
	0,700,002			- 11030-111 UL IIILEIESL - 2000	
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	<mark>-64,442</mark>		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
Image: Additional production of the second	1							÷	
With Lange one in the formation of				Estimate		<u> </u>		Returns	
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Important 2004         Importa	5	0					•	Version 2009.1	
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20 yror A first Find of Taxe p Alger and yrors         -	12			\$		\$			
The set back back back back back back back back	13	ncome Tax Effect on True up adjustments				-08 714			
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.									
Selected         -         5.127.411           Selected         x         38.525           Selected         -         3.227.10           Selected         -         3.271.100           Selected         -         3.552.641           Selected         - </td <td>135</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	135								
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			
BREENSED EXPRONT         No. 100           BREAKED EXPLANT NECOME TAX SATE         -         3,222,110           BREAKED EXPLANT NECOME TAX SATE         -         3,221,501           BREAKED EXPLANT NECOME TAX SATE         -         1,22,41,501	136	estimate column)			=	9,197,414			
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			
Bit Date         Control         1108           Bit Date         -         1108           Bit Date         -         3,211,033           Bit Date         -         3,221,033           Bit Date         -         3,221,033           Bit Date         -         3,422,044           Bit Date         -         3,422,044           Bit Date         -         1,422,044           Bit Date         -         1,424,044           Bit Date         -         1,424,044,040           Bit D	141				=				
Ed. Total: Boxing Regulatory income Tax         =         3.221.08         =           ar. Box points the transmitter for the initial Extinute Column at (Cell Cog).         -         3.882.041         =           ar. Box points the transmitter for the initial Extinute Column at (Cell Cog).         -         3.882.041         =           ar. Box points the initial Extinute Column at (Cell Cog).         -         -         3.882.041         =           ar. Box points the initial Extinute Column at Cell Cog).         -         -         3.882.041         =         -           States.         - <td>142</td> <td>Less: Revised Miscellaneous Tax Credits</td> <td></td> <td></td> <td>-</td> <td>111,098</td> <td></td> <td></td> <td></td>	142	Less: Revised Miscellaneous Tax Credits			-	111,098			
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 filling (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			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)(e)				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	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Тах	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	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	
	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
	Total Additions		0	0	0	
80	Dashuat					
	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		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 Other income from financial statements	-			0	
91		-			0	
92		-			0	
93 94		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	_	0		0	
97		-	0		0	
98		-			0	
	Total Deductions	=	0	0	0	
100			C C	,	·	
	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			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						

	Δ.		0	D		F
	Α	В	С	D	E	F
1						
-	PILS TAXES					
3	TAX RETURN RECONCILIATION (TAXREC 3)		Mart	Nie en las e		
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	-	

								<del></del>		
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				<b>└────</b> ┤				
	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 ogulatoù ao					<b>-</b>				
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				

<u> </u>	A	В	С	D	E	ΓF	G	Н		J	К	L	М	N	0
1	PILs TAXES			-						-					
2	Analysis of PILs Tax Account 1562:														
3															
4	Reporting period: 2004				Sign Conventi	ion:	for increase;	for	decrease						0
5															
6															
7	Year start:         10/1/2001         1/1/2002         1/1/2002         1/1/2002         1/1/2004         1/1/2005         1/1/2005														
8	Year start:         10/1/2001         1/1/2002         1/1/2003         1/1/2004         1/1/2005         1/1/2006           Year end:         12/31/2001         12/31/2002         12/31/2003         12/31/2004         12/31/2005         4/30/2006         T														
9	Year end:         12/31/2001         12/31/2002         12/31/2003         12/31/2004         12/31/2005         4/30/2006														
10	Opening balance:														
11	Opening balance:         =         0         2,104,536         2,742,460         2,217,410         1,586,787         6,446,215														
	Board-approved PILs tax +/-														
12	proxy from Decisions (1) 2,092,231 6,616,123 8,708,354 7,139,181 1,654,031 1,413,007 27,622														
	PILs proxy from April 1, 2005														
13	PILs proxy from April 1, 2005       4,239,022       4,239,022         - input 9/12 of amount       4,239,022       4,239														
	- input 9/12 of amount     4,239,022     4,23       True-up Variance     +/-     4														
14	True-up Variance         +/-           Adjustment Q4, 2001 (2)         15,545														
	True-up Variance	+/-													
	Adjustment (3)				_		-353,632		-203,990		-322,787		0		-880,409
	Deferral Account Variance														
	Adjustment Q4, 2001 (4)				-		_								0
	Deferral Account Variance	+/-													
	Adjustment (5)				-		_		-287,858		-710,837		0		-998,695
	Adjustments to reported	+/-													
18	prior years' variances (6)	,	-		-		_								0
10	Carrying charges (7)	+/-	12,305		222,441		148,530		97,472						480,748
	PILs billed to (collected	_	12,505						51,412						400,740
	from) customers (8)		0		-6,216,185	5	-9,028,302		-7,375,428						-22,619,915
21			]						, ,						
22	Ending balance: # 1562		2,104,536		2,742,460	)	2,217,410		1,586,787		6,446,215		7,859,223		7,859,223
23				-		_						-			
24															
25															
26 27	Uncollected PILs														
-	NOTE: The purpose of this wor	ksheet	t is to show the n	nov	ement in Accou	nt 156	62 which establis	hes	the receivable fr	rom (	or liability to rate	pave	ers.		
29	For explanation of Account 156										•	. ,-			
30			• 4							•					
31 32	Please identify if Method 1, 2	or 3 wa	as used to acco	ount	tor the PILs pi	roxy	and recovery.	ANS	WER: Method	2					
33	(1) (i) From the Board's Decision	on - se	e Inclusion in Ra	ates.	Part III of the T	AXCA	ALC spreadshee	t for	Q4 2001 and 20	02.					
34	Please insert the Q4, 20						•								
35	If the Board gave more	•			-										
36	(ii) If the Board approved dif		•												
37	(iii) Column G - In 2003, the								•	-					
38	(iv) Column I - The Q4 2001					•							04 000-		
39	(v) Column K - The 2002 Pl				•					y fro	m April 1 to Dec	emb	oer 31, 2005.		
40 41	(vi) Column M - The 2005 PI	Ls tax	proxy will used to	or th	e period from Ja	anuar	y 1 to April 30, 2	006.							
42	(2) From the Ministry of Finance	Variar	nce Column, und	der F	Future True-ups	, Part	IV a, cell 1132. c	f the	TAXCALC spre	adsl	heet. The Q4, 20	)01 r	proxy has to be		
43									•			r			
44	<ul> <li>trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.</li> <li>(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.</li> </ul>														
									•	adsl	neet.				
46	The true-up will compare t	o ine 2	2002 proxy for 20	<i>i</i> 02,	2003, 2004 and	i Jani	uary i to March 3	51, 2	005.						
_	(4) From the Ministry of Finance	Variar	nce Column, und	der F	- uture True-ups	, Part	IV b, cell I181. c	f the	TAXCALC spre	adsl	heet. The Q4, 2	001	proxy has to be		
49	trued up in 2002, 2003 an								•						
50	•					•									
51	(5) From the Ministry of Finance	e Variar	nce Column, unc	der F	-uture True-ups	, Part	: IV a, cell 1181, c	t the	IAXCALC spre	adsl	neet.				

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

54 (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, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. 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, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

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

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

(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.

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