	A	B	C	D
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**			
2	**REGULATORY INFORMATION (REGINFO)**			
3				
4	Utility Name: Tay Hydro Electric Distribution Company Inc.			**Amount**
5	Reporting period: October 1 - December 31, 2001			
6				
7	**BACKGROUND**			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	Y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	31-Dec
16				
17	**MARR NO TAX CALCULATIONS**			
18	**SHEET #7 FINAL RUD MODEL DATA**			
19	**(FROM 1999 FINANCIAL STATEMENTS)**			
20	**USE BOARD-APPROVED AMOUNTS**			
21				
22	Rate base (wires-only)			4,077,253
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			349,217
33				
34	1999 return from RUD Sheet #7			173,613
35				
36	Total Incremental revenue			175,604
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			0
40	Amount allowed in 2002, Year 2			117,070
41	Amount allowed in 2003, Year 3			58,535
42				
43	Equity			2,038,627
44				
45	Return at target ROE			201,416
46				
47	Debt			2,038,627
48				
49	Deemed interest amount in EBIT			147,800
50				
51	Phase-in of interest - Year 1			73,479
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			123,027
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			147,800
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-note	Variance	Variance	**Allowance**	Foot-note	Variance	Variance	(June)	Foot-note
4	("Wires-only" business - see Tab TAXREC)		$	#	G-C $	Explanation	$	#	K-G $	Explanation	$	#
5												
6											Column	
7	Utility Name: Tay Hydro Electric Distribution Company Inc.										Brought	
8	Reporting period: October 1 - December 31, 2001										Forward	
9											From	
10											TAXREC	
11												
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1		1A	43,403		43,403	1B	-43,403		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2		2A	54,304		54,304	2B	-54,304		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8		8A	-22,743		-22,743	8B	22,743		0	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12		12A	-18,370		-18,370	12B	18,370		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		0		56,595		56,595		-56,595		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	-4.5000%		34.1200%	14B	4.5000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		0		19,310		19,310		-19,310		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		0		19,310		19,310		-19,310		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16		16A	4,077,253		4,077,253	16B	-4,077,253		0	16C
60	Less: Exemption	17		17A	-5,000,000		-5,000,000	17B	5,000,000		0	17C
61	Deemed Taxable Capital		0		-922,747		-922,747		922,747		0	
62												
63	Rate (.3%)	18	0.3000%	18A	-0.2250%		0.0750%	18B	0.2250%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		0		0		0		0	
66												
67	*Federal (LCT)*											
68	Base	19		19A	4,077,253		4,077,253	19B	-4,077,253		0	19C
69	Less: Exemption	20		20A	-10,000,000		-10,000,000	20B	10,000,000		0	20C
70	Deemed Taxable Capital		0		-5,922,747		-5,922,747		5,922,747		0	
71												
72	Rate (.225%)	21	0.2250%	21A	-0.1688%		0.0563%	21B	0.1688%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		0		-3,332		-3,332		3,332		0	
75	Less: Federal Surtax	22	0	22A	-634		-634	22B	634		0	22C
76												
77	Net LCT		0		-3,965		0		3,965		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	0	23A	29,311		29,311	23B	-29,311			n/a
83	LCT (grossed-up)	24	0	24A	0		0	24B	0			n/a
84	Ontario Capital Tax	25	0	25A	0		0	25B	0			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		0		29,311		29,311		-29,311			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	Initial Estimate	Source	Deferral Account Variance	Deferral Account Variance Explanation	Deferral Account Allowance	Source	M of F Filing Variance	M of F Filing Variance Explanation	M of F Filing	Source
2	DEFERRAL/VARIANCE ACCOUNTS			Foot-				Foot-				Foot-
3	TAX CALCULATIONS (TAXCALC)			note	G-C			note	K-G		(June)	note
4	("Wires-only" business - see Tab TAXREC)		$	#	$		$	#	$		$	#
5									DR / (CR)			
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***											
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-147,800			
122	Interest phased-in - (Deferral Account Cell G34)								18,370			
123												
124	Variance due to phase-in of debt stucture								-129,431			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								147,800			
132												
133	Variance caused by excess debt								-147,800			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								18,370			
138												

	A	B	C	D
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**			
2	**REGULATORY INFORMATION (REGINFO)**			
3				
4	Utility Name: Tay Hydro Electric Distribution Company Inc.			**Amount**
5	Reporting period: January 1 - December 31, 2002			
6				
7	**BACKGROUND**			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	Y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	31-Dec
16				
17	**MARR NO TAX CALCULATIONS**			
18	**SHEET #7 FINAL RUD MODEL DATA**			
19	**(FROM 1999 FINANCIAL STATEMENTS)**			
20	**USE BOARD-APPROVED AMOUNTS**			
21				
22	Rate base (wires-only)			4,077,253
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			349,217
33				
34	1999 return from RUD Sheet #7			173,613
35				
36	Total Incremental revenue			175,604
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			0
40	Amount allowed in 2002, Year 2			117,070
41	Amount allowed in 2003, Year 3			58,535
42				
43	Equity			2,038,627
44				
45	Return at target ROE			201,416
46				
47	Debt			2,038,627
48				
49	Deemed interest amount in EBIT			147,800
50				
51	Phase-in of interest - Year 1			73,479
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			123,027
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			147,800
56				

	A	B	C	D	E	F	G	H	I	J		L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
6												
7	Utility Name: Tay Hydro Electric Distribution Company Inc.										Column	
8	Reporting period: January 1 - December 31, 2002										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1 .	268,732	1A	-268,732			1B	0		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2	217,214	2A	-217,214			2B	0		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8	-179,431	8A	179,431			8B	0		0	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12	-113,737	12A	113,737			12B	0		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13·		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		192,779		-192,779		0		0		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	19.1200%	14A	19.5000%		38.6200%	14B	0.0000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		36,859		-36,859		0		0		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		36,859		-36,859		0		0		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
			$	#	$		$	#	$		$	#
5												
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16	4,077,253	16A	-4,077,253			16B	0		0	16C
60	Less: Exemption	17	-5,000,000	17A	5,000,000			17B	0		0	17C
61	Deemed Taxable Capital		-922,747		922,747		0		0		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		0		0		0		0	
66												
67	*Federal (LCT)*											
68	Base	19	4,077,253	19A	-4,077,253		0	19B	0		0	19C
69	Less: Exemption	20	-10,000,000	20A	10,000,000			20B	0		0	20C
70	Deemed Taxable Capital		-5,922,747		5,922,747		0		0		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		13,326		13,326		0		0		0	
75	Less: Federal Surtax	22	2,159	22A	2,159		0	22B	0		0	22C
76												
77	Net LCT		0		15,485		0		0		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	45,573	23A	-45,573		0	23B	0			n/a
83	LCT (grossed-up)	24	0	24A	0		0	24B	0			n/a
84	Ontario Capital Tax	25	0	25A	0		0	25B	0			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		45,573		-45,573		0		0			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**<u>Variance Caused By Phase-in of Deemed Debt</u>**											
120												
121	Total deemed interest (REGINFO CELL D49)								147,800			
122	Interest phased-in - (Deferral Account Cell G34)								0			
123												
124	Variance due to phase-in of debt stucture								147,800			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129									0			
130	Interest deducted on MoF filing (Cell K34)								147,800			
131	Total deemed interest (REGINFO CELL D49)											
132												
133	Variance caused by excess debt								147,800			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								0			
138												