

October 16, 2012

By RESS and Courier

Ms. Kirsten Walli Board Secretary Ontario Energy Board 2300 Yonge Street 27th Floor Toronto, ON M4P 1E4

Dear Ms. Walli;

Re: Horizon Utilities Corporation ED-2006-0031

Application for Disposition of Account 1562 Deferred Payments in Lieu of

Taxes ("PILs") EB-2012-0005

Draft Tariff of Rates and Charges

As requested by Board staff, please find attached the Excel SIMPIL models that support the variances entered in the PILs 1562 continuity schedules filed October 15, 2012.

Two hard copies will be delivered to the Board and are being filed using the Board's RESS system; live Excel files are also being filed on the Board's RESS system.

Should you have any questions or require further information, please do not hesitate to contact me.

Yours truly,

Original signed by Indy J. Butany-DeSouza

Indy J. Butany-DeSouza, MBA Vice-President, Regulatory Affairs Horizon Utilities Corporation Tel: (905) 317-4765

Encl.

cc. Intervenors of Record (electronic version only)

	Ι	В		<u> </u>		F	
1	A PILs TAXES	В	С	D	E	Г	G Version 2009.1
	REGULATORY INFORMATION (REGINFO)						70.00011 200011
3	Utility Name: Horizon Utilities Corporation					Colour Code	
	Reporting period: 2005 (306 days December 31st)					Input Cell	
5		000				Formula in Cell	1
7	Days in reporting period: Total days in the calendar year:	306 365	days days				
8	Total days in the calendar year.	303	uays				
9							
10				SCHUSI	HHI	HORIZON	
11	BACKGROUND						
	Has the utility reviewed section 149(1) ITA to						
13	confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?		Y/N	Y	Y	Y	
10	tax (and therefore subject to PILS)?		T/IN	Ť	T	T	
	Was the utility recently acquired by Hydro One						
17	and now subject to s.89 & 90 PILs?		Y/N	N	N	N	
	Is the utility a non-profit corporation?		Y/N	N	N	N	
	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				•		
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Υ	Υ	Υ	
22	shared among the corporate group?	LCT	Y/N	N	N	N	
23	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		81%	86%	100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	100%	100%	
26	Taxation Year End (SCHUSI and HHI merged on March 1, 2005)			02-28-2005	02-28-2005	12-31-2005	
21				02-20-2003	02-20-2003		
28	Accounting Year End		Date			12-31-2005	10 Months Stub
30	MARR NO TAX CALCULATIONS						Regulatory
31	SHEET #7 FINAL RUD MODEL DATA						Income
	(FROM 1999 FINANCIAL STATEMENTS)						
	USE BOARD-APPROVED AMOUNTS					COMPINED	
34 35				SCHUSI	HHI	COMBINED HORIZON	
36				3011031		HORIZON	
	Rate Base (wires-only)			64,127,964	247,324,048	311,452,012	
30	Common Equity Ratio (CER)			50.00%	45.00%		
40							
41	1-CER			50.00%	55.00%		
43	Target Return On Equity			9.88%	9.88%		
45	Debt rate			7.25%	7.00%		
47	Market Adjusted Revenue Requirement			5,492,560	20,518,003	26,010,563	
70						T .	4 770 00
49	1999 return from RUD Sheet #7			0	4,776,987	4,776,987	1
	Total Incremental revenue			5,492,560	15,741,016	21,233,576	
	Input: Board-approved dollar amounts phased-in			4 000 050	5.047.005	7.077.050	7.077.056
53 54	Amount allowed in 2001 Amount allowed in 2002			1,830,853 1,830,853	5,247,005		
55	Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210			1,030,053	5,247,005 0		
56	unless authorized by the Minister and the Board)			0	0	0	(
57	Amount allowed in 2005 - Third tranche of MARR re: CDM			1,830,853	5,247,005	7,077,858	
58	Other Board-approved changes to MARR or incremental revenue			215,405	0	215,405	215,405
59	Total Demoletem I			E 707 00 (00.510.000	00.005.000	00.005.005
60	Total Regulatory Income	-		5,707,964	20,518,002	26,225,966	26,225,966
	Equity			32,063,982	111,295,822	143,359,804	
63	1= 7 *** 7			52,000,002	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
	Return at target ROE	L		3,167,921	10,996,027	14,163,949	
65							
	Debt			32,063,982	136,028,226	168,092,208	
67	Deemed interest amount in 100% of MARR			2,324,639	9,521,976	11,846,615	
69	Decined interest amount in 100 /0 OF WARK			2,324,039	3,321,376	11,040,015	
	Phase-in of interest - Year 1 (2001)			774,879	4,651,925	5,426,804	
71	((D43+D47)/D41)*D61			,	, , , , , , , , , , , , , , , , , , , ,	, , , , , ,	
	Phase-in of interest - Year 2 (2002)			1,549,759	7,086,950	8,636,709	
73	11 1						
	Phase-in of interest - Year 3 (2003) and forward	-		2,324,639	9,521,976	11,846,615	
75 76	((D43+D47+D48)/D41)*D61 (due to Bill 210) Phase-in of interest - 2005	-				11,846,615	
77	i naso in oi interest - 2000					11,040,013	
78							
	•						

1	A A	В	С	D	Е	F	G	H	l Tau	J
2	PILS TAXES PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)	ITEM		Initial Estimate (Full Year)			M of F Filing Variance	M of F Filing Variance	Tax Returns	_
4	("Wires-only" business - see Tab TAXREC)			(rui rear)			K-C	Explanation	Version 2009.1	_
6	Utility Name: Horizon Utilities Corporation Reporting period: 2005 (306 days December 31st)		Former SCHUSI	Former HHI	Combined Horizon				Version 2003.1	<u> </u>
8	Days in reporting period:	306			Utilities				Column Brought	
10	Total days in the calendar year:	365							From TAXREC	
12			\$	\$	\$		\$		\$	<u> </u>
14	I) CORPORATE INCOME TAXES									
15 16 17	Regulatory Net Income REGINFO E53	1	5,707,964	20,518,002	26,225,966		-4,005,711		22,220,255	
18	BOOK TO TAX ADJUSTMENTS Additions:									<u> </u>
	Depreciation & Amortization	2	3,496,843	11,570,187	15,067,030		1,288,511 1,284,678		16,355,541 1,284,678	
22	Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year Reserves from financial statements - end of year	4					350,000 1,472,655		350,000 1,472,655	
24	Regulatory Adjustments - increase in income	5					1,472,655		1,472,655	
25 26 27	Other Additions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6					0		0	
28	"Material Items from "TAXREC 2" worksheet	6					0		0	
30	Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"						2,181,508		2,181,508	
31	Deductions: Input positive numbers									
34	Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts	8	2,446,091	8,779,450	11,225,541		4,257,649 908,725		15,483,190 908,725	
36	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	10					0		0	
38	Interest Expense Deemed/ Incurred Tax reserves - end of year	11 4	2,324,639	9,521,976	11,846,615		-4,295,830 350,000		7,550,785 350,000	
40	Reserves from financial statements - beginning of year Contributions to deferred income plans	3					1,040,150		1,040,150	
42	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11	000 455	700.0	200.455		0		0	
44	Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Deductions (see "Material") "TAXPEC"	12	296,409	700,000	996,409		14,600		14,600	
45 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12					0		0	
47 48	Other Deductions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	12					0 109,257		0 109,257	
49 50	TAXABLE INCOME/ (LOSS)		4,137,668	13,086,763	17,224,431		187,090	Before loss C/F	18,407,930	E
51 52	BLENDED INCOME TAX RATE									
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%	36.12%	36.12%		0.0000%		36.12%	
55 56	REGULATORY INCOME TAX		1,494,526	4,726,939	6,221,465		392,780	Actual	6,614,245	
	Miscellaneous Tax Credits	14					22,513	Actual	22,513	
59 60	Total Regulatory Income Tax		1,494,526	4,726,939	6,221,465		370,267	Actual	6,591,732	
61 62										
63 64	II) CAPITAL TAXES									E
65 66	Ontario Base	15	64,127,964	247,324,048	311,452,012		-17,592,988		293,859,024	-
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	7,500,000 56,627,964	6,375,000 240,949,048	13,875,000 297,577,012		-7,348,388 -24,941,376		6,526,612 287,332,412	
69 70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.3000%	0.3000%		0.0000%		0.3000%	
71 72	Ontario Capital Tax		169,884	722,847	892,731		-170,070		722,661	
73 74	Federal Large Corporations Tax									
75 76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	64,127,964 50,000,000	247,324,048 50,000,000	311,452,012 100,000,000		-19,881,005 -90,000,000		291,571,007 10,000,000	
77 78	Taxable Capital		14,127,964	197,324,048	211,452,012		-109,881,005		281,571,007	
79 80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%	0.1750%	0.1750%		0.0000%		0.1750%	
81 82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	24,724 24,724	345,317 146,572	370,041 192,914		43,058 13,255		413,099 206,169	
83 84	Net LCT		0	198,745	198,745		29,803		206,931	
85 86	III-a) INCLUSION IN RATES (FULL YEAR)									E
87 88	Income Tax Rate used for gross- up (exclude surtax)		36.12%	36.12%	36.12%					<u> </u>
89 90	Income Tax (proxy tax is grossed-up)	22	2,339,583	7,399,716	9,739,300			Actual 2005	6,614,245	
91 92	LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	23 24	0 169,884	311,123 722,847	311,123 892,731			Actual 2005 Actual 2005	6,591,732 22,513	E
93 94										
95 96	Total PILs for Rate Adjustment MUST AGREE WITH 2005 RAM DECISION	25	2,509,467	8,433,687	10,943,154			Actual 2005	13,228,490	E
97 98	III-b) INCLUSION IN RATES (Pro-Rated For Short Taxation Year)									E
99 100	Income Tax Rate used for gross- up (exclude surtax)		36.12%	36.12%	36.12%					F
101 102	Income Tax (proxy tax is grossed-up)	22	1,961,404	6,203,598	8,165,002			Actual 2005	6,591,732	
103	LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	23 24	0 142,423	260,832 606,003	260,832 748,427			Actual 2005 Actual 2005	129,630 712,315	
105 106						E				
107 108	Total PILs for Rate Adjustment Pro-Rated for Short Taxation Year	25	2,103,827	7,070,433	9,174,260			Actual 2005	7,433,677	
109 110	LCT pro-rated for short year and not grossed up for purpose									
111	of IV b) Deferral Account Variance from LCT				166,619					
113	IV) FUTURE TRUE-UPS									
115	In Additions:						DR/(CR)			<u> </u>
117	In Adollons: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3 4					1,284,678 350,000			
119	Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments	4 5					1,472,655			
121	Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6					0			<u> </u>
123	In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	8					908,725			F
	Employee Benefit Plans - Plan Amounts tems Capitalized for Regulatory Purposes Regulatory Adjustments	9					908,725			
120		10	i I				U			1

Part Company Part		A	В	С	D	E	F	G	Н	_1	J
1	2	PILS TAXES PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM							Tax Returns	
Vertice No. Promote	4	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)			(Full Year)						
Property general 2005 (1984 day November 1910)	5	0		Former	Former	Combined				Version 2009.1	
Description periods	7	Reporting period: 2005 (306 days December 31st)				Horizon				Column	
TARGET	9		306			Otilities				Brought	
1	11	lotal days in the calendar year:	303							TAXREC	
1,006.100 1,00				\$	\$	\$		\$		\$	
Commonstrate Comm											
The Deliver Administer from TACKET. The Administer of the Company	130	Contributions to deferred income plans	3					0			
Description Triple UPS before tax effects 1	132	Other deductions "Material" Items TAXREC	12								
December 1 to Retail excluding setted from 2000 UBBy's tax returns	134							0			
100 101 102 102 103		Total TRUE-UPS before tax effect	26				=	793,858			
Section Sect		Income Tax Rate (excluding surtax) from 2005 Utility's tax return					X	36.12%			
Extra Description of Tax Certific Control of the Co	139	Income Tax Effect on True-up adjustments					=	286,742			
1.00 1.00	141	Less: Miscellaneous Tax Credits	14					14,381			
TRUELLE VARIOR CANASTRATES	143	Total Income Tax on True-ups						272,360			
17 TRUE VARIANCE ADJUSTMENT	145	Income Tax Rate used for gross-up (exclude surtax)						35.00%			
West Disclosuration of the Deferral Account Variance caused by colonings in linguisticion	147	TRUE-UP VARIANCE ADJUSTMENT						419,016			
	148	IV b) Calculation of the Deferral Account Variance caused by					<u> </u>				H
REPORT NAME & NOUTE (LOSSES) (as reported in the initial process of the initial process o		changes in legislation					<u> </u>				
Service Corpor Charles No Code TAX RATE							-				-
152	152										
Top Part P		REVISED CORPORATE INCOME TAX RATE					х	36.12%			
157 Just Revised Miscolamour Tax Credits	155	REVISED REGULATORY INCOME TAX					=	6,221,465			
155 Total Revised Regulatory Income Tax reported in the Initial Estimate Column (Cell	157	Less: Revised Miscellaneous Tax Credits					Ξ	14,381			
Less Regulatory hocome Tax Variance	159	Total Revised Regulatory Income Tax					=	6,207,083			
Tell											
165							-	6,221,465			
		Regulatory Income Tax Variance					=	-14,381			
167 Less Exemption from tab Tax Rates, Table 2, cell C39	165	Ontario Capital Tax					_	244 452 042			
Tign	167	Less: Exemption from tab Tax Rates, Table 2, cell C39					-	7,500,000			
171 Revised Oritario Capital Tax	169										
Less: Ontaino Capital Tax reported in the initial estimate column (Cell E104-172) por-tated for short traxistion was obstituted to short traxistion with soft traxistion was contained to the contained training to the contained training to the contained training t	171						х				
173 ppr - part of short tauxinor year)	172	Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell E104 -					=	764,460			
175 Federal LCT	173	pro-rated for short taxation year)					÷				
177 Base	175							10,001			
179 Revised Federal LCT	177	Base									
1811 Rate (as a result of legislative changes) tab Tax Rates' cell C51	179						=				
182 Gross Amount		Rate (as a result of legislative changes) tab 'Tax Rates' cell C51						0.1750%			
184 Less: Federal sutrix - 192,914		Gross Amount						383.582			
186 Separation	184	Less: Federal surtax						192,914			
188 Regulatory Federal LCT Variance	186										
1900 Actual Income Tax Rate used for gross-up (exclude surtax) 1921 1921 1921 1922 1922 1923 1924 1925 1924 1925	188										
193 LCT (grossed-up) + 36,999		Actual Income Tax Rate used for gross-up (exclude surtax)						35.00%			
193 LCT (grossed-up) + 36,999	191 192	Income Tax (grossed-up)									
196 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT	193 194	LCT (grossed-up)						36,999 16,034			<u> </u>
198 RUE-UP VARIANCE (from cell 1147)	195						=				
199	197										
201 Deferral Account Variance + True-up Variance)	199										
2024	201						=	449,923			
200 Variance Caused By Phase-in of Deemed Debt	204										
207 208 Total deemed interest (REGINFO)	206	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt					E				H
200 Interest phased-in (Cell E36) 8.636,709 210 Variance due to phase-in of debt component of MARR in rates 3,209,906 212 according to the Board's decision 213 Cell	207							11.846.615			
211 Variance due to phase-in of debt component of MARR in rates 3,209,906 212 according to the Board's decision 213 214 Other Interest Variances (i.e. Borrowing Levels 215 Above Deemed Debt per Rate Handbook) 7,550,785 216 Interest deducted on MoF filing (Cell K36+K41) 7,550,785 217 Actual Interest Paid 7,550,785 218 218 218 218 218 218 219 Variance caused by excess debt 0	209	Interest phased-in (Cell E36)									
213 214 Other Interest Variances (i.e. Borrowing Levels	211	Variance due to phase-in of debt component of MARR in rates						3,209,906			
215 Above Deemed Debt per Rate Handbook	213										
216 Interest deducted on MoF filing (Cell K36+K41) 7,550,785 217 Actual Interest Paid 7,550,785 218 219 Variance caused by excess debt 0	215	Above Deemed Debt per Rate Handbook)									
218 219 Variance caused by excess debt	216 217	Interest deducted on MoF filing (Cell K36+K41)					_	7,550,785 7,550,785			<u> </u>
220	218						H	0			-
221 Interest Adjustment for Tax Purposes (carry forward to Cell I127)	220							0			
222 Total Interest Variance 3,209,906	222							3 200 006			
224	224	rotal indiest validite						3,209,906			
225 226	225 226										

A								
2 TAR RETURN RECORDILATION (TARREC) Corporate Return Tax	_						F	G
200 February Descriptions - 1989 2 CORD ACC			LINE					
Section A. Mendification: Section A. Mendification:					Liiminations			
						Version 2009.1		
Reporting particul, 2005 DBM days (hearth particular)								
Transition Year's set of deter.								
10								
Please enter the Materiality Level								
3 Please order the Materiality Level	11	Number of days in taxation year:		306	days			
200 225 x R are Dear or CPR VRV Y V V V V V V V V								
15 10 20 25 15 15 15 15 15 15 15					< - enter materiality	level		
10 One the measure (pieses provide the basis of the amount) V/R N V V V V V V V V V								
17 Does to stilling carry on non-wires related operation? YN Y		,						
18 Prises complete the questionnaire in the Background questionnaire workshored.)								
20 Neces Carry forward Winter on Charles To Tax TAXACAC Column K			vorksh					
22 Section B. Financial statements data:		Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
23 Page unconnocitation florance at conserver date automated with Tax returns.		Saction B: Financial statements data:						
22 The actual categories of the income statements should be used								
2		,						
2	25		expens	e and provision for in	ncome tax			
28								
20					all amounts			
30		in the "non-wires elimination column" as negative values in TAXREC and T.	AXKEC	<i>i</i>				
Secretary Sales		Income:						
33 Other Income			+			0		
Macorlamenous income		Distribution Revenue						
Second S				13,372,733	3,813,928	9,558,805		
36 Revenue should be entered above this line		Miscellaneous income				0		
39 Costs and Expenses:		Payanus should be entered above this line	+			0		
30 Cost of energy purchased		Revenue should be entered above this line						
Section Sect		Costs and Expenses:						
1			-			0		
1						0		
43 Amortization				00 400 070	4.050.050	07.510.400		
Add Capital Tax - 720,256 720,256								
A					169,403			
Secovery of Regulatory Assets				120,230		0		
48	46		-			0		
193 So Net Income Before Interest & Income Taxes EBIT		Opening Merger Adjustment to reclasify SCHUSI income to retained earning		564,044		564,044		
Solid Section Sectio			-			0		
Section C: Reconciliation of accounting purposes - 5,567,997 591,866 4,776,131 2,757,785 3,857,997 591,866 4,776,131 3,757,785 3,757,785 3,857,997 3,557,785 3,557,997 3,557,997 3	_	Net Income Defere Interest 9 Income Toyon FDIT		22 005 066	1 665 611	22 220 255		
Provision for payments in lieu of income taxes -								
Say Section C. Reconciliation of accounting income to taxable income 1,040,084 1,046,745 9,893,339								Does this include LCT?
Section C: Reconciliation of accounting income to taxable income		Net Income (loss)	=					
Section C: Reconcilitation of accounting income to taxable income								
Section C: Reconciliation of accounting income to taxable income	_	per financial statements on Schedule 1 of the tax return.)						
ST From T2 Schedule 1		Section C: Reconciliation of accounting income to tavable income						
59 Provision for income tax								
Federal large corporation tax	58	BOOK TO TAX ADDITIONS:						
61 Depreciation & Amortization + 16,545,006 189,465 16,355,541 62 Employee benefit plans-accrued, not paid + 1,308,177 23,499 1,284,678 63 Tax reserves - beginning of year + 350,000 0 350,000 64 Reserves from financial statements- end of year + 1,472,655 0 1,472,655 65 Regulatory adjustments on which true-up may apply (see A66) + 0 0 66 Items on which true-up does not apply "TAXREC 3" 2,181,508 0 2,181,508 67 Material addition items from TAXREC 2 + 0 0 0 68 Other addition items (not Material) from TAXREC 2 + 0 0 0 69 - - 0 0 0 0 70 Subtotal 27,225,343 804,830 26,420,513 - 71 - - - 0 - - 72 Other Additions: (Please explain the nature of the additions) - - - - - - - - - - - - - - - -					591,866	4,776,131		Does this include LCT?
Employee benefit plans-accrued, not paid					400.46=	0		
Tax reserves - beginning of year						, ,		
64 Reserves from financial statements - end of year + 1,472,655 0 1,472,655 65 Regulatory adjustments on which true-up may apply (see A66) + 0								
Regulatory adjustments on which true-up may apply (see A66) +								
67 Material addition items from TAXREC 2 + 0 0 0 68 Other addition items (not Material) from TAXREC 2 + 0 0 0 69 - - 0 0 0 70 Subtotal 27,225,343 804,830 26,420,513 71 2. Other Additions: (Please explain the nature of the additions) - 0 73 Recapture of CCA + 0 0 74 Non-deductible meals and entertainment expense + 0 0 75 Capital items expensed + 0 0 0 76 + + 0 0 0 0 0 78 + + 0 0 0 0 0 0 79 + + 0 0 0 0 0 0 0 0 80 Total Other Additions = 0	65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
68 Other addition items (not Material) from TAXREC 2 + 0 0 0 69 27,225,343 804,830 26,420,513 26,420,513 27,225,343 804,830 26,420,513 26,420,513 27,225,343 804,830 26,420,513 26,420,513 27,225,343 804,830 26,420,513 26,420,513 27,225,343 804,830 26,420,513 27,225,343 804,830 26,420,513 27,225,343 804,830 26,420,513 27,225,343 804,830 26,420,513 27,225,343 804,830 26,420,513 27,225,343 804,830 26,420,513 28,20,513 <t< td=""><td></td><td></td><td></td><td></td><td></td><td>2,181,508</td><td></td><td></td></t<>						2,181,508		
69 Subtotal 27,225,343 804,830 26,420,513 71 1 72 Other Additions: (Please explain the nature of the additions) 0 73 Recapture of CCA + 0 74 Non-deductible meals and entertainment expense + 0 75 Capital items expensed + 0 76 + 0 0 77 + 0 0 78 + 0 0 79 + 0 0 80 Total Other Additions = 0 0 0 81 = 0 0 0 0 82 Total Additions = 27,225,343 804,830 26,420,513 83 = 27,225,343 804,830 26,420,513 84 Recap Material Additions: 0 0 0 86 0 0 0 0					- v	0		
70 Subtotal 27,225,343 804,830 26,420,513		Other addition items (not Material) from TAXREC 2	+	0	0	0		
71 72 Other Additions: (Please explain the nature of the additions) 0 73 Recapture of CCA + 0 74 Non-deductible meals and entertainment expense + 0 75 Capital items expensed + 0 76 + 0 0 77 + 0 0 78 + 0 0 79 + 0 0 80 Total Other Additions = 0 0 0 81 = 0 0 0 0 82 Total Additions = 27,225,343 804,830 26,420,513 83 84 Recap Material Additions: 0 0 0 0 0 86 0 0 0 0 0 0 0		Subtotal		27 225 3/12	804 830	26 420 512		
72 Other Additions: (Please explain the nature of the additions) 0 73 Recapture of CCA 0 74 Non-deductible meals and entertainment expense 0 75 Capital items expensed 0 76 0 77 0 78 0 79 0 80 Total Other Additions 81 0 82 Total Additions 83 0 84 Recap Material Additions: 85 0 86 0		Gubiolai		21,220,043	004,030	20,720,013		
73 Recapture of CCA + 0 74 Non-deductible meals and entertainment expense + 0 75 Capital items expensed + 0 76 + 0 0 77 + 0 0 78 + 0 0 79 + 0 0 80 Total Other Additions = 0 0 0 81 = 0 0 0 0 82 Total Additions = 27,225,343 804,830 26,420,513 83 = 27,225,343 804,830 26,420,513 84 Recap Material Additions: 0 0 0 85 0 0 0 0 86 0 0 0 0		Other Additions: (Please explain the nature of the additions)			_			
Total Additions: Capital Items expensed Fig. 1	73	Recapture of CCA						
76 + 0 0 77 + 0 0 78 + 0 0 79 + 0 0 80 Total Other Additions = 0 0 0 81 = 0 0 0 0 82 Total Additions = 27,225,343 804,830 26,420,513 80 83 = 0 0 0 0 0 0 86 0								
77 + 0 78 + 0 79 + 0 80 Total Other Additions = 0 0 0 81 = 0 0 0 0 82 Total Additions = 27,225,343 804,830 26,420,513 83 = 0 0 0 0 84 Recap Material Additions: 0 0 0 0 86 0 0 0 0 0 0		Capital Items expensed		_		0		
78 + 0 79 + 0 80 Total Other Additions = 0 0 81 - - 82 Total Additions = 27,225,343 804,830 26,420,513 83 - - - - 84 Recap Material Additions: - - - 85 0 0 0 0 86 0 0 0 0				0		0		
Total Other Additions								
80 Total Other Additions = 0 0 0 81 82 Total Additions = 27,225,343 804,830 26,420,513 83 84 Recap Material Additions: 85 0 0 0 86 0 0 0								
82 Total Additions = 27,225,343 804,830 26,420,513 83 = 27,225,343 804,830 26,420,513 84 Recap Material Additions: 0 0 0 85 0 0 0 86 0 0 0	80	Total Other Additions	=	0	0	0		
83 84 Recap Material Additions: 85 0 0 0 86 0 0 0		T + 1 A + 199						
84 Recap Material Additions: 0 0 85 0 0 86 0 0		Total Additions	=	27,225,343	804,830	26,420,513		
85 0 0 0 0 86 0 0 0 0		Recap Material Additions:						
86 0 0 0 0		material maniferior		0	0	0		
87 0 0 0	86					0		
	87			0	0	0		

_	Δ	В	С	D	E	l F l G
1	PILs TAXES	LINE		Non-wires		F G
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	M of F Corporate	Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiations	Return	
4	(IOI WILES-OTHY BUSINESS - SEC S. 12 OLD ACT)		Return		recuiii	
5			rtotuiii		Version 2009.1	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	14,734,806	189,465	14,545,341	
	Cumulative eligible capital deduction	-	937,849		937,849	
	Employee benefit plans-paid amounts	-	908,725		908,725	
	Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102	CCA	-			0	
103		-			0	
	Tax reserves - end of year	-	350,000	0	350,000	
	Reserves from financial statements- beginning of year	-	1,040,150	0	1,040,150	
	Contributions to deferred income plans	-			0	
_	Contributions to pension plans	-			0	
	Items on which true-up does not apply "TAXREC 3"		109,257	0	109,257	
	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	=	18,080,787	189,465	17,891,322	
	Other deductions (Please explain the nature of the deductions)					
	Charitable donations - tax basis	-	14,600		14,600	
	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119	T. 101 D. 1 1	-			0	
120	Total Other Deductions	=	14,600	0	14,600	
121					.=	
122	Total Deductions	=	18,095,387	189,465	17,905,922	
123	Recap Material Deductions:					
	Charitable donations - tax basis		14,600	0	14,600	
	Chantable donations - tax basis		14,600	0	14,600	
126 127			0	0	0	
128			0	0	0	
129			0	0	0	
	Total Other Deductions exceed materiality level		14,600	0	14,600	
	Other Deductions less than materiality level		14,000	0	0	
	Total Other Deductions		14,600	0	14,600	
133	Total Culti Beddellollo		14,000	Ü	14,000	
	TAXABLE INCOME	=	20,070,040	1,662,110	18,407,930	
	DEDUCT:		.,,	,,,,,,,,,,	3,,300	
136		-	0		0	
137		-	ŭ		0	
138					0	
	NET TAXABLE INCOME	=	20,070,040	1,662,110	18,407,930	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	4,446,686	368,254	4,078,432	
	Net Ontario Income Tax (Must agree with tax return)	+	2,764,780	228,967	2,535,813	
144	Subtotal	=	7,211,466	597,221	6,614,245	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	22,513		22,513	
	Total Income Tax	=	7,188,953	597,221	6,591,732	
147						
	FROM ACTUAL TAX RETURNS	$oxed{oxed}$				
	Net Federal Income Tax Rate (Must agree with tax return)		22.16%		22.16%	Divide federal income tax by the taxable i
	Net Ontario Income Tax Rate (Must agree with tax return)		13.78%		13.78%	Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		35.93%		35.93%	
152						
	Section F: Income and Capital Taxes					
154	DECAR .					
	RECAP	 	7 100 000	=====	0.551.5	
	Total Income Taxes	+	7,188,953	597,221	6,591,732	
	Ontario Capital Tax	+	722,661	-10,346	712,315	
	Federal Large Corporations Tax	+	129,630	0	129,630	
159	Total income and conital taxon	 	0.044.044	E00 075	7 400 677	
160	Total income and capital taxes	=	8,041,244	586,875	7,433,677	
161						

	A	В	С	D	l E I	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	•
	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Horizon Utilities Corporation					
8	Reporting period: 2005 (306 days December 31st)					
9	, , , , , , , , , , , , , , , , , , ,					
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(I)		350,000		350,000	
15	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
19	Other - Please describe				0	
20					0	-
21					0	
	Total (carry forward to the TAXREC worksheet)		350,000	C	350,000	
23						
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)		350,000		350,000	
	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	
32					0	
33					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		350,000	C	350,000	
36						
37						
	FINANCIAL STATEMENT RESERVES					
39	5					
	Beginning of Year:					
41					0	
42					0	
	Environmental		700.000		700,000	
_	Allowance for doubtful accounts		700,000		700,000	
	Inventory obsolescence		340,150		340,150	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49	Total (corn, forward to the TAVDECadiaha-ti		1 040 450			
	Total (carry forward to the TAXREC worksheet)		1,040,150	0	1,040,150	
51	End of Year:					
53	LIIU OI TEAT.				0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts		1,132,655		1,132,655	
_	Inventory obsolescence		340,000		340,000	
	Property taxes		340,000		340,000	
	Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
61	Outor - Liease describe				0	
	Insert line above this line				U	
	Total (carry forward to the TAXREC worksheet)		1,472,655	O	1,472,655	
64	I Otal (Carry IOI ward to the TAAREC WORKSHEEL)		1,472,000	U	1,472,000	
04						

					Appendix C-1
	A	В	С	D	Е
1					
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
5	RATEPAYERS ONLY		Return		
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1
7					
8	Utility Name: Horizon Utilities Corporation				
9	Reporting period: 2005 (306 days December 31st)				
	Number of days in taxation year:		306		
	Materiality Level:		0		
12	•				
13					
14					
15	Section C: Reconciliation of accounting income to taxable income				
16	Add:				
17		+			0
	Gain on sale of eligible capital property	+			0
	Loss on disposal of assets	+			0
20	Charitable donations (Only if it benefits ratepayers)	+			0
	Taxable capital gains	+			0
22	· · ·	+			0
	Scientific research expenditures deducted	+			0
24	per financial statements	+			0
25	Capitalized interest	+			0
26	Soft costs on construction and renovation of buildings	+			0
	Capital items expensed	+			0
	Debt issue expense	+			0
	Financing fees deducted in books	+			0
	Gain on settlement of debt	+			0
	Interest paid on income debentures	+			0
	Recapture of SR&ED expenditures	+			0
	Share issue expense	+			0
	Write down of capital property	+			0
	Amounts received in respect of qualifying environment trust	+			0
	Provision for bad debts	+			0
37		+			0
38		+			0
39		+			0
40	Other Additions: (please explain in detail the nature of the item)	+			0
41		+			0
42		+			0
43		+			0
44		+			0
45		+			
46	Total Additions	=	0	0	0
47					
48	Recap of Material Additions:				
49			0	0	0
50			0	0	0
51			0	0	0
52			0	0	0
53			0	0	0
54			0	0	0
55			0	0	0
56			0	0	0
57			0	0	0
58			0	0	0
59			0	0	0
60			0	0	0
61			0	0	0
62			0	0	0
63			0	0	0
64			0	0	0
65			0	0	0
66			0	0	0
67			0	0	0

	A	В	С	D	E Appendix C-1
1					
	PILs TAXES	LINE	M of F	Non-wires	Wires-only
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
5	RATEPAYERS ONLY		Return		
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1
7					
	Utility Name: Horizon Utilities Corporation				
9	Reporting period: 2005 (306 days December 31st)				
	Number of days in taxation year:		306		
	Materiality Level:		0		
12					
13				_	_
68			0	0	0
69			0	0	0
70			0	0	0
71			0	0	0
72			0	0	0
73 74			0	0	0
75			0	0	0
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	Total Additions		U	U	0
	Deduct:				
	Gain on disposal of assets per f/s				0
83	Dividends not taxable under section 83	- 1			0
	Terminal loss from Schedule 8	- 1			0
	Depreciation in inventory, end of prior year	_			0
86	Scientific research expenses claimed in year from Form T661	_			0
	Bad debts	_			0
	Book income of joint venture or partnership	- 1			0
89	Equity in income from subsidiary or affiliates	- 1			0
	Contributions to a qualifying environment trust	- 1			0
	Other income from financial statements	-			0
92		- 1			
93		-			0
94		-			0
95	Other deductions: (Please explain in detail the nature of the item)	-			0
96	Non-taxable load transfers	-	0		0
97		-			0
98		-			0
	Total Deductions	=	0	0	0
100					
	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
113 114			0	0	0
114			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
121	Total Deductions		0	0	0
121	Total Deductions		U	U	U

TEMS ON WHICH TRUE-UP DOES NOT APPLY	E F ires-only Tax Return 0 0 0 0 0 0 0 0 0 11,758 0 0 0
TAX RETURN RECONCILIATION (TAXREC 3) Shareholder-only Items should be shown on TAXREC 3	Tax Return ion 2009.1 0 0 0 0 0 0 0 0 0 0 0 11,758 0 0 0
Shareholder-only Items should be shown on TAXREC 3 LINE	Tax Return ion 2009.1 0 0 0 0 0 0 0 0 0 0 0 11,758 0 0 0
TEMS ON WHICH TRUE-UP DOES NOT APPLY Corporate Eliminations	Tax Return ion 2009.1 0 0 0 0 0 0 0 0 0 0 0 11,758 0 0 0
6 (tor "wires-only" business - see s. 72 OEB Act) 7 Return 8 Utility Name: Horizon Utilities Corporation 9 Period: Quality Name: Horizon Utilities Corporation 11 Reporting period: 2005 (306 days December 31st) 12 Number of days in taxation year: 13 Quality Office Company of Quality Office Company	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Telephone Tele	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
8 Utility Name: Horizon Utilities Corporation 9 10 11 Reporting period: 2005 (306 days December 31st) 12 Number of days in taxation year: 13 306 14 15	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
9 10 11 Reporting period: 2005 (306 days December 31st) 12 Number of days in taxation year: 306	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
10 Reporting period: 2005 (306 days December 31st)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
11 Reporting period: 2005 (306 days December 31st) 306	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
12 Number of days in taxation year: 306	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
13 14 15 16 Section C: Reconciliation of accounting income to taxable income 17 Add: 18 19 Recapture of capital cost allowance 20 CCA adjustments 4	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
15 Section C: Reconciliation of accounting income to taxable income 17 Add: 18	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
16 Section C: Reconciliation of accounting income to taxable income 17 Add: 18 19 Recapture of capital cost allowance 20 CCA adjustments 4	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
17 Add: 18	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
18 19 Recapture of capital cost allowance 20 CCA adjustments 4 +	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
19 Recapture of capital cost allowance +	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
20 CCA adjustments 21 CEC adjustments 4	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
21 CEC adjustments +	0 0 0 0 0 0 0 0 0 0 0 0 0 11,758
22 Gain on sale of non-utility eligible capital property 23 Gain on sale of utility eligible capital property 44 Loss from joint ventures or partnerships 4	0 0 0 0 0 0 0 0 0 0 0 11,758
23 Gain on sale of utility eligible capital property + Loss from joint ventures or partnerships + Loss from joint ventures or partnerships + Loss in equity of subsidiaries and affiliates + Loss on disposal of utility assets + Loss on disposal of utility assets + Loss on disposal of non-utility assets + Loss on disposal of	0 0 0 0 0 0 0 0 0 11,758
25 Deemed dividend income + 26 Loss in equity of subsidiaries and affiliates + 27 Loss on disposal of utility assets + 28 Loss on disposal of non-utility assets + 29 Depreciation in inventory -end of year + 30 Depreciation and amortization adjustments + 31 Dividends credited to investment account + 32 Non-deductible meals + 33 Non-deductible club dues + 44 Non-deductible automobile costs + 55 Donations - amount per books 56 Interest and penalties on unpaid taxes 57 Management bonuses unpaid after 180 days of year end 58 Ontario capital tax adjustments 59 Ontario capital tax adjustments 50 Ontario capital tax adjustments 50 Donations - 51 Donations - 52 Donations - 53 Donations - 54 Donations - 55 Donations - 56 Donations - 57 Donations - 58 Donations - 58 Donations - 59 Donations - 50 Donations - 50 Donations - 50 Donations - 50 Donations - 51 Donations - 52 Donations - 53 Donations - 54 Donations - 55 Donations - 56 Donations - 57 Donations - 58 Donations - 58 Donations - 59 Donations - 50 Donations - 51 Donations - 51 Donations - 52 Donations - 53 Donations - 54 Donations - 55 Donations - 56 Donations - 57 Donations - 58 Donati	0 0 0 0 0 0 0 0 11,758
26 Loss in equity of subsidiaries and affiliates +	0 0 0 0 0 0 11,758 0
27 Loss on disposal of utility assets 28 Loss on disposal of non-utility assets 29 Depreciation in inventory -end of year 30 Depreciation and amortization adjustments 4	0 0 0 0 0 11,758 0
28 Loss on disposal of non-utility assets + 29 Depreciation in inventory -end of year + 30 Depreciation and amortization adjustments + 31 Dividends credited to investment account + 32 Non-deductible meals + 33 Non-deductible club dues + 44 Non-deductible club dues + 35 Donations - amount per books 36 Interest and penalties on unpaid taxes 37 Management bonuses unpaid after 180 days of year end 38 Ontario capital tax adjustments 39 4 4 5 5 5 5 5	0 0 0 0 11,758 0
29 Depreciation in inventory -end of year + 30 Depreciation and amortization adjustments + 31 Dividends credited to investment account + 32 Non-deductible meals + 33 Non-deductible club dues + 34 Non-deductible automobile costs + 35 Donations - amount per books 14,600 36 Interest and penalties on unpaid taxes 37 Management bonuses unpaid after 180 days of year end 38 Ontario capital tax adjustments 39 +	0 0 0 11,758 0
30 Depreciation and amortization adjustments +	0 0 11,758 0
31 Dividends credited to investment account +	0 11,758 0
32 Non-deductible meals + 11,758 33 Non-deductible club dues + 34 Non-deductible automobile costs + 35 Donations - amount per books	0
34 Non-deductible automobile costs +	0
35 Donations - amount per books 14,600	
36 Interest and penalties on unpaid taxes	
37 Management bonuses unpaid after 180 days of year end 38 Ontario capital tax adjustments 9 1 1 1 1 1 1 1 1 1	14,600
38 Ontario capital tax adjustments 39 +	0
39 +	0
	0
40 Changes in Regulatory Asset balances + 1,819,335	1,819,335
41 Imputed interest expense on Regulatory Assets +	0
42 +	0
43 Other Additions: (please explain in detail the nature of the item) +	0
44 Capitalized Fleet Depreciation, net (not permitted for UCC purposes) + 335,815	335,815
45 + + + + + + + + + + + + + + + + + + +	0
47 Total Additions on which true-up does not apply = 2,181,508 0	2,181,508
48	2,101,000
49 Deduct:	
50	
51 CCA adjustments -	0
52 CEC adjustments -	0
53 Depreciation and amortization adjustments - 103.782	0 103,782
54 Gain on disposal of assets per financial statements - 103,782 - 55 Financing fee amorization - considered to be interest expense for PILs -	103,782
56 Imputed interest income on Regulatory Assets	0
57 Donations - amount deductible for tax purposes	0
58 Income from joint ventures or partnerships - 5,475	5,475
59	0
60 Ontario capital tax adjustments to current or prior year -	0
61	0
62 Changes in Regulatory Asset balances - 63	0
64	0
65	0
66 -	0
67	0
68 Other deductions: (Please explain in detail the nature of the item) -	0
69	0
70 -	0
71	0
72 - -	109,257
73 Total Deductions on which true-up does not apply = 109,237 0	103,237
75	

PILs TAXES	В	С	D	E	F
PILs TAXES Corporate Tax Rates					ersion 2009
Exemptions, Deductions, or	Threshold	le		V	ersion 2009
Utility Name: Horizon Utiliti					
Reporting period: 2005 (306					
6					
7					Table 1
Rates Used in 2005 RAM PIL	_s Applicat			400.004	
9 Income Range 0 RAM 2005		0 to		400,001 to	>1,128,000
1	Year	400,000		1,128,000	>1,120,000
2 Income Tax Rate		.00,000		.,,	
3 Proxy Tax Year	2005				
Federal (Includes surtax)		13.12%		17.75%	22.12%
5 and Ontario blended		5.50%		9.75%	14.00%
6 Blended rate		18.62%		27.50%	36.12%
7		0.0000/			
8 Capital Tax Rate 9 LCT rate		0.300% 0.175%			
9 Surtax		1.12%			
Ontario Capital Tax	MAX				
1 Exemption **	\$7.5MM	7,500,000			
Federal Large					
Corporations Tax	MAX \$50MM	50,000,000			
Exemption **					
**Exemption amounts n	nust agre	e with the	Board-app	proved 200	05 RAM
PILs filing					
3 4					
5					Table 2
6 Expected Income Tax Rates	for 2005 a	nd Capital Ta	x Exemption	ns for 2005	
7 Income Range		0	250,001	400,001	
8 Expected Rates		to	to	to	>1,128,000
9	Year	250,000	400,000	1,128,000	
0 Income Tax Rate					
	2005	40.4004	00.4004	00.4004	00.4007
2 Federal (Includes surtax)	2005	13.12%	22.12%	22.12%	22.12%
2 Federal (Includes surtax) 3 Ontario	2005 2005	5.50%	5.50%	9.75%	14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate	2005				
35	2005 2005	5.50% 18.62%	5.50%	9.75%	14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate	2005 2005 2005	5.50%	5.50%	9.75%	14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate	2005 2005 2005 2005	5.50% 18.62% 0.300%	5.50%	9.75%	14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax	2005 2005 2005 2005 2005	5.50% 18.62% 0.300% 0.200% 1.12%	5.50%	9.75%	14.00%
32 Federal (Includes surtax) 33 Ontario 34 Blended rate 35 36 Capital Tax Rate 37 LCT rate 38 Surtax	2005 2005 2005 2005 2005 2005 2005	5.50% 18.62% 0.300% 0.200%	5.50%	9.75%	14.00%
32 Federal (Includes surtax) 33 Ontario 34 Blended rate 35 36 Capital Tax Rate 37 LCT rate 38 Surtax 39 Ontario Capital Tax 49 Exemption *** 2005 40 Federal Large	2005 2005 2005 2005 2005 2005 MAX	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000	5.50%	9.75%	14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax	2005 2005 2005 2005 2005 2005 2005 MAX \$7.5MM	5.50% 18.62% 0.300% 0.200% 1.12%	5.50%	9.75%	14.00%
Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption *** 2005 Federal Large Corporations Tax Exemption *** 2005	2005 2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000	5.50% 27.62%	9.75%	14.00% 36.12%
Pederal (Includes surtax) Contario Plantage Capital Tax Rate Capital Tax Rate Capital Tax Rate Cucrate Contario Capital Tax Ca	2005 2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000	5.50% 27.62%	9.75%	14.00% 36.12%
Pederal (Includes surtax) Ontario Blended rate Capital Tax Rate Capital Tax Rate Capital Tax Capital Tax Contario Capital Tax Exemption *** 2005 Federal Large Corporations Tax Exemption *** 2005 Exempti	2005 2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000	5.50% 27.62%	9.75%	14.00% 36.12%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax Exemption *** 2005 1 ***Allocation of exemption regarding regulated act	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000	5.50% 27.62% vith the Bc	9.75%	14.00% 36.12%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax 0 Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 4 Input Information from Utilit	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000	5.50% 27.62% vith the Bo	9.75% 31.87%	14.00% 36.12%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax 0 Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 4 Input Information from Utilit 5 Income Range	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w	5.50% 27.62% vith the Bo urns 250,001	9.75% 31.87%	14.00% 36.12% ructions
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax Exemption *** 2005 Federal Large Corporations Tax Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 Input Information from Utilit Income Range	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mus	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w	5.50% 27.62% vith the Bourns 250,001 to	9.75% 31.87%	14.00% 36.12% ructions
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax Exemption *** 2005 Federal Large Corporations Tax Exemption *** 2005 1 ***Allocation of exempt regarding regulated act Input Information from Utilit Income Range	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w	5.50% 27.62% vith the Bo urns 250,001	9.75% 31.87%	14.00% 36.12% ructions
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 1 Input Information from Utilit Income Range 6 7 8 Income Tax Rate	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w	5.50% 27.62% vith the Bourns 250,001 to	9.75% 31.87%	14.00% 36.12% ructions
72 Federal (Includes surtax) 73 Ontario 74 Blended rate 75 Blended rate 76 Capital Tax Rate 77 LCT rate 78 Surtax 79 Ontario Capital Tax 79 Exemption *** 2005 70 Federal Large 71 Corporations Tax 71 Exemption *** 2005 71 *** Allocation of exempt 72 regarding regulated act 73 Input Information from Utilit 75 Income Range 76 Income Tax Rate 77 Income Tax Rate 78 Income Tax Rate 79 Current year	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mus	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w	5.50% 27.62% vith the Bourns 250,001 to 400,000	9.75% 31.87% ard's insti	14.00% 36.12% Tuctions Table 3
72 Federal (Includes surtax) 73 Ontario 74 Blended rate 75 Capital Tax Rate 76 Capital Tax Rate 77 LCT rate 78 Surtax 70 Ontario Capital Tax 70 Exemption *** 2005 71 Exemption *** 2005 72 Federal Large 73 Corporations Tax 74 Exemption *** 2005 75 Exemption *** 2005 76 Exemption *** 2005 77 Exemption *** 2005 78 Input Information of exemption *** Allocation from Utilition *** Income Range 78 Income Range 79 Income Tax Rate 79 Current year 70 Federal (Includes surtax)	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000	5.50% 27.62% vith the Bourns 250,001 to 400,000	9.75% 31.87% ard's insti	14.00% 36.12% ructions Table 3 >1,128,000
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax Exemption *** 2005 Federal Large Corporations Tax Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 Input Information from Utilit Income Range 6 Income Range 7 Income Tax Rate 9 Current year 0 Federal (Includes surtax) 1 Ontario	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w	5.50% 27.62% vith the Bourns 250,001 to 400,000	9.75% 31.87% ard's insti	14.00% 36.12% Tuctions Table 3
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax 0 Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 4 Input Information from Utilit 5 Income Range 6 7 Income Tax Rate 9 Current year 0 Federal (Includes surtax) 1 Ontario 2 Blended rate 3	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50%	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000 22.12% 14.00%
22 Federal (Includes surtax) 33 Ontario 44 Blended rate 55 66 Capital Tax Rate 67 LCT rate 68 Surtax 90 Interior Capital Tax 99 Exemption *** 2005 Federal Large Corporations Tax 90 Exemption *** 2005 1.1 ***Allocation of exemption 1.2 regarding regulated act 1.3 Input Information from Utilit 1.5 Income Range 1.6 Income Tax Rate 1.7 Rate 1.8 Income Tax Rate 1.9 Current year 1.0 Federal (Includes surtax) 1.1 Ontario 1.2 Blended rate 1.3 Income Tax Rate 1.4 Income Tax Rate 1.5 Income Tax Rate	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50%	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000 22.12% 14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax 9 Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax 0 Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 4 Input Information from Utilit 5 Income Range 6 7 Income Tax Rate 9 Current year 9 Current year 0 Federal (Includes surtax) 1 Ontario 2 Blended rate 3 4 Capital Tax Rate 5 LCT rate	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities.	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200%	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000
73 Federal (Includes surtax) 74 Blended rate 75 Capital Tax Rate 76 Capital Tax Rate 77 LCT rate 78 Surtax 79 Contario Capital Tax 79 Exemption *** 2005 70 Federal Large 70 Corporations Tax 71 Exemption *** 2005 71 ***Allocation of exemption regarding regulated act 72 Current year 73 Federal (Includes surtax) 74 Income Tax Rate 75 Federal (Includes surtax) 76 Federal (Includes surtax) 77 Federal (Includes surtax) 78 Income Tax Rate 79 Current year 79 Federal (Includes surtax) 70 Federal (Includes surtax) 71 Federal (Includes surtax) 72 Federal (Includes surtax) 73 Federal (Includes surtax) 74 Federal (Includes surtax) 75 Federal (Includes surtax)	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mus tivities. y's Actual	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50% 18.62%	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000
72 Federal (Includes surtax) 73 Ontario 74 Blended rate 75	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mus tivities. y's Actual Year 2005	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200%	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax 0 Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 4 Input Information from Utilit Income Range 6 7 8 Income Tax Rate 9 Current year 1 Ontario 2 Blended rate 3 4 Capital Tax Rate 5 LCT rate 6 Surtax Ontario Capital Tax Capital Tax Rate 7 Income Capital Tax Capital Tax Rate 6 Surtax Ontario Capital Tax Exemption *	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mus tivities. y's Actual	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000 22.12% 14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 6 Capital Tax Rate 7 LCT rate 8 Surtax 9 Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax 0 Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 4 Input Information from Utilit Income Range 6 7 8 Income Tax Rate 9 Current year 0 Federal (Includes surtax) 1 Ontario 2 Blended rate 3 4 Capital Tax Rate 5 LCT rate 6 Surtax Ontario Capital Tax Exemption * Federal Large	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mus tivities. y's Actual Year 2005	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 6,955,928	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000 22.12% 14.00%
2 Federal (Includes surtax) 3 Ontario 4 Blended rate 5 Capital Tax Rate 7 LCT rate 8 Surtax 9 Ontario Capital Tax 9 Exemption *** 2005 Federal Large Corporations Tax 0 Exemption *** 2005 1 ***Allocation of exempt regarding regulated act 3 Input Information from Utilit Income Range 6 Current year 9 Current year 1 Ontario 2 Blended rate 3 Capital Tax Rate 5 LCT rate 6 Surtax Ontario Capital Tax Capital Tax Rate 5 LCT rate 6 Surtax Ontario Capital Tax Exemption *	2005 2005 2005 2005 2005 2005 MAX \$7.5MM MAX \$50MM ions mustivities. y's Actual Year 2005	5.50% 18.62% 0.300% 0.200% 1.12% 7,500,000 50,000,000 st comply w 2005 Tax Ret 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	5.50% 27.62% vith the Bourns 250,001 to 400,000 22.12% 5.50%	9.75% 31.87% ard's institute of 1,128,000 1,128,000 22.12% 14.00%	14.00% 36.12% 7uctions Table 3 >1,128,000 22.12% 14.00%

_						_												-		_			
L	Α	В	С	D	E	F	G	Н	l l	J	K	L	М	Ν	0	Р	Q	R	S	Т	U	V	W
1	PILs TAXES																	<u> </u>					
2	Analysis of PILs Tax Account													Ш				<u> </u>					
3	Utility Name: Horizon Utilities																					V	ersion 2009.1
4	Reporting period: 2005 (306 d	ays D	ecember 31st)		Sign	Convention	+ f	or increase;	- fo	r decrease												0
5																							
6																							
7																							
8	Year start:		Closing		Closing		Opening		01/01/2006		01/05/2006		01/01/2007		01/01/2008		01/01/2009		01/01/2010		01/01/2011		
9	Year end:		HHI		SCHUSI		Horizon		30/04/2006		31/12/2006		31/12/2007		31/12/2008		31/12/2009		31/12/2010		31/12/2012		Total
10																							
11	Opening balance: Horizon	=							2,459,943		2,995,935		3,053,498		3,148,551		3,229,570		3,252,625		3,268,928		
1	Board-approved PILs tax	+/-																					
12	proxy from Decisions (1)		34,075,739		9,087,073		43,162,812		3,647,718														46,810,530
	PILs proxy from April 1, 2005												_									ľ	
13	- input 9/12 of amount		6,325,265		1,882,100		8,207,365																8,207,365
	True-up Variance Adjustment	+/-																					
14	Q4, 2001 (2)		333,490		230,726		564,216																564,216
	True-up Variance Adjustment	+/-											_									ľ	
15	(3)		-864,796		-34,060		-898,856		315,309														-583,547
	Deferral Account Variance																						
16	Adjustment Q4, 2001 (4)		0		0		0																0
	Deferral Account Variance	+/-	_																		_		
17	Adjustment (5)		-1,054,159		-360,064		-1,414,223		30,907														-1,383,315
<u> </u>	Adjustments to reported	+/-	.,,		223,001		.,,		30,007				-								-	_	.,225,010
18	prior years' variances (6)	.,	0		0		0																0
Ť		+/-	-					_					_	_							-	_	
19	Carrying charges (7)		691,190		238,117		929,307		27,591		57,563		95,053		81,019		23,055		16,303		54,939		1,284,830
	PILs billed to (collected from)	-																				ľ	
20	customers (8)		-37,646,475	1	10,444,204		-48,090,679		-3,485,532														-51,576,211
21																							
22	Ending balance: # 1562		1,860,255		599,688		2,459,943		2,995,935	_	3,053,498		3,148,551		3,229,570		3,252,625		3,268,928		3,323,867		3,323,867
23																-		-				-	

34

76

26 Uncollected PILs
27
28 NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.

29 For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

31 Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

- 33 (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
 - If the Board gave more than one decision in the year, calculate a weighted average proxy.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
- 35 36 37 (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy. 38
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- (ii) Column 1 The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy femained (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from Ap (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

 42 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. trued up in 2002, 2003 and for the period January 1 March 31, 2004. Input the variance in the whole year reconcilation.

 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005. (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be
- The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

 46 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

 48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be

- 48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

 (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.

 (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.

 (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 8. In April 2004, the PILs recovery was based on the 2002 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 2005 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 2004 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 form Board Decisions will be recorded i

	A	В	С	D	Е
1	PILs TAXES	Ь	0	<u> </u>	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				10.0.02000
3	Utility Name: Hamilton Hydro Inc.			Colour Code	
4	Reporting period: 2005 (59 days February 28, 2005)			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	59	days		
7	Total days in the calendar year:	365	days		
8	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Υ	
13					
	Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?		Y/N	N	
15	and now subject to 5.69 & 90 PILS?		T/IN	N	
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
	shared among the corporate group?	LCT	Y/N	N	
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		86%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT	-	100%	
23	Accounting Year End		Date	_ 28-Feb	
20			Date	20100	
_	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS) USE BOARD-APPROVED AMOUNTS				
30	USE BOARD-AFFROVED AMICONTS				
	Rate Base (wires-only)			247,324,048	
32	Common Equity Ratio (CER)			45.00%	
5					
35	1-CER			55.00%	
	Target Return On Equity			9.88%	
39	Debt rate			7.00%	
70					
TL	Market Adjusted Revenue Requirement			20,518,003	
43	1999 return from RUD Sheet #7			4,776,987	4,776,987
45	Total Incremental revenue			15,741,016	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			5,247,005	5,247,005
48	Amount allowed in 2002			5,247,005	5,247,005
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			_	0
50	unless authorized by the Minister and the Board)			E24700E	0 E 247 00E
51 52	Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue			5247005	5,247,005 0
53	Other Board approved changes to Writte or information revenue			=	0
54	Total Regulatory Income				20,518,002
55					
	Equity			111,295,822	
57					
	Return at target ROE			10,996,027	
59 60	Debt			136,028,226	
61	Deni			130,020,220	
	Deemed interest amount in 100% of MARR			9,521,976	
63				.,,,.,,,.,	
64	Phase-in of interest - Year 1 (2001)			4,651,925	
65	((D43+D47)/D41)*D61				
	Phase-in of interest - Year 2 (2002)			7,086,950	
67	((D43+D47+D48)/D41)*D61			7,000,050	
68	Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210)			7,086,950	
	((D43+D47+D48)/D41)*D61 (due to Bill 210) Phase-in of interest - 2005			9,521,976	
71	i naso iii oi lilloitoti. 2000			3,321,370	
72					

Fig. 1 AVXES		A	В	С	D	Е	F	G	Н
Pinc Fing	1				D				- ' '
3 TAX CACCULATIONS (TAXACLC)									
Section	3			Lotimate				Returns	
Design Name: Hamilton Hydro Nec. Design February 28, 2005) Column Province P	4								
Beginning price								Version 2009.1	
Test		Utility Name: Hamilton Hydro Inc.							
Society Soci	7								
10 Total days in the calendar year:	8							Column	
13 CORPORATE INCOME TAKES	9	Days in reporting period:	59	days				Brought	
S		Total days in the calendar year:	365	days					
								TAXREC	
18 CORPORATE INCOME TAXAS 19 Seguitatry Net income REGINFO ESS 1 20.518.002 17.010.200 3.507.798				\$		\$		\$	
19 Regulatory Net Income REGINFO ESS 1 20.518,000 -17,010,200 3,507,799 18 200 TO TAX ADJUSTNENTS									
1		I) CORPORATE INCOME TAXES							
		Description of the second of t				.=			
18 BOOK TO TAX ADJUSTRENTS		Regulatory Net Income REGINFO E53	1	20,518,002		-17,010,203		3,507,799	
19 Admitions 2 11,570,187 3,997,045 2,073,142		DOOK TO TAY AD HIGHMENTO							
200									
22 Emproyee Benefit Plants - Accrused, Not Plant			2	11 570 187		-8 007 0/15		2 573 1/12	
22 Tax reserves - beginning of year				11,570,107					
22 Regulatory Augusternat - increase in nome 5 0 0 0 0 0 0 0 0 0									
28 Regulation V. Algustiments - increase in recorne 5									l
25									
28 Meserial Items Trom TARKEC vondsheet 6 0 0 0								Ü	
27 Other Additions (not "National") "TAXREC" 6 0 0 0 0 0 0 0 0 0		"Material" Items from "TAXREC" worksheet	6			0		0	
20 Other Additions, front "Nateriary" TAXREC 2" 6 9,01 9,011		Other Additions (not "Material") "TAXREC"				0			
Solution	28					0			
32 Deductions: Input positive numbers		Other Additions (not "Material") "TAXREC 2"	6			•		-	
32 Deductions: Input positive numbers	30	Items on which true-up does not apply "TAXREC 3"				69,019		69,019	
32 Deductions: Input positive numbers									
33 Capital Cost Allowance and CEC 7 8,779,450 -4,458,827 2,233,823 45 Employee Bentif Plans - Paid Amounts 8 132,333 132,333 5 Rems Capitalized for Regulatory Purposes 9 0 0 0 7 Regulatory Aguituments - deduction for tax purposes in tem 5 10 0 0 8 Regulatory Aguituments - deduction for tax purposes in tem 5 10 0 0 0 9 11 9,521,976 -5,153,781 5,354,835 18 18 18 18 18 18 18									
Section Sect	33	Capital Cost Allowance and CEC	7	8,779,450		-6,455,827		2,323,623	
Section Sect	34	Employee Benefit Plans - Paid Amounts							Ĺ
11 9,521,976 -8,163,781 -8,053,000 -850,000 -850,000 -850,000 -850,000 -8,0	35		9			0		0	
38 Tar reserves - end of year 350,000 350,000 350,000 350,000 350,000 300,000								0	
39 Reserves from financial statements - beginning of year 4 0 0 0 0 0 0 0 0 0				9,521,976				1,358,195	
40 Contributions to deferred income plans 3 0 0 0 0 0 0 0 0 0									
1									
42 Interest capitalized for accounting but deducted for tax									
43 Other Deductions (See Tab entitled "TAXREC")									
Material* Items from *TAXREC* worksheet 12			11			0		0	
12									
Material terms from "TAXREC 2" worksheet 12				0					
AF Other Deductions (not "Material") "TAXREC 2" 12									
As Items on which true-up does not apply "TAXREC 3" 700,000 -699,634 366 49 360 49 360 49 360 49 360									
Ag			12	700,000					
13,086,763 10,266,070 10,000% 10,000% 10,000% 10,000% 10,000% 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10,706 10,000,000 10		items on which true-up does not apply "TAXREC 3"		700,000		-699,634		300	
STATE STAT									
Section Sect		TAXABLE INCOME/ (LOSS)		13,086,763		-10,266,070	Before loss C/F	2,820,693	
13 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 13 36.12% 0.0000% 36.12% 54 55 REGULATORY INCOME TAX 4,726,939 -3,706,639 Actual 1,020,300 56 57		DI ENDED INCOME TAY DATE							
55 REGULATORY INCOME TAX			12	26 120/		0.00009/		26 120/	
SEGULATORY INCOME TAX		Tab Tax Rates - Regulatory from Table 1, Actual from Table 3	13	30.12%		0.0000%		30.12%	
Section		REGULATORY INCOME TAX		4 726 020		-3 706 620	Actual	1 020 300	
14 0 Actual 0		THEODER TOTAL INCOME TAX		7,720,339		-3,700,039	Actual	1,020,300	
Section Sect									
Section		Miscellaneous Tax Credits	14			n	Actual	n	l —
Color Colo						0	/ iotual	U	
61 62 63 II) CAPITAL TAXES 65 Ontario 66 Base 15 247,324,048 15,393,018 262,717,066 67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 16 6,375,000 107,706 6,482,706 68 Taxable Capital 240,949,048 15,500,724 256,234,560 69 20 107,706 107,706 107,706 109,000 107,706 109,000 107,706 109,000 107,706 109,000 107,706 109,000 107,706 109,000 107,706 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000,000 109,00		Total Regulatory Income Tax		4,726,939		-3.706.639	Actual	1.020.300	
62 63 CAPITAL TAXES				.,, 20,000		3,, 00,000	, iotudi	.,020,000	
Sample S									l
65 Ontario		II) CAPITAL TAXES							l
65 Ontario 66 Base 67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 66 Base 67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 68 Taxable Capital 69 240,949,048 69 256,234,360 69 70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 71 0.3000% 71 1 116,844 7,412 72 Ontario Capital Tax 73 116,844 7,412 74 Federal Large Corporations Tax 75 Base 76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 77 Taxable Capital 78 18 247,324,048 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 80 197,324,048 81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) 82 Less: Federal Surtax 1.12% x Taxable Income 83 14 Net LCT 84 240,949,048 15,393,018 15,393,018 16,6375,000 10,0000% 10,0000% 10,000,000 10,000,000 10,000,000 10,000,00									
56 Base 15 247,324,048 15,393,018 262,717,066 67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 16 6,375,000 107,706 6,482,706 68 Taxable Capital 240,949,048 15,500,724 256,234,360 69 70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 17 0.3000% 0.0000% 0.3000% 71 72 Ontario Capital Tax 116,844 7,412 124,256 73 74 Federal Large Corporations Tax 18 247,324,048 16,567,896 263,891,944 76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 19 50,000,000 -40,000,000 10,000,000 10,000,000 78 78 78 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 20 0.1750% 0.0000% 0.1750% 0.17		Ontario							
67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 16 6,375,000 107,706 68 Taxable Capital 240,949,048 15,500,724 256,234,360 68 Taxable Capital 70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 17 0.3000% 0.0000 0.0000 0.00000 0.00000 0.00000 0.000000		Base							
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 17 0.3000% 0.0000% 0.3000% 72			16						
To Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 17 0.3000% 0.0000		Taxable Capital		240,949,048		15,500,724		256,234,360	
T1									
T2		Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	ļ
T3 Federal Large Corporations Tax 18 247,324,048 16,567,896 263,891,944 76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 19 50,000,000 -40,000,000 10,000,000 10,000,000 77 Taxable Capital 197,324,048 -23,432,104 253,891,944 78 253,891,944 253,891		0.4.1.0.31.17				_ ,			
74 Federal Large Corporations Tax 18 247,324,048 16,567,896 263,891,944 76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 19 50,000,000 -40,000,000 10,000,000 77 Taxable Capital 197,324,048 -23,432,104 253,891,944 78 -27 -27 -27 -27 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 20 0.1750% 0.0000% 0.1750% 80 -27 -27 -27 -27 -27 -27 -27 81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) 55,818 16,002 71,820 82 Less: Federal Surtax 1.12% x Taxable Income 21 23,692 7,899 31,592 83 4 Net LCT 32,126 8,102 40,228		Ontario Capital Tax		116,844		7,412		124,256	
To Ease 18		Fadanal Laura Camanatiana Tau							
76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 19 50,000,000 -40,000,000 10,000,000 77 Taxable Capital 197,324,048 -23,432,104 253,891,944 78 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 20 0.1750% 0.0000% 0.1750% 80 9 1 0.0000% 0.0000% 0.0000% 0.0000% 81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) 55,818 16,002 71,820 82 Less: Federal Surtax 1.12% x Taxable Income 21 23,692 7,899 31,592 83 84 Net LCT 32,126 8,102 40,228			40	047.004.045		40 507 000		000.004.071	-
77 Taxable Capital 197,324,048 -23,432,104 253,891,944 78									
78			19						
79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 20 0.1750% 0.0000% 0.1750% 80 81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) 55,818 16,002 71,820 82 Less: Federal Surtax 1.12% x Taxable Income 21 23,692 7,899 31,592 83 84 Net LCT 32,126 8,102 40,228		i axabie Gapitai		191,324,048		-23,432,104		253,891,944	
80		Rate - Tay Rates - Regulatory Table 1: Actual Table 2	20	0.17509/		0.00009/		0.17509/	
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) 55,818 16,002 71,820 82 Less: Federal Surtax 1.12% x Taxable Income 21 23,692 7,899 31,592 83 84 Net LCT 32,126 8,102 40,228		Trace - Lax traces - regulatory, Table 1, Actual, Table 5	∠0	0.1750%		0.0000%		0.1750%	
82 Less: Federal Surtax 1.12% x Taxable Income 21 23,692 7,899 31,592 83 3 3 84 Net LCT 32,126 8,102 40,228		Gross Amount of LCT before surtay offset (Tayable Capital y Rate)		55 818		16 002		71 820	
83 84 Net LCT 32,126 8,102 40,228			21						l
84 Net LCT 32,126 8,102 40,228		2000. I Sastal Gullax 1.12/0 x Taxabid IIIOUIIIG	-1	20,092		1,055		31,392	
		Net LCT		32 126		8 102		40 228	
1001	85			02,120		0,102		70,220	

Files Part		A	В	С	D	Е	F	G	Н
Pincy Fincy Finc	1								<u> </u>
3. TAX CALCUATIONS (TAXACLC)									
Comparison Com	3	TAX CALCULATIONS (TAXCALC)		2011111010				riotarrio	
District Name: Hamilton Hydro Inc.	4								
Total Process 2005 (20 days Petruary 28, 2005)							1	Version 2009.1	
Department Dep	6	Utility Name: Hamilton Hydro Inc.							
30 1 1 1 1 1 1 1 1 1	7	Reporting period: 2005 (59 days February 28, 2005)							
10 Total days in the calendar year: 385 days									
11				days					
12 10 10 10 10 10 10 10		Total days in the calendar year:	365	days					
13 18 18 18 18 18 18 18									
Section Sect				\$		\$		\$	
Brown Tax Rate used for gross- up (exclude surtax)									
88		III) INCLUSION IN RATES							
Section Company Comp									1
So Process Tax (proxy tax is proseed-up) 22 1196,116 Actual 2005 1,000,300 23 50,291 Actual 2005 29,113 23 50,291 Actual 2005 29,113 23 20 24 24 24 24 24 24 24		Income Tax Rate used for gross- up (exclude surtax)		36.12%					1
Secretary Secr		T / / /		1 100 110				4 000 000	—
Section Control Tark Congress-up since it is debugible) 24									1
39 Total PILs for Rate Adjustment - MUST AGREE WITH 2005 25 1303,253 Actual 2005 1,173,489 60 7,173,489 7,17									1
Section Sect		Ontario Capital Tax (no gross-up since it is deductible)	24	116,844			Actual 2005	124,256	-
Section Sect									-
Second		Total Bill a for Pata Adjustment - MUST ACRES WITH 2005	25	1 262 252			Actual COOF	1 470 400	\vdash
98 98 98 99 99 99 90 90			∠5	1,363,253			Actual 2005	1,173,469	₩
Section Sect		KAM DECISION	 		\vdash				$\vdash\vdash$
DR/CR D					\vdash				$\vdash\vdash$
100 M additions Section Sect		IV/ ELITURE TRUE URS	 						\vdash
101 In Additions			 			DD#CB)			\vdash
102 Employee Benefit Plans - Accrued, Not Paid 3 445,550 104,000 1			 			DK/(CK)			\sqcup
103 Tax reserves deducted in prior year			_		Н	405.450			\vdash
104 Reserves from financial statements-end of year 4 0 0 0 0 0 0 0 0 0					Н				\vdash
105 Requisitory Adjustments 5									-
105 Other additions "Material* Items TAXREC 6 0 0 1 1 1 1 1 1 1 1									-
107 Other additions "Naterial" items TAXREC 2 6 0 0									
108 Im Deductions - Doctive numbers 8									
109 Employee Benefit Plans - Paid Amounts			U			U			
110 Items Capitalized for Regulatory Purposes 9			Ω			132 383			\vdash
111 Regulatory Adjustments 10									\vdash
112 Interest Adjustment for tax purposes (See Below - cell (206) 11									
113 Tax reserves claimed in current year						0			
114 Reserves from F/S beginning of year						350,000			
115 Contributions to deterred income plans 3 0 0 116 Contributions to pension plans 3 0 0 117 Other deductions "Material" Items TAXREC 12 0 0 118 Other deductions "Material" Item TAXREC 12 0 0 119 118 Other deductions "Material" Item TAXREC 12 0 0 119 11									
116 Contributions to pension plans 3									
118 Other deductions "Material" Item TAXREC 2			3			0			
1192 Total TRUE-UPS before tax effect 26						0			
120 Total TRUE-UPS before tax effect						0			
122 Income Tax Rate (excluding surtax) from 2005 Utility's tax return	119								
122 Income Tax Rate (excluding surtax) from 2005 Utility's tax return	120	Total TRUE-UPS before tax effect	26		=	352,917			
123									
124 Income Tax Effect on True-up adjustments		Income Tax Rate (excluding surtax) from 2005 Utility's tax return			Х	36.12%			
126 Less: Miscellaneous Tax Credits									1
128 Less: Miscellaneous Tax Credits		Income Tax Effect on True-up adjustments			=	127,474			
127									
128 Total Income Tax on True-ups 127,474 129 130 Income Tax Rate used for gross-up (exclude surtax) 35,00% 131 132 TRUE-UP VARIANCE ADJUSTMENT 196,113 133 133 145 140		Less: Miscellaneous Lax Credits	14			0			
129 35,00% 35,00%		Total Income Tay on True une	1		Н	407.474			\vdash
130 Income Tax Rate used for gross-up (exclude surtax) 35.00%		rotal income Tax on True-ups	 		\vdash	127,474			$\vdash\vdash$
131		Income Tay Pate used for gross-up (evolude curtoy)	1		\vdash	2E 000/			$\vdash \vdash$
132 TRUE-UP VARIANCE ADJUSTMENT 196,113		moone rax rate used for gross-up (exclude surfax)	 		\vdash	35.00%			\vdash
133		TRUE-UP VARIANCE ADJUSTMENT				196 113			$\vdash \vdash$
IV b) Calculation of the Deferral Account Variance caused by changes in legislation			1			130,113			\vdash
134 Changes in legislation		IV b) Calculation of the Deferral Account Variance caused by							\vdash
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial	40.4	· ·	1						
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial		enanges in registation	1						\vdash
136 estimate column	135	PEGLII ATORY TAYARI E INCOME //I OSSES\ /oc reported in the initial	1		\vdash				$\vdash \vdash$
137	136		1		_	13 086 763			
138 REVISED CORPORATE INCOME TAX RATE		countries condition			H	10,000,700			$\vdash \vdash$
139		REVISED CORPORATE INCOME TAX RATE	1		×	36 12%			$\vdash \vdash$
140 REVISED REGULATORY INCOME TAX = 4,726,939		ALL TOTAL OF THE MISSING MANIETTE				55.1270			\vdash
141 142 Less: Revised Miscellaneous Tax Credits - 0 143 144 Total Revised Regulatory Income Tax = 4,726,939 145 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell 16 C58) - 4,726,939 147 - 4,726,939 148 Regulatory Income Tax Variance = 0		REVISED REGULATORY INCOME TAX			=	4.726.939			\vdash
142 Less: Revised Miscellaneous Tax Credits - 0 143 - 0 144 Total Revised Regulatory Income Tax = 4,726,939 145 - - Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell 146 C58) - - 147 - - 148 Regulatory Income Tax Variance = 0						, .,			
143		Less: Revised Miscellaneous Tax Credits			-	0			
144 Total Revised Regulatory Income Tax = 4,726,939		* **							
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell		Total Revised Regulatory Income Tax			=	4,726,939			
146 C58) - 4,726,939 147 - - 148 Regulatory Income Tax Variance = 0	145								
147 148 Regulatory Income Tax Variance = 0			l				-		ΙП
148 Regulatory Income Tax Variance = 0		C58)			-	4,726,939			
11 <u>49</u> 1					=	0			
170	149		1						ш

	A	В	С	D	Е	F	G	Н
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
	Utility Name: Hamilton Hydro Inc.							
	Reporting period: 2005 (59 days February 28, 2005)							
8							Column	1
9	Days in reporting period:	59	days				Brought	
10	Total days in the calendar year:	365	days	1			From TAXREC	
11			\$		\$		S S	
13			Ą		Ψ		Ą	\vdash
	Ontario Capital Tax							-
	Base			=	247,324,048			
	Less: Exemption from tab Tax Rates, Table 2, cell C39			+-	7,500,000			
	Revised deemed taxable capital			=	239,824,048			
154								
	Rate - Tab Tax Rates cell C54			х	0.3000%			
156								
157	Revised Ontario Capital Tax			=	116,298			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							
158		<u> </u>		<u>L</u> -	116,844			
	Regulatory Ontario Capital Tax Variance			=	-546			
160								
	Federal LCT							
	Base				247,324,048			
	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
	Revised Federal LCT			=	197,324,048			
165								
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.1750%			1
167	0 4				55.040			1
	Gross Amount Less: Federal surtax			-	55,818			-
					23,692			-
171	Revised Net LCT			=	32,126			
	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	32,126			-
	Regulatory Federal LCT Variance			=	02,120			
174	regulatory rederal EOT variance			Ε-	O.			
	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176	g							
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
	Ontario Capital Tax			+	-546			
180								
	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-546			
182								
	TRUE-UP VARIANCE (from cell I132)			+	196,113			
184	T. (D. () E. (D. () E. () D. ()			1				
185	Total Deferral Account Entry (Positive Entry = Debit)			=	195,568			
186	(Deferral Account Variance + True-up Variance)							1
187								
188		1		₩				H
189	W INTEREST PORTION OF TRUE UP			1				\vdash
	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt			!				++
191	variance Gauseu by Friase-in or Deemed Debt							\vdash
193	Total deemed interest (REGINFO)				9,521,976			++
	Interest phased-in (Cell C36)				7,086,950			\vdash
195			1	H	.,000,000			+
196	Variance due to phase-in of debt component of MARR in rates				2,435,026			\vdash
197	according to the Board's decision							
198	-							
	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
	Interest deducted on MoF filing (Cell K36+K41)				1,358,195			
	Actual Interest Paid				1,358,195			ш
203								ш
	Variance caused by excess debt				0			ш
205								ш
	Interest Adjustment for Tax Purposes (carry forward to Cell I112)		1	 	0			\vdash
207	Total Interest Veriance			1	0.405.000			\vdash
	Total Interest Variance			\vdash	2,435,026			\vdash
209 210				\vdash				++
211								\vdash
411		1	1					ш

	A	В	С	D	E	F	G
	PILs TAXES	LINE	M of F	Non-wires	Wires-only		
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
5	0		Return		Versien 2000 4		
	Section A: Identification:				Version 2009.1		
	Utility Name: Hamilton Hydro Inc.						
	Reporting period: 2005 (59 days February 28, 2005)						
	Taxation Year's start date:						
10	Taxation Year's end date:						
	Number of days in taxation year:		59	days			
12	Training of days in taxation your			aayo			
13	Please enter the Materiality Level :		0	< - enter materiality	level		
14	(0.25% x Rate Base x CER)	Y/N	N	1 Onto materially	10101		
15	(0.25% x Net Assets)	Y/N	N				
16	Or other measure (please provide the basis of the amount)	Y/N	Y				
	Does the utility carry on non-wires related operation?	Y/N	Y				
	(Please complete the questionnaire in the Background questionnaire						
19	,		, , , , , , , , , , , , , , , , , , ,				
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	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 it	ncome tax			
26							
27	Please enter the non-wire operation's amount as a positive number, the pro-			ıı amounts			
28	in the "non-wires elimination column" as negative values in TAXREC and T	AXREC	·L.				ļ
29	Income:	-					+
31		+					
32	Energy Sales Distribution Revenue	+	9,432,652		9,432,652		
33	Other Income	+	1,251,864		1,251,864		
34	Miscellaneous income	+	1,201,004		1,231,004		
35		+			0		
36	Revenue should be entered above this line				0		†
37	and the second s						
38	Costs and Expenses:						
39	Cost of energy purchased	-			0		
40	Administration	-			0		
41	Customer billing and collecting	-			0		
42	Operations and maintenance	-	4,581,827		4,581,827		
43	Amortization	-	2,482,592		2,482,592		
44	Ontario Capital Tax	-	112,298		112,298		
45	Capitalized	-			0		
46	Recovery of Regulatory Assets	-			0		
47		-			0		
48		-			0		
49							
50	Net Income Before Interest & Income Taxes EBIT	=	3,507,799	0	3,507,799		
51	Less: Interest expense for accounting purposes	-	1,358,195		1,358,195		
52	Provision for payments in lieu of income taxes	-	548,709		548,709		Does this include LCT?
53	Net Income (loss)	=	1,600,895	0	1,600,895		
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	per illiancial statements on ochequie i of the tax return.						
	Section C: Reconciliation of accounting income to taxable income						
	From T2 Schedule 1						
	BOOK TO TAX ADDITIONS:						
	Provision for income tax	+	548,709	0	548,709		Does this include LCT?
60	Federal large corporation tax	+	0		0		
	Depreciation & Amortization	+	2,573,142	0	2,573,142		
	Employee benefit plans-accrued, not paid	+	485,150	0	485,150		
	Tax reserves - beginning of year	+	350,000	0	350,000		
64	Reserves from financial statements- end of year	+	1,040,150	0	1,040,150		
	Regulatory adjustments on which true-up may apply (see A66)	+	00.010		0		
	Items on which true-up does not apply "TAXREC 3"	-	69,019	0	69,019		
	Material addition items from TAXREC 2	+	0	0	0		
	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69 70	Subtotal		5,066,170	0	5,066,170		
71	Gubiolai		3,000,170	U	3,000,170		
	Other Additions: (Please explain the nature of the additions)	<u> </u>					
	Recapture of CCA	+			0		
	Non-deductible meals and entertainment expense	+			0		
	Capital items expensed	+			0		
76	•	+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	0	0	0		
81	T + 1 / 1 / 2 / 2 / 2						
82	Total Additions	=	5,066,170	0	5,066,170		
83	Daniel Material Additional						
	Recap Material Additions:				^		<u> </u>
85 86			0	0	0		
87			0	0	0		
88			0	0	0		
89			0	0	0		†
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							

	A	В	С	D	Е	F	G
1	PILS TAXES	LINE	M of F	Non-wires	Wires-only	-	9
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)			EIIIIIIIauons	Return		
4)	Tax Return		Return		
5		'	Retuin		Version 2009.1		
	BOOK TO TAX DEDUCTIONS:	-			Version 2005.1		
	Capital cost allowance		2,140,726		2,140,726		
00	Cumulative eligible capital deduction	-	182,897		182,897		
90	Employee benefit plans-paid amounts		132,383		132,383		
100	Items capitalized for regulatory purposes	-	132,303		132,363		
	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
	Tax reserves - end of year	-	350,000	0	350,000		
105	Reserves from financial statements- beginning of year	-	1,040,000	0	1,040,000		
	Contributions to deferred income plans	-	1,040,000	0	1,040,000		
	Contributions to delerred income plans Contributions to pension plans				0		
		-	366	0	366		
108	Items on which true-up does not apply "TAXREC 3"		300	U			
109	Interest capitalized for accounting deducted for tax	-	0	0	0		
	Material deduction items from TAXREC 2		0	0	0		
111	Other deduction items (not Material) from TAXREC 2	-	U	0	0		
112	0		0.040.070	0	0.040.070		
113	Subtotal	=	3,846,372	0	3,846,372		
	Other deductions (Please explain the nature of the deductions)	-			0		
	Charitable donations - tax basis						
117	Gain on disposal of assets	-			0		
118		-			0		
119							
120	Total Others Deskirations	-	0	0	0		
121	Total Other Deductions	=	U	0	0		
122	Total Deductions	=	3,846,372	0	3,846,372		
123	Total Deductions	-	3,040,372	U	3,040,372		
	Recap Material Deductions:						
125	Recap Material Deductions.		0	0	0		
126		1	0	0	0		
127		1	0	0	0		
128		_	0	0	0		
129		_	0	0	0		
	Total Other Deductions exceed materiality level	1	0	0	0		
131	Other Deductions less than materiality level		0	0	0		
132	Total Other Deductions	1	0	0	0		
133	Total Other Doddollone		Ŭ	Ü	· ·		
134	TAXABLE INCOME	=	2,820,693	0	2,820,693		
135	DEDUCT:		2,020,000	Ü	2,020,000		
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-	ŭ		0		
138	Parameter approximation and the second and the second approximation and th				0		
139	NET TAXABLE INCOME	=	2,820,693	0	2,820,693		
140			_,==;,000		_,===,000		
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	625,403	0	625,403		
	Net Ontario Income Tax (Must agree with tax return)	+	394,897	0	394,897		
144	Subtotal	=	1,020,300	0	1,020,300		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		
	Total Income Tax	=	1,020,300	0	1,020,300		
147			,,		,,		
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		22.17%		22.17%		Divide federal income tax by the taxable i
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%		Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		36.17%		36.17%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
	Total Income Taxes	+	1,020,300	0	1,020,300		
	Ontario Capital Tax	+	124,256		124,256		
	Federal Large Corporations Tax	+	28,913		28,913		
159							
160	Total income and capital taxes	=	1,173,469	0	1,173,469		
161	•						
		_					

TAX INTES WINE ONCINITION (TAXREC 2)	_	A	В	С	D	E	F
3 TAX RETURN RECONCILATION (TAXEEC 2)		PILs TAXES	LINE	M of F	Non-wires	Wires-only	
Return Shareholder only Items should be shown on TAXREC 3 Version 2009.1		TAX RETURN RECONCILIATION (TAXREC 2)					
Section C: Reconciliation of accounting income to taxable income						Return	
Utility Name: Hamilton Hydro Inc.				Return		Vanaian 2000 4	
Builty Name: Hamilton Hydro Inc.		Snareholder-only items should be shown on TAXREC 3				version 2009.1	
Reporting period: 2005 (95 days February 28, 2005)		Utility Name: Hamilton Hydro Inc.					
11 Marcality Level:	9	Reporting period: 2005 (59 days February 28, 2005)					
13							
15		Materiality Level:		0			
18							
16 Add:							
17	15	Section C: Reconciliation of accounting income to taxable income					
18		Add:					
10 Contracted contractors (Corty of Denotitis ratepayers)		Gain on cale of cligible capital property	+				
20 Charactele donations (Orby of a banetis ratepayers)			+				
22 Scientific research expenditures deducted			+			0	
23 Schriffic research expenditures deducted		Taxable capital gains	+				
28		Colontifia recognish expanditures deducted	+				
25 Selection construction and renovation of buildings			+				
28 Section 10 10 10 10 10 10 10 1		Capitalized interest	+				
28 Delt issue expense	26	Soft costs on construction and renovation of buildings	+				
29 Financing fees deducted in books			+				
30 30 30 30 30 30 30 30			+				
31 Interest paid on income debentures			+				
33 Share issue expense			+				
34 Write down of capital property			+				
35 Provision for bad debts			+				
A			+				
37 38 39 40 Other Additions: (please explain in detail the nature of the item) 41 42 43 44 44 45 46 Total Additions 47 48 Recap of Material Additions 49 40 00 00 00 00 00 00 00 00 00 00 00 00			+				
39			+				
40 Other Additions: (please explain in detail the nature of the item)			+				
1		Other Additions (alone similar in detail the mature of the items)	-				
42		Other Additions: (please explain in detail the nature of the item)					
Head			+				
45			+				
Total Additions			+			0	
Material Additions:		Total Additions	+	0	0	0	
Recap of Material Additions:		i otal Additions	_	O.	O	U	
50 0		Recap of Material Additions:					
51 0							
52 0							
53 0							
55 0	53			0	0	0	
56 0							
57 0							
58 0							
59 0							
61	59			0	0	0	
62 0					-	-	
63 0							
64 0							
66 0 0 0 0 67 0 0 0 0 0 68 0	64			0	0	0	
67 0							
68 0							
69 0							
70 0 0 0 0 0 71 0 0 0 0 0 72 0 0 0 0 0 73 0 0 0 0 0 74 0 0 0 0 0 75 0 0 0 0 0 76 0 0 0 0 0 78 Other additions 0 0 0 0 79 Total Additions 0 0 0 0							
72 0 0 0 0 73 0 0 0 0 74 0 0 0 0 75 0 0 0 0 76 0 0 0 0 77 Total Material additions 0 0 0 0 78 Other additions less than materiality level 0 0 0 79 Total Additions 0 0 0	70						
73 0 0 0 74 0 0 0 75 0 0 0 76 0 0 0 77 Total Material additions 0 0 0 78 Other additions less than materiality level 0 0 0 79 Total Additions 0 0 0							
74 0 0 0 75 0 0 0 0 76 0 0 0 0 7 Total Material additions 0 0 0 0 78 Other additions less than materiality level 0 0 0 0 79 Total Additions 0 0 0 0							
75 0 0 0 76 0 0 0 77 Total Material additions 0 0 0 78 Other additions less than materiality level 0 0 0 79 Total Additions 0 0 0							
77 Total Material additions 0 0 0 78 Other additions less than materiality level 0 0 0 79 Total Additions 0 0 0	75			0		0	
78 Other additions less than materiality level 0 0 0 79 Total Additions 0 0 0							
79 Total Additions 0 0 0							

Г	A	В	С	D	Е	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2005 (59 days February 28, 2005)					
	Number of days in taxation year:		59			
	Materiality Level:		0			
12						
13						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-			0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
	Total Deductions	=	0	0	0	
100						
	Recap of Material Deductions:					
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	Tatal Dadustians arread arctariality lavel		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						

	A	В	С	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	<u>'</u>
2	Tax and Accounting Reserves	LIINL	Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax	Liiiiiiiations	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		Return	
5	O		rectain		Version 2009.1	
6					VC131011 2000.1	
7	Utility Name: Hamilton Hydro Inc.					
8	Reporting period: 2005 (59 days February 28, 2005	1				
9	reporting period. 2003 (39 days rebruary 20, 2003	,				
	TAX RESERVES					
11	TAX NEGERVES					
_	Beginning of Year:					
13	Dogiming of roar.				0	
_	Reserve for doubtful accounts ss. 20(1)(I)		350,000		350,000	
	Reserve for goods & services ss.20(1)(m)		200,000		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	
21					0	
_	Total (carry forward to the TAXREC worksheet)		350,000	0	350,000	
23	(,	
_	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(I)		350,000		350,000	
27	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	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		350,000	0	350,000	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts		700,000		700,000	
	Inventory obsolescence		340,000		340,000	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		1,040,000	0	1,040,000	
51						
	End of Year:					
53					0	
54					0	
	Environmental		- 6.2.2.2		0	
	Allowance for doubtful accounts		700,000		700,000	
	Inventory obsolescence		340,150		340,150	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
61					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		1,040,150	0	1,040,150	
64						

25 Deemed dividend income 26 Loss in equity of subsidiaries and affiliates 27 Loss on disposal of utility assets 28 Loss on disposal of non-utility assets 49 Depreciation in inventory-end of year 30 Depreciation and amortization adjustments 41 Dividends credited to investment account 42 Non-deductible meals 43 Non-deductible meals 44 Non-deductible automobile costs 45 Donations - amount per books 46 Interest and penalties on unpaid taxes 47 Ontario capital tax adjustments 48 Ontario capital tax adjustments 49 Changes in Regulatory Asset balances 40 Other Additions: (please explain in detail the nature of the item) 40 Chapter of the interest and in detail the nature of the item) 40 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 40 Chapter of Subsidiaries and affiliates 40 Chapter of Subsidiaries and affiliates 41 Imputed interest expense on Regulatory Assets 42 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 44 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 45 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 45 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 46 Capitalized Fleet Depreciation, net (not permitted as additions for UCC)		
Shareholder-only Items should be shown on TAXREC 3 ITEMS ON WHICH TRUE-UP DOES NOT APPLY ITEMS		-
TEMS ON WHICH TIESUP DES NOT APPLY Corporate Eliminations Tax		
TEMS ON WHICH TRUE-UP DOES NOT APPLY 10 for "vires-only" business - see s. 72 OEB Act) 11 Tax 12 Utility Name: Hamilton Hydro Inc. 13 Utility Name: Hamilton Hydro Inc. 14 Utility Name: Hamilton Hydro Inc. 15 Utility Name: Hamilton Hydro Inc. 16 Utility Name: Hamilton Hydro Inc. 17 Inc. 18 Peoporting period: 2005 (59 days February 28, 2005) 18 Reporting period: 2005 (59 days February 28, 2005) 19 Inc. 10 Inc. 10 Inc. 11 Reporting period: 2005 (59 days February 28, 2005) 10 Inc. 11 Inc. 12 Recapture of capital cost allowance 13 Recapture of capital cost allowance 14 Inc. 15 Recapture of capital cost allowance 16 Recapture of capital cost allowance 17 Add: 18 Recapture of capital cost allowance 19 Recapture of capital cost allowance 20 CoS adjustments 10 CoS adjustments 10 Inc. 21 Gain on sale of non-utility eligible capital property 22 Gain on sale of non-utility eligible capital property 23 Gain on sale of utility eligible capital property 24 Loss from joint ventures or partnerships 25 Loss in equity of substitatines and affiliates 26 Loss in equity of substitatines and affiliates 27 Loss on disposal of utility assets 28 Loss con disposal of utility assets 29 Depreciation in inventory-end of year 20 Depreciation in inventory-end of year 20 Depreciation in inventory-end of year 21 Depreciation in inventory-end account 22 Received the inventory-end of year 23 Received the inventory-end of year 24 Loss on disposal of interest expenses on Regulatory Assets 25 Loss on disposal of interest expenses on Regulatory Assets 26 Loss on disposal of interest expenses on Regulatory Assets 27 Management bonuses unpoid after 180 days of year end 28 Received the additions on which true-up does not apply 29 Depreciation and amortization adjustments 20 Deprec		
Tax Return	у	
Solutive Name: Hamilton Hydro Inc. Version 200		
Section Committee Sect		
10		<u> </u>
10 Reporting period: 2005 (59 days February 28, 2005) 12 Number of days in taxation year: 59 13 14 15 15 16 Section C: Reconciliation of accounting income to taxable income 17 Add: 18 19 19 Recapture of capital cost allowance +	9.1	-
11 Reporting period: 2005 (59 days Fabruary 28, 2005)		-
12 Number of days in taxation year: 13 14 15 16 Section C: Reconciliation of accounting income to taxable income 17 Add: 18 18 19 Recapture of capital cost allowance +		<u> </u>
14 15 16 Section C: Reconciliation of accounting income to taxable income 17 Add: 18 18 19 Recapture of capital cost allowance + + + + + + + + + + + + + + + + + +		
15 Section C: Reconciliation of accounting income to taxable income		
16 Section C: Reconciliation of accounting income to taxable income 17 Add: 18 19 Recapture of capital cost allowance 20 CCA adjustments 4		
17 Add:		-
18		-
19 Recapture of capital cost allowance		
20 CCA adjustments	0	
22 Gain on sale of non-utility eligible capital property +	0	
23 Gain on sale of utility eligible capital property +	0	_
24 Loss from joint ventures or partnerships	0	_
25 Deemed dividend income	0 9,873	
26 Loss in equity of subsidiaries and affiliates	0	_
27	0	
29 Depreciation in inventory -end of year +	0	
30 Depreciation and amortization adjustments +	0	
31 Dividends credited to investment account + 743	0	
32 Non-deductible meals	0	
33 Non-deductible dub dues +	743	
34 Non-deductible automobile costs +	0	_
Interest and penalties on unpaid taxes	0	
37 Management bonuses unpaid after 180 days of year end	0	
38 Ontario capital tax adjustments 40 Changes in Regulatory Asset balances 41 Imputed interest expense on Regulatory Assets 42 Hay Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 43 Other Additions: (please explain in detail the nature of the item) 44 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 45 Hay Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 46 Hay Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 47 Total Additions on which true-up does not apply 48 Hay CCA adjustments 50 CCA adjustments 51 CCA adjustments 52 CEC adjustments 53 Depreciation and amortization adjustments 54 Gain on disposal of assets per financial statements 55 Financing fee amorization - considered to be interest expense for PILs 56 Imputed interest income on Regulatory Assets 57 Donations - amount deductible for tax purposes 58 Income from joint ventures or partnerships 59 COntario capital tax adjustments to current or prior year 61 Center of the interest income on the interest of the interest o	0	_
39	0	
40 Changes in Regulatory Asset balances 41 Imputed interest expense on Regulatory Assets 42 43 Other Additions: (please explain in detail the nature of the item) 44 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) 45 + 48,403	0	
42 43 Other Additions: (please explain in detail the nature of the item) + 4 44 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) + 48,403	0	
43 Other Additions: (please explain in detail the nature of the item) + 44 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) + 48,403	0	_
44 Capitalized Fleet Depreciation, net (not permitted as additions for UCC) + 48,403 48 45 + 4 48 46 + 4 47 Total Additions on which true-up does not apply = 69,019 0 69 48 49 Deduct:	0	_
45	0 3,403	
# # # # # # # # # #	0	_
48 49 Deduct: 50 51 CCA adjustments 52 CEC adjustments 53 Depreciation and amortization adjustments 54 Gain on disposal of assets per financial statements 55 Financing fee amorization - considered to be interest expense for PILs 61 Imputed interest income on Regulatory Assets 75 Donations - amount deductible for tax purposes 62 Income from joint ventures or partnerships 63 Ontario capital tax adjustments to current or prior year 64 Changes in Regulatory Asset balances 65		t
49 Deduct:	9,019	
50 51 CCA adjustments 52 CEC adjustments 53 Depreciation and amortization adjustments 54 Gain on disposal of assets per financial statements 55 Financing fee amorization - considered to be interest expense for PILs 56 Imputed interest income on Regulatory Assets 57 Donations - amount deductible for tax purposes 58 Income from joint ventures or partnerships 59 60 Ontario capital tax adjustments to current or prior year 61 62 Changes in Regulatory Asset balances 63 64 65 66 67 68 Other deductions: (Please explain in detail the nature of the item) 60 Other deductions: (Please explain in detail the nature of the item)		
51 CCA adjustments - 52 CEC adjustments - 53 Depreciation and amortization adjustments - 54 Gain on disposal of assets per financial statements - 55 Financing fee amorization - considered to be interest expense for PILs - Imputed interest income on Regulatory Assets - 57 Donations - amount deductible for tax purposes - 58 Income from joint ventures or partnerships - 59 - - 60 Ontario capital tax adjustments to current or prior year - 61 - - 62 Changes in Regulatory Asset balances - 63 - - 64 - - 65 - - 66 - - 67 - - 68 Other deductions: (Please explain in detail the nature of the item) -		<u> </u>
52 CEC adjustments 53 Depreciation and amortization adjustments 54 Gain on disposal of assets per financial statements 55 Financing fee amorization - considered to be interest expense for PILs 56 Imputed interest income on Regulatory Assets 57 Donations - amount deductible for tax purposes 58 Income from joint ventures or partnerships 59 60 Ontario capital tax adjustments to current or prior year 61 62 Changes in Regulatory Asset balances 63 64 65 66 66 67 68 Other deductions: (Please explain in detail the nature of the item) 6 Other deductions: (Please explain in detail the nature of the item)	0	1
53 Depreciation and amortization adjustments 54 Gain on disposal of assets per financial statements 55 Financing fee amorization - considered to be interest expense for PILs 61 Imputed interest income on Regulatory Assets 75 Donations - amount deductible for tax purposes 8 Income from joint ventures or partnerships 9 Contario capital tax adjustments to current or prior year 61 Changes in Regulatory Asset balances 63	0	
Sain on disposal of assets per financial statements - 366	0	
Imputed interest income on Regulatory Assets -	366	
57 Donations - amount deductible for tax purposes - 58 Income from joint ventures or partnerships - 59 - 60 Ontario capital tax adjustments to current or prior year - 61 - 62 Changes in Regulatory Asset balances - 63 - 64 - 65 - 66 - 67 - 68 Other deductions: (Please explain in detail the nature of the item) -	0	_
58 Income from joint ventures or partnerships - 59 - 60 Ontario capital tax adjustments to current or prior year - 61 - 62 Changes in Regulatory Asset balances - 63 - 64 - 65 - 66 - 67 - 68 Other deductions: (Please explain in detail the nature of the item) -	0	_
59	0	_
60 Ontario capital tax adjustments to current or prior year - 61 - 62 Changes in Regulatory Asset balances - 63 - 64 - 65 - 66 - 67 - 68 Other deductions: (Please explain in detail the nature of the item) -	0	_
61	0	
63	0	
64 - 65 - 66 - 67 - 68 Other deductions: (Please explain in detail the nature of the item) -	0	_
65	0	_
66	0	
67	0	
68 Other deductions: (Please explain in detail the nature of the item) -	0	_
69	0	_
	0	
70 -	0	_
71	0	
72	0 366	_
73 Total beductions on which true-up does not apply – 300 0	300	-

	A	В	С	D	Е	F
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	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Hamilton Hydro Inc.				Version 2009.1	
75						

	A PILs TAXES	В	С	D	E	F	 	Н	_	
	Corporate Tax Rates				V	ersion 2009.1				
	Exemptions, Deductions, o		5							
	Utility Name: Hamilton Hy		00 0005)							
	Reporting period: 2005 (59	days Febru	ary 28, 2005)							
) 7						Table 1				
_	Rates Used in 2005 RAM PI	Ls Applicati	ons for 2005			Table I				
	Income Range		0		400,001					
	RAM 2005		to		to	>1,128,000				
1		Year	400,000		1,128,000					
	Income Tax Rate									
	Proxy Tax Year	2005								
	Federal (Includes surtax)		13.12%		17.75%	22.12%				
5	and Ontario blended		5.50%		9.75%	14.00%				
6	Blended rate		18.62%		27.50%	36.12%				
7	Conital Tay Data		0.300%							
	Capital Tax Rate LCT rate		0.300%							
	Surtax		1.12%							
,	Ontario Capital Tax	MAX								
1	Exemption **	\$7.5MM	7,500,000							
	Federal Large									
	Corporations Tax	MAX \$50MM	50,000,000							
2	Exemption **	\$50MM								
	**Exemption amounts	must agre	e with the Bo	ard-approv	ed 2005 R	AM PILs				
	filing	_								
3	-									
4						T .11 6				
5	Expected Income Tax Bates	for 2005 or	d Conital Tay Ex	romntions for	2005	Table 2				
	Expected Income Tax Rates Income Range	s for 2005 ar	0	250,001	400,001					
	Expected Rates		to	250,001 to	400,001 to	>1,128,000				
9	Expected Nates	Year	250,000	400,000	1,128,000	>1,120,000				
	Income Tax Rate	. oui	200,000	400,000	1,120,000					
	Current year	2005								
_	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%	22.12%				
3	Ontario	2005	5.50%	5.50%	9.75%	14.00%				
4	Blended rate	2005	18.62%	27.62%	31.87%	36.12%				
5										
	Capital Tax Rate	2005	0.300%							
	LCT rate	2005	0.175%							
	Surtax	2005	1.12%							
	Ontario Capital Tax	MAX	7,500,000							
9	Exemption *** 2005	\$7.5MM								
	Federal Large Corporations Tax	MAX	50,000,000							
0	Exemption *** 2005	\$50MM	30,000,000							
	***Allocation of exemp	tions mus	t comply with	the Board	s instructi	ions				
	regarding regulated ac		t oompry with	the Board	o mondon	0113				
2	regarding regulated ac	tivities.								
3			005 T D-1			Table 3				
	Input Information from Utili Income Range	ty's Actual 2	2005 Tax Returns 0	250,001	400,001					
ე 6	moonie nange		to	250,001 to	400,001 to	>1,128,000				
7		Year	250,000	400,000	1,128,000	2 1,120,000				
	Income Tax Rate	1	,	,,,,,,,	,,					
	Current year	2005								
	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%				
1	Ontario		5.50%	5.50%	14.00%	14.00%				
2	Blended rate		18.62%	27.62%	36.12%	36.12%				
3										
	Capital Tax Rate		0.300%							
	LCT rate		0.175%							
6	Surtax		1.12%							
	Ontario Capital Tax	MAX	6,955,928							
_ !	Exemption *	\$7.5MM	.,,,,,,,							
7	Federal Large	MAX	4F 005 000							
7			45,995,000							
	Corporations Tax	\$50MM								
8	Exemption *	·	roturn ellese	tion colour	tions in	OUE				
:	Exemption * * Include copies of the	actual tax				our				
	Exemption *	actual tax				our				

					0 1		1/ 1	., 1				- 1 -	
	PILs TAXES	В	С	E	G	ı	K	М	0	Q	R S		U
1		4.4500											
2	Analysis of PILs Tax Accoun Utility Name: Hamilton Hydr												Version 2009.1
3	Reporting period: 2005 (59 d		- h	OE)			Sign Convention						version 2009.1
4	Reporting period: 2005 (59 d	lays re	ebruary 28, 20	05)			Sign Convention	n: + for increa	ise; - for deci	ease			
5 6													
7												-	
8	Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/03/2005	01/01/2005	04/04/000	6 - 30/04/20	00	
_	Year start: Year end:												Total
9	Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	28/02/2005	31/12/2005	31/12/2005	1	CIS	HHI	lotai
10	0								Total 2005				
11	Opening balance:	=	0	2,485,720	2,475,236	2,870,963	2,869,523	2,757,372	2.869.523	Entries fron	1,860	.255	0
	Board-approved PILs tax	+/-			, -,	,,	,,-	, - ,-	,,-	SIMPIL			
12	proxy from Decisions (1)		2,470,670	8,774,379	11,245,049	9,392,047	1,462,397	731,198	2 193 595	2Mo Feb 28			34,075,739
<u></u>	PILs proxy from April 1,		2, 0,0. 0	0,7.7.1,0.70	, 2 ,	0,002,011	1,102,001	101,100	2,100,000				0 1,07 0,7 00
13	2005 - input 9/12 of amount							6,325,265	6,325,265				6,325,265
13	True-up Variance	+/-	-					0,323,203	0,020,200				0,323,203
11	Adjustment Q4, 2001 (2)	T/-	0	333,490					C				333,490
14	True-up Variance	+/-		333,490									333,430
45	Adjustment (3)	T/-		0	-91.966	-454.482	-83.159	404 000	-514.461	196.113			004 700
15	Deferral Account Variance		-	0	-91,966	-454,482	-83,139	-431,302	-514,461	196,113			-864,796
									_				_
16	Adjustment Q4, 2001 (4)		_						0)			0
	Deferral Account Variance	+/-											
17	Adjustment (5)		_	0	0	-374,681	-109,745	-569,187	-678,932	-546			-1,054,159
	Adjustments to reported	+/-											
18	prior years' variances (6)								0)			0
19	Carrying charges (7)	+/-	15,050	232,853	167,356	151,485	20,116	104,330	124,446	;			691,190
	PILs billed to (collected	-	-										
	from) customers (8)			-9,351,206	-10,924,712	-8,715,809	-1,401,758	-7,252,990	-8,654,748	3			-37,646,475
21													
22	Ending balance: # 1562		2,485,720	2,475,236	2,870,963	2,869,523	2,757,372	1,664,687	1,664,687	195,568			1,860,255
23													
23 24							1,952,452						
25	Unacilizated DU a												
00	lu												

26 27

34 35

36

49 50

58

75

76

28 NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

- 31 Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

 32 (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
 - Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 37 38 39 40 41 42 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 43 44 45 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47

The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31. 2005

- 48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 51 52 53 (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.
- (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 recomponents for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs of 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), must by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31 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, sfor 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 proxy.
 To the period April 1 to December 31, 2005. To this total, the 2004 volumetric basis by class as calculated by the 2005 RAM, sfor 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. (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
 - (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;
 - 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,
 - will have to include amounts from 1562 and from 1590

	A	В	С	D	Е
1	PILs TAXES		<u> </u>		Version 2009.1
	REGULATORY INFORMATION (REGINFO)				
	Utility Name: Hamilton Hydro Inc.			Colour Code	
	Reporting period: 2004			Input Cell	
5		222		Formula in Cell	
	Days in reporting period:	366	days		
	Total days in the calendar year:	366	days		
8	BACKGROUND				
_	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Υ	
13					
14 15	Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?		Y/N	N	
10	and now subject to 5.89 & 90 FILS?		T/IN	IN	
	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
	shared among the corporate group?	LCT	Y/N	N	
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
	Accounting Year End		Date	12-31-2004	
23			24.0	12 01 2001	
	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS)				Income
	USE BOARD-APPROVED AMOUNTS				
30	OCE BOARD-AIT ROVED AMOUNTO				
	Rate Base (wires-only)			247,324,048	
33	Common Equity Ratio (CER)			45.00%	
J 1	1-CER				
50				55.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.00%	
	Market Adjusted Revenue Requirement			20,518,003	
43	1999 return from RUD Sheet #7			4,776,987	4,776,987
45	Total Incremental revenue			15,741,016	
	Input: Board-approved dollar amounts phased-in			13,741,010	
47	Amount allowed in 2001			5,247,005	5,247,005
48	Amount allowed in 2002			5,247,005	5,247,005
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 54	Total Pagulatory Income				15 270 007
55	Total Regulatory Income				15,270,997
	Equity			111,295,822	
57				.,,322	
	Return at target ROE			10,996,027	
59					
	Debt			136,028,226	
61	Decreed interest area until 4000/ of MADD			0.504.070	
63	Deemed interest amount in 100% of MARR			9,521,976	
	Phase-in of interest - Year 1 (2001)		+	4,651,925	
65	((D43+D47)/D41)*D61			1,501,520	
	Phase-in of interest - Year 2 (2002)			7,086,950	
67	((D43+D47+D48)/D41)*D61				
	Phase-in of interest - Year 3 (2003) and forward			7,086,950	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
	Phase-in of interest - 2005		-	9,521,976	
71 72			1		
12					

	A	В	С	D	E	F	G	Н
1	PILs TAXES	ITEM	Initial	_	M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
7	Utility Name: Hamilton Hydro Inc. Reporting period: 2004							
8	Reporting period. 2004						Column	
9	Days in reporting period:	366	days				Brought	
	Total days in the calendar year:	366	days				From	
11					_		TAXREC	
12			\$		\$		\$	
13 14	I) CORPORATE INCOME TAXES							
15	IJ CONTONATE INCOME TAXES							
	Regulatory Net Income REGINFO E53	1	15,270,997		6,568,685		21,839,682	
17								
	BOOK TO TAX ADJUSTMENTS							
20	Additions: Depreciation & Amortization	2	11,570,187		3,664,059		15,234,246	
	Employee Benefit Plans - Accrued, Not Paid	3	1,565,000		-648,435		916,565	
22	Tax reserves - beginning of year	4	665,000		-65,000		600,000	L
23	Reserves from financial statements - end of year	4			1,040,000		1,040,000	
24		5			0		0	
25 26	Other Additions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6	593,088		-577,647		15,441	
29	Other Additions (not "Material") "TAXREC 2"	6	528		-528		0	
30	Items on which true-up does not apply "TAXREC 3"				370,918		370,918	
31								
32	Deductions: Input positive numbers Capital Cost Allowance and CEC	7	8,779,450		6,377,700		15,157,150	
	Employee Benefit Plans - Paid Amounts	8	1,145,000		-606,550		538,450	
35	Items Capitalized for Regulatory Purposes	9	1,140,000		0		0	
36		10			0		0	
37		11	7,086,950		1,290,874		8,377,824	
38		4	665,000		-315,000		350,000	
40	Reserves from financial statements - beginning of year Contributions to deferred income plans	3			1,590,000		1,590,000	
41		3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12 12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				308,534		308,534	
49								
50	TAXABLE INCOME/ (LOSS)		11,988,400		1,706,494	Before loss C/F	13,694,894	
51								
52 53	BLENDED INCOME TAX RATE Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5000%		36.12%	
54	Tab Tax Nates Regulatory Horri Table 1, Notaal Horri Table 5	10	00.0270		2.000070		00.1270	
55	REGULATORY INCOME TAX		4,629,920		261,509	Actual	4,891,429	
56								
57	Missellaneous Toy Credite	4.4			0.545	A . e . 1	0.545	L
58 59	Miscellaneous Tax Credits	14			3,545	Actual	3,545	
60	Total Regulatory Income Tax		4,629,920		257,964	Actual	4,887,884	H
61								
62								
	II) CAPITAL TAXES		-					
64 65	Ontario							\vdash
66		15	247.324.048		17,617,081		264,941,129	\vdash
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-673,269		4,326,731	
	Taxable Capital		242,324,048		16,943,812		260,614,398	
69	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	47	0.000001		0.000001		0.00000/	L
70 71	rate - rax rates - regulatory, rable 1; Actual, rable 3	17	0.3000%		0.0000%		0.3000%	\vdash
72	Ontario Capital Tax		726,972		54,871		781,843	H
73			,		2.,011		,	
74								
75 76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	247,324,048 10,000,000		19,223,623		266,547,671 50,000,000	
76	Taxable Capital	19	237,324,048		40,000,000 59,223,623		216,547,671	
78	,		201,024,040		00,220,020		2.0,047,071	
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81 82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	533,979 134,270		-100,884 19,113		433,095 153,383	-
83	2000. I Subrai Suriax 1.1270 & Taxable IIICUITIE	41	134,270		19,113		100,003	
84	Net LCT		399,709		-119,997		279,713	
85						-		

	A	В	С	D	Е	F	G	Н
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS	11 -111	Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)		201111010		Variance	Variance	110101110	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6								
7	Reporting period: 2004							
8							Column	
9	Days in reporting period:	366	days				Brought	
	Total days in the calendar year:	366	days				From	
11			\$		\$		TAXREC \$	_
13			Þ		ą.		Þ	_
86	III) INCLUSION IN RATES							
87	III) INCLUSION IN RATES							
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89	missing ran rate assa isi gross up (ensidae sarian)		01.0070					
90	Income Tax (proxy tax is grossed-up)	22	7,407,872			Actual 2004	4,887,884	
91	LCT (proxy tax is grossed-up)	23	639,534			Actual 2004	267,835	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	726,972			Actual 2004	781,843	
93								
94								
95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	8,774,379			Actual 2004	5,937,562	
96	RAM DECISION							
97								
98	WA FUTURE TRUE URG							\vdash
	IV) FUTURE TRUE-UPS				DD//25\			\vdash
	IV a) Calculation of the True-up Variance				DR/(CR)			Ш
	In Additions:		1		040 :==			$\vdash \vdash$
102		3			-648,435			\vdash
	Tax reserves deducted in prior year	4			-65,000			
	Reserves from financial statements-end of year	4			1,040,000			_
	Regulatory Adjustments Other additions "Material" Items TAXREC	5 6			0			
	Other additions "Material" Items TAXREC 2	6			-577,647			
	In Deductions - positive numbers				011,041			
	Employee Benefit Plans - Paid Amounts	8			-606,550			
	Items Capitalized for Regulatory Purposes	9			0			
111		10			0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11			0			
113	Tax reserves claimed in current year	4			-315,000			
	Reserves from F/S beginning of year	4			1,590,000			
115	Contributions to deferred income plans	3			0			
	Contributions to pension plans	3			0			
117		12			0			
	Other deductions "Material" Item TAXREC 2	12			0			
119 120	Total TRUE-UPS before tax effect	26			-919,532			_
121	Total TRUE-UPS before tax effect	26		=	-919,532			
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return			X	36.12%			
123	income rax Nate (excluding surfax) from 2004 Offiny's fax return			^	30.1270			
124	Income Tax Effect on True-up adjustments			_	-332,135			
125					552,100			
126	Less: Miscellaneous Tax Credits	14			2,265			
127					,			
	Total Income Tax on True-ups				-334,400			
129					-			
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131	TRUE UR VARIANCE AR INCTARNA							
	TRUE-UP VARIANCE ADJUSTMENT				-514,461			\vdash
133	NAN Orlanded on of the Defermal A 1997							
	IV b) Calculation of the Deferral Account Variance caused by							
	changes in legislation							Ш
135	DECLIFATORY TAYABLE INCOME (II COCCO)							
100	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial				44.000.400			
	estimate column)			=	11,988,400			\vdash
137 138	REVISED CORPORATE INCOME TAX RATE			Х	36.12%			H
138	NEVIOLD CONFORMTE INCOME TAX KATE			Λ	30.12%			
140	REVISED REGULATORY INCOME TAX			=	4,330,210			
141					4,000,210			
142	Less: Revised Miscellaneous Tax Credits			-	2,265			
143					2,200			
144	Total Revised Regulatory Income Tax			=	4,327,945			
145								
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell							
146	C58)			-	4,629,920			
147								Ш
	Regulatory Income Tax Variance			=	-301,975			
149]	ш

	A	В	С	D	E	F	G	Н
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	 -
		IIEW						-
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Hamilton Hydro Inc.							
7	Reporting period: 2004							
8	Reporting period. 2004		†				Column	_
	Days in reporting paried:	366	dove					\vdash
	Days in reporting period:		days				Brought	-
10	Total days in the calendar year:	366	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
150	Ontario Capital Tax							
	Base			=	247,324,048			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39				5,000,000			
	Revised deemed taxable capital		†	=	242,324,048			_
154	rtevised deemed taxable capital			-	242,324,040			-
	Data Tab Tau Datas sall OSA				0.20000/			-
155	Rate - Tab Tax Rates cell C54			Х	0.3000%			-
156			 					$oldsymbol{\sqcup}$
157				=	726,972			
1	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)						1	1 1
158				-	726,972	<u></u>	<u> </u>	
159	Regulatory Ontario Capital Tax Variance			=	0			
160						-	1	
	Federal LCT							
	Base				247,324,048			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			\vdash
164			<u> </u>	=	197,324,048			\vdash
165	INGVISCU I GUGIAI LO I			-	137,324,040			\vdash
	Data (as a secult of lacial disc about and ITau Datas I as II 054				0.3000%			-
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168					394,648			
169	Less: Federal surtax			-	134,270			
170	Revised Net LCT			=	260,378			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	399,709			
173	Regulatory Federal LCT Variance			=	-139,331			
174	•							
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176	Actual moonie Tax Mate accases groce up (excusae cartax)				33.3375			
	Income Tax (grossed-up)			+	-464,576			_
	LCT (grossed-up)		†	+	-214,355			1
	Ontario Capital Tax		+	+	-214,555		1	-
180	Ontario Capital Tax		+		0		1	-
	DEFENDAL ACCOUNT VARIANCE AD MICTMENT				670 020			-
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-678,932			_
182								_
	TRUE-UP VARIANCE (from cell I132)			+	-514,461			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)	ļ		=	-1,193,392		<u> </u>	
186	(Deferral Account Variance + True-up Variance)						1	
187	·							
188								
189								\Box
190	V) INTEREST PORTION OF TRUE-UP							\vdash
191			<u> </u>					\vdash
192	randing Sausea by I hase-in or beeined best						1	-
	Total deemed interest (REGINFO)				0 504 070			\vdash
193				—	9,521,976		 	\vdash
194	Interest phased-in (Cell C36)				7,086,950	1	 	\vdash
195	V				0 105 ***		 	\vdash
196	Variance due to phase-in of debt component of MARR in rates				2,435,026		 	\vdash
197	according to the Board's decision						ļ	\sqcup
198							 	\sqcup
	Other Interest Variances (i.e. Borrowing Levels						,	igsquare
	Above Deemed Debt per Rate Handbook)							
	Interest deducted on MoF filing (Cell K36+K41)				8,377,824		L	
202	Actual Interest Paid				8,415,828			
203								
204	Variance caused by excess debt				0			
205	•							
	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207	, and the second		1				j	
	Total Interest Variance				2,435,026			
209	. O.C. M. C. C. C. F. C. I. C.				2,400,020		 	\vdash
210								+-1
				1				\vdash
211			1	<u> </u>				ш

	A	В	С	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax Return		Return	
5	0		Neturn		Version 2009.1	
	Section A: Identification:					
7	Utility Name: Hamilton Hydro Inc.					
9	Reporting period: 2004 Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
13 14	Please enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	0	< - enter materiality	rievei	
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18 19	(Please complete the questionnaire in the Background questionnaire v	vorksh	eet.)			
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23 24	Input unconsolidated financial statement data submitted with Tax returns. The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest	expens	se and provision for	income tax		
26						
27	Please enter the non-wire operation's amount as a positive number, the pr			all amounts		
28 29	in the "non-wires elimination column" as negative values in TAXREC and T	AXRE(JL.			
30	Income:					
31	Energy Sales	+			0	
32	Distribution Revenue	+ -	57,036,209	2.779.112	57,036,209	
33	Other Income Miscellaneous income	+	5,886,134 931,010	2,779,112	3,107,022 931,010	
35	missionio de morno	+	308,533		308,533	
36	Revenue should be entered above this line		330,000		000,000	
37						
38	Cost of energy purchased				0	
40	Cost of energy purchased Administration	-			0	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	25,447,616	1,485,000	23,962,616	
43	Amortization	-	15,033,954	241,576	14,792,378	
44 45	Ontario Capital Tax Recovery of regulatory assets - expense	-	788,098		788,098 0	
46	Recovery of regulatory assets - expense				0	
47		-			0	
48		-			0	
49						
	Net Income Before Interest & Income Taxes EBIT	=	22,892,218	1,052,536	21,839,682	
51 52	Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes		8,415,828 4,872,861	38,004 366,449	8,377,824 4,506,412	
53	Net Income (loss)	=	9,603,529	648,083	8,955,446	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)					<u> </u>
54 55	per financial statements on Schedule 1 of the tax return.)					
	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax Federal large corporation tax	+	4,872,861	366,449	4,506,412	
60 61	Depreciation & Amortization	+	15,475,822	241,576	15,234,246	
62	Employee benefit plans-accrued, not paid	+	1,238,885	322,320	916,565	
63	Tax reserves - beginning of year	+	600,000	0	600,000	
64	Reserves from financial statements- end of year	+	1,040,000	0	1,040,000	
65 66	Regulatory adjustments on which true-up may apply (see A66) Items on which true-up does not apply "TAXREC 3"	+	371,612	694	0 370,918	
67	Material addition items from TAXREC 2	+	15,441	0	15,441	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		23,614,621	931,039	22,683,582	
71 72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76 77		+	0		0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81 82	Total Additions	=	23,614,621	931,039	22,683,582	
83	i otai Auditioris	-	23,014,021	331,039	22,000,002	
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
			0	0	0	
87			0		0	
87 88						
87			0	0	0	
87 88 89 90			0	0	0	
87 88 89 90 91 92	Total Other additions >materiality level		0 0 0	0	0	
87 88 89 90 91 92 93	Other additions (less than materiality level)		0 0 0	0 0 0	0 0 0	
87 88 89 90 91			0 0 0	0 0 0	0	

Text TAKES LINE Mor F Non-wires Tax		A	В	С	D	E	F
2 TAX RETURN RECONCILIATION TTARREC 0 Return Neturn N	1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3 Dec **News-only* business** - see s. 72 OEB Act)	2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations		
Second Content of the Content of t	3			Tax			
Second Content of Communication 14,182,083	4			Return			
10 12 13 13 13 13 13 13 13	5					Version 2009.1	
10 12 13 13 13 13 13 13 13	96	BOOK TO TAX DEDUCTIONS:					
Second Committee eligible capital deduction . .1,216,643 .1,216,643 .538,450 .538,500 .538,000			-	14,182,083	241,576	13,940,507	
Semilyses benefit plans-paid amounts			-		,		
100 Inegulatory purposes .			-		277.099		
101 Regulatory adjustments			-		,		
102 CCA			-				
103	102		-			0	
109 Tax reserves - end of year	103		-			0	
165 Reserves from financial statements - beginning of year 			-	350,000	0		
106 Contributions to deterred income plans	105		-	1,590,000	0	1,590,000	
107 Contributions to pension plans 0 108 Items on which true-up does not apply "TAXREC 3" 306,534 0 308,534 109 Interest capitalized for accounting deducted for tax 0 0 0 0 0 111 Other deduction items (not Material) from TAXREC 2 0 0 0 0 0 0 112 113 Subtotal			-	,,,,,,,			
108 terms on which true-up does not apply "TARREC 3" 308.534 0 308,534 0 1 1 1 1 1 1 1 1 1			-				
100 Interest capitalized for accounting deducted for tax				308,534	0	308.534	
110 Material deduction terms from TAXREC 2		Interest capitalized for accounting deducted for tay	-	,			
Titl Other deduction items (not Material) from TAXREC 2	_	Material deduction items from TAXREC 2		n	0		
113							
113		The state of the s		J	0		
1140 Other deductions (Please explain the nature of the deductions)		Subtotal	=	18 462 809	518 675	17 944 134	
115 Charitable donations - tax basis			_	.0, .02,000	0.0,070	,,104	
Tig Gain on disposal of assers			-			0	
117							
118		Can on alopodar or accord	-				
19							
120			-				
121		Total Other Deductions	=	0	0		
Total Deductions				-	-	-	
123		Total Deductions	=	18.462.809	518.675	17.944.134	
126						, , ,	
126	124	Recap Material Deductions:					
126	125			0	0	0	
127	126				0	0	
128				0	0	0	
130 Total Other Deductions exceed materiality level 0 0 0 0 0 0 0 0 0				0	0	0	
130 Total Other Deductions exceed materiality level 0 0 0 0 0 0 0 0 0	129			0	0	0	
131 Other Deductions less than materiality level		Total Other Deductions exceed materiality level		0	0	0	
133	131	Other Deductions less than materiality level		0	0	0	
TAXABLE INCOME	132	Total Other Deductions		0	0	0	
Table Tabl	133						
136 Non-capital loss applied positive number - 0 0 0 0 137 Net capital loss applied positive number - 0 0 0 0 138 0 0 139 NET TAXABLE INCOME = 14,755,341 1,060,447 13,694,894 140 141 FROM ACTUAL TAX RETURNS	134	TAXABLE INCOME	=	14,755,341	1,060,447	13,694,894	
137 Net capital loss applied positive number -	135	DEDUCT:					
138	136	Non-capital loss applied positive number	-	0		0	
139 NET TAXABLE INCOME = 14,755,341 1,060,447 13,694,894 140 141 FROM ACTUAL TAX RETURNS	137	Net capital loss applied positive number	-			0	
140							
141 FROM ACTUAL TAX RETURNS	139	NET TAXABLE INCOME	=	14,755,341	1,060,447	13,694,894	
142 Net Federal Income Tax (Must agree with tax return)							
143 Net Ontario Income Tax (Must agree with tax return) + 2,002,468 148,463 1,854,005 144 Subtotal = 5,274,462 383,033 4,891,429 145 Less: Miscellaneous tax credits (Must agree with tax returns) - 3,545 3,545 146 Total Income Tax = 5,270,917 383,033 4,887,884 147 148 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 (Must agree with tax return) 14,00% 36,12% 152 153 154 155 RECAP 156 Total Income Taxes +							
144 Subtotal				3,271,994			
144 Subtotal		Net Ontario Income Tax (Must agree with tax return)		2,002,468	148,463		
Total Income Tax = 5,270,917 383,033 4,887,884 147			=		383,033		
147							
148 FROM ACTUAL TAX RETURNS		Total Income Tax	=	5,270,917	383,033	4,887,884	
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% 14.00% 151 Blended Income Tax Rate 36.12% 36.12% 36.12% 152 153 Section F: Income and Capital Taxes 154 155 RECAP 156 Total Income Taxes + 5,270,917 383,033 4,887,884 157 Ontario Capital Tax + 781,843 781,843 158 Federal Large Corporations Tax + 267,835 267,835 159 160 Total Income and capital taxes = 6,320,595 383,033 5,937,562							
150 Net Ontario Income Tax Rate (Must agree with tax return) 14,00% 14,00% 151 Blended Income Tax Rate 36,12% 36,12% 36,12% 152 153 Section F: Income and Capital Taxes							
151 Blended Income Tax Rate 36.12% 36.12% 152							
152							
153 Section F: Income and Capital Taxes		Blended Income Tax Rate		36.12%		36.12%	
154							
155 RECAP		Section F: Income and Capital Taxes					
156 Total Income Taxes							
157 Ontario Capital Tax + 781,843 781,843 158 Federal Large Corporations Tax + 267,835 267,835 159 - - - 160 Total income and capital taxes = 6,320,595 383,033 5,937,562	155		ļ			,	
158 Federal Large Corporations Tax + 267,835 267,835 159 - - - 160 Total income and capital taxes = 6,320,595 383,033 5,937,562					383,033		
159							
160 Total income and capital taxes = 6,320,595 383,033 5,937,562		Federal Large Corporations Tax	+	267,835		267,835	
				0.000	000	5.007	
[101]		Total income and capital taxes	=	6,320,595	383,033	5,937,562	
	161						

	A	В	С	D	Е	F
1	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	Inches No. 11 196 11 1					
7	Utility Name: Hamilton Hydro Inc.					
9	Reporting period: 2004					
	TAX RESERVES					
11	TAX NEGERI EG					
12	Beginning of Year:					
13					0	
	Reserve for doubtful accounts ss. 20(1)(I)		600,000		600,000	
	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	
20	Other - Please describe				0	
21					0	
	Total (carry forward to the TAXREC worksheet)		600,000	0	600,000	
23	The family is used to the framework		222,230		223,230	
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)		350,000		350,000	
	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 Other - Please describe				0	
31	Other - Please describe				0	
33					0	
	Insert line above this line				Ü	
	Total (carry forward to the TAXREC worksheet)		350,000	0	350,000	
36			,		,	
37						
	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:				0	
41					0	
	Environmental				0	
	Allowance for doubtful accounts		1,250,000		1,250,000	
	Inventory obsolescence		340,000		340,000	
46	Property taxes				0	
47	Employee Future Benefits				0	-
	Vacation pay & sick leave				0	
49			4 700 000		0	
	Total (carry forward to the TAXREC worksheet)		1,590,000	0	1,590,000	
51	End of Voors		1			
53	End of Year:				0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts		700,000		700,000	
	Inventory obsolescence		340,000		340,000	
	Property taxes				0	
	Employee Future Benefits				0	
_	Vacation pay & sick leave				0	
61					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		1,040,000	0	1,040,000	
64						

	Α	В	С	D	Е	F
1	BU =175		N4 (F	N		
	PILS TAXES	LINE	M of F	Non-wires Eliminations	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2) (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Tax Return	
	RATEPAYERS ONLY		Return		Keturn	
	Shareholder-only Items should be shown on TAXREC 3		Retuin		Version 2009.1	
7	ondictional only terms should be shown on TAXRES 5				VC131011 2003.1	
	Utility Name: Hamilton Hydro Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17		+			0	
	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers) Taxable capital gains	+	15,441		15,441	
22	i ananie capital yallis	+	10,441		15,441	
	Scientific research expenditures deducted	+			0	
24		+			0	
	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust Provision for bad debts	+			0	
37	Provision for dad dedis	+			0	
38		+			0	
39		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
41	outer reduction (product or product or the north)	+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	15,441	0	15,441	
47						
	Recap of Material Additions:		0			
49 50			0	0	0	
51			0	0	0	
52			0	0	0	
	Loss on disposal of assets		15,441	0	15,441	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64 65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
			U	0	U	

Г	A A	В	С	D	E	F
1	1		- U	<u> </u>	_	
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Hamilton Hydro Inc.					
9	Reporting period: 2004					
	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		15,441	0	15,441	
	Other additions less than materiality level		0	0	0	
79	Total Additions		15,441	0	15,441	

T	Δ	В	С	D	Е	F
1	Α	Ь	C	U U	<u> </u>	F
	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)	LIINL	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiadons	Return	
5	RATEPAYERS ONLY		Return		Return	
	Shareholder-only Items should be shown on TAXREC 3		rtotam		Version 2009.1	
7	Charonolade only Romo Gridana So Chorn on 1704420 0				70.0.0	
8	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2004					
	Number of days in taxation year:		366			
	Materiality Level:		0			
12	•					
13						
80						
	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
	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						

	A	В	С	D	E	F
1						
	PILS TAXES					
	TAX RETURN RECONCILIATION (TAXREC 3)	LINE	M of F	Non-wires	Wires enly	
4	Shareholder-only Items should be shown on TAXREC 3	LIINE	-		Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0)	Return			
8	Utility Name: Hamilton Hydro Inc.				Version 2009.1	
9						
10						
	Reporting period: 2004		200			
12	Number of days in taxation year:		366			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18	71001					
	Recapture of capital cost allowance	+			0	
20	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	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
	Non-deductible meals	+	7,601	694	6,907	
	Non-deductible club dues	+	7,001		0	
	Non-deductible automobile costs	+			0	
	Donations - amount per books				0	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments				0	
39		+			0	
	Changes in Regulatory Asset balances	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
	Capitalized Fleet Depreciation, net (not permitted for UCC purposes)	+	364,011		364,011	
45	Capitalized Floor Beproduction, Not (not permitted for 600 parposes)	+	004,011		004,011	
46		+				
47	Total Additions on which true-up does not apply	=	371,612	694	370,918	
48						
	Deduct:			-	-	
50						
	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-	000 504		200 524	
	Gain on disposal of assets per financial statements	-	308,534		308,534	
	Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59	moonto nom joint vontaroo or partitoronipo	-			0	
-	Ontario capital tax adjustments to current or prior year	-			0	
61	, , , , , , , , , , , , , , , , , , , ,	-			0	
_	Changes in Regulatory Asset balances	-			0	
63		-			0	
	Assessment Notice	-			0	
65		-			0	
66		-			0	
67	Others de desilence (Disease et al. 1. 1. 1. 1. 1. 1. 1. 1.	-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	

	A	В	С	D	E	F
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	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Hamilton Hydro Inc.				Version 2009.1	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	308,534	0	308,534	
74						
75						

_	А	В	С	D	E	F	G	Н		<u> </u>
1	PILs TAXES	ט		_ <u>u</u>		_ ' _	G	1 11	<u>'</u>	•
_	Corporate Tax Rates				\	ersion 2009.				
_	Exemptions, Deductions, o	r Threshold	s		•	20001				
	Utility Name: Hamilton Hyd									
	Reporting period: 2004									
6	•									
7						Table 1				
8	Rates Used in 2002 RAM PI	Ls Applicat	ions for 2002							
9	Income Range		0		200,001					
10	RAM 2002		to		to	>700000				
11		Year	200,000		700,000					
12	Income Tax Rate									
	Proxy Tax Year	2002								
	Federal (Includes surtax)		13.12%		26.12%	26.12%				
			6.00%		6.00%	12.50%				
16	Blended rate		19.12%		34.12%	38.62%				
17			,0			7.5270				
	Capital Tax Rate		0.300%							
	LCT rate		0.300%							
	Surtax		1.12%							
	Ontario Capital Tax	MAX	1.12/0							
		S5MM	5,000,000							
	Exemption **	IVIIVICĢ								
	Federal Large	MAX	10,000,000							
	Corporations Tax	\$10MM	10,000,000							
	Exemption **	must s	a mid- di - D		10d 0000 D	M DU s				
	**Exemption amounts	must agre	ee with the Bo	oard-approv	rea 2002 R <i>F</i>	AIVI PILS				
_	filing									
23										
24						Table 6				
25	Francisco Inc. 1997		nd Coulted T		0004	Table 2				
	Expected Income Tax Rates	s tor 2004 a								
	Income Range		0	250,001	400,001	. 4 400 000				
	Expected Rates	L.,	to	to	to	>1,128,000				
29		Year	250,000	400,000	1,128,000					
	Income Tax Rate									
	Current year	2004								
	, , , , , , , , , , , , , , , , , , , ,	2004	13.12%	22.12%	22.12%	22.12%				
	Ontario	2004	5.50%	5.50%	9.75%	14.00%				
34	Blended rate	2004	18.62%	27.62%	31.87%	36.12%				
35										
30	Capital Tax Rate	2004	0.300%							
			0.200%							
37	LCT rate	2004								
37	LCT rate Surtax	2004 2004	1.12%							
37 38	Surtax Ontario Capital Tax		1.12%							
37 38	Surtax	2004								
37 38 39	Surtax Ontario Capital Tax	2004 MAX \$5MM	1.12%							
37 38 39	Surtax Ontario Capital Tax Exemption *** 2004	2004 MAX \$5MM MAX	1.12%							
37 38 39	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large	2004 MAX \$5MM	1.12% 5,000,000							
37 38 39 40	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004	2004 MAX \$5MM MAX \$50MM	1.12% 5,000,000 50,000,000	the Board	's instructi	ons				
37 38 39 40 41	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ****Allocation of exemp	2004 MAX \$5MM MAX \$50MM	1.12% 5,000,000 50,000,000	n the Board	's instruction	ons				
37 38 39 40 41 42	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004	2004 MAX \$5MM MAX \$50MM	1.12% 5,000,000 50,000,000	n the Board	's instruction					
37 38 39 40 41 42 43	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac	2004 MAX \$5MM MAX \$50MM tions mus	1.12% 5,000,000 50,000,000 st comply with		's instruction	ons Table 3				
37 38 39 40 41 42 43 44	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exemp regarding regulated ac Input Information from Utili	2004 MAX \$5MM MAX \$50MM tions mus	1.12% 5,000,000 50,000,000 st comply with	ns						
37 38 39 40 41 42 43 44 45	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac	2004 MAX \$5MM MAX \$50MM tions mus	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0	250,001	400,001	Table 3				
37 38 39 40 41 42 43 44 45 46	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exemp regarding regulated ac Input Information from Utili	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0	250,001 to	400,001 to					
37 38 39 40 41 42 43 44 45 46 47	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ****Allocation of exempregarding regulated ac Input Information from Utili Income Range	2004 MAX \$5MM MAX \$50MM tions mus	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0	250,001	400,001	Table 3				
37 38 39 40 41 42 43 44 45 46 47 48	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ****Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0	250,001 to	400,001 to	Table 3				
37 38 39 40 41 42 43 44 45 46 47 48	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	Table 3				
37 38 39 40 41 42 43 44 45 46 47 48 49 50	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax)	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000	250,001 to 400,000	400,001 to 1,128,000 22.29%	Table 3 >1,128,000 22.12%		22.12%		
37 38 39 40 41 42 43 44 45 46 47 48 49 50	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	Table 3		22.12% 14.00%		
37 38 39 40 41 42 43 44 45 46 47 48 49 50	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax)	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000	250,001 to 400,000	400,001 to 1,128,000 22.29%	Table 3 >1,128,000 22.12%			6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated actions Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exemp regarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62%	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate	2004 MAX \$5MM MAX \$50MM tions mus tivities.	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200%	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 55 56	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exemp regarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax	2004 MAX \$5MM MAX \$50MM tions mustivities. ty's Actual Year 2004	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exemp regarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax	2004 MAX \$5MM MAX \$50MM tions mus tivities. ty's Actual Year 2004 MAX	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200%	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 55 56 57	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exemp regarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption *	2004 MAX \$5MM MAX \$50MM tions mus tivities. ty's Actual Year 2004 MAX \$5MM	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large	2004 MAX \$5MM MAX \$50MM tions mus tivities. ty's Actual Year 2004 MAX	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 56 57	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	2004 MAX \$5MM MAX \$50MM tions mus tivities. ty's Actual Year 2004 MAX \$5MM	1.12% 5,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12%	250,001 to 400,000 22.12% 5.50%	400,001 to 1,128,000 22.29% 13.77%	Table 3 >1,128,000 22.12% 14.00%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 55 56 57	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	2004 MAX \$5MM MAX \$50MM tions mus ctivities. ty's Actual Year 2004 MAX \$5MM MAX \$5MM MAX \$50MM	1.12% 5,000,000 50,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	250,001 to 400,000 22.12% 5.50% 27.62%	400,001 to 1,128,000 22.29% 13.77% 36.06%	Table 3 >1,128,000 22.12% 14.00% 36.12%		14.00%	6 0	.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the	2004 MAX \$5MM MAX \$50MM tions mus ctivities. ty's Actual Year 2004 MAX \$5MM MAX \$5MM MAX \$50MM actual tax	1.12% 5,000,000 50,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	250,001 to 400,000 22.12% 5.50% 27.62%	400,001 to 1,128,000 22.29% 13.77% 36.06%	Table 3 >1,128,000 22.12% 14.00% 36.12%		14.00%	6 0).00).00).00
37 38 39 40 41 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57	Surtax Ontario Capital Tax Exemption *** 2004 Federal Large Corporations Tax Exemption *** 2004 ***Allocation of exempregarding regulated ac Input Information from Utili Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	2004 MAX \$5MM MAX \$50MM tions mus ctivities. ty's Actual Year 2004 MAX \$5MM MAX \$5MM MAX \$50MM actual tax	1.12% 5,000,000 50,000,000 50,000,000 st comply with 2004 Tax Return 0 to 250,000 13.12% 5.50% 18.62% 0.300% 0.200% 1.12% 4,684,843 45,995,000	250,001 to 400,000 22.12% 5.50% 27.62%	400,001 to 1,128,000 22.29% 13.77% 36.06%	Table 3 >1,128,000 22.12% 14.00% 36.12%		14.00%	6 0	.00

	A	В	С	D	ΙE	F	G	Н	1	J	K	L	М	N	0
1	PILs TAXES		-				-								
2	Analysis of PILs Tax Account	1562:													
3	Utility Name: Hamilton Hydro	Inc.													Version 2009.1
4	Reporting period: 2004				Sign Conventi	on: +	for increase; -	for	decrease						0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Tota
10															
11	Opening balance:	=	0		2,485,720		2,475,236		2,870,963		2,869,523				
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)		2,470,670		8,774,379		11,245,049		9,392,047		2,193,595				
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount														
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)				333,490										
	True-up Variance	+/-													
15	Adjustment (3)				_		-91,966		-454,482		-514,461				
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)				_										
	Deferral Account Variance	+/-													
17	Adjustment (5)						0		-374,681		-678,932				
	Adjustments to reported	+/-													
18	prior years' variances (6)				_										
19	Carrying charges (7)	+/-	15,050		232,853		167,356		151,485						
	PILs billed to (collected	-													
	from) customers (8)		0		-9,351,206		-10,924,712		-8,715,809						
21															
	Ending balance: # 1562		2,485,720		2,475,236		2,870,963		2,869,523						
23	1					-								-	

26 27 Uncollected PILs

24 25

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28 NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

- 33 (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. 34 Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. 35 36 37 If the Board gave more than one decision in the year, calculate a weighted average proxy.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
 - (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 49 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation. 50
- 51 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. 52 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
 - (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- 54 55 56 57 (7) Carrying charges are calculated on a simple interest basis.
- 58 (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 59 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 60 61 62 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.

1	Λ Τ	В	С		Е
_	A A	В	C	D	
1	PILS TAXES				Version 2009.1
	REGULATORY INFORMATION (REGINFO) Utility Name: Hamilton Hydro Inc.			Colour Code	
4	Reporting period: 2003			Input Cell	
5	Reporting period. 2003			Formula in Cell	
	Days in reporting period:	365	days	Formula in Cen	
7	Total days in the calendar year:	365	days		
8	Total days III the calendar year.	303	uays		
9	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Υ	
13	tax (and therefore subject to FILS)?		T/IN	Ī	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
10	·				
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23		201		10070	
24	Accounting Year End		Date	12-31-2003	
26	MARR NO TAX CALCULATIONS				Pogulatory
	SHEET #7 FINAL RUD MODEL DATA				Regulatory
					Income
	(FROM 1999 FINANCIAL STATEMENTS) USE BOARD-APPROVED AMOUNTS				
30	USE BUARD-APPROVED AMOUNTS				
	Rate Base (wires-only)			247,324,048	
52					
33	Common Equity Ratio (CER)			45.00%	
	1-CER			55.00%	
50					
37	Target Return On Equity			9.88%	
39	Debt rate			7.00%	
41	Market Adjusted Revenue Requirement			20,518,003	
TL					
43	1999 return from RUD Sheet #7			4,776,987	4,776,987
45	Total Incremental revenue			15,741,016	
	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			5,247,005	5,247,005
48	Amount allowed in 2002			5,247,005	5,247,005
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	The state of the s				0
54	Total Regulatory Income				15,270,997
55	. Sim regiment, mount				10,210,001
	Equity			111,295,822	
57	— ¬ ¬ · · · · · · ·			,200,022	
	Return at target ROE			10,996,027	
59				.,,	<u> </u>
	Debt			136,028,226	
61				5,5-5,4-0	
	Deemed interest amount in 100% of MARR			9,521,976	
63				.,,	i
	Phase-in of interest - Year 1 (2001)			4,651,925	
65	1 /			.,50.,020	<u> </u>
	Phase-in of interest - Year 2 (2002)			7,086,950	
67	((D43+D47+D48)/D41)*D61			.,,,,,,,,,,	
	Phase-in of interest - Year 3 (2003) and forward			7,086,950	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			. ,500,000	1
	Phase-in of interest - 2005			9,521,976	
71				0,021,010	<u> </u>
72					
	<u> </u>		1	I	

THAT STATES		A	В	С	D	E	F	G	Н
2 Pinks DEFERRAL AND VARIANCE ACCOUNTS	_1		ITEM	Initial		M of F	M of F	Tax	
A Committee	2	PILS DEFERRAL AND VARIANCE ACCOUNTS					Filing		
Description		TAX CALCULATIONS (TAXCALC)				Variance	Variance		
Barbon Partico Parti						K-C	Explanation		
Processing periodic 2003 Solution Solu								Version 2009.1	
Days in reporting period:		Utility Name: Hamilton Hydro Inc.							
3 Days Integrating period. 365 days		Reporting period: 2003							
State Stat		D	200	da. a					
TARREC		Total days in the calendar year:							
S		Total days in the calendar year:	300	uays					
			-		-	•			
18 DOCROPARTE RECOME TAXES				ŷ		Ÿ		Ÿ	
15 Regulatory Net Income REGINFO ESS 1 15,270,977 3,750,986 19,021,450		I) CORRODATE INCOME TAYES							
1		IJ CORFORATE INCOME TAXES	-						
17 17 17 17 17 17 17 17		Regulatory Net Income REGINFO E53	1	15.270.997		3.750.496		19.021.493	
18 BOOK TO TAX ADJUSTNENTS		,		., ., .,				.,,	
20		BOOK TO TAX ADJUSTMENTS							
20									
22 Employee Benefit Plans - Accorded Not Paul 3 1,656,000 5,95,465 1,013,555	20	Depreciation & Amortization	2	11,570,187		3,052,829		14,623,016	
22 Reserve from financial statements - end of year	21	Employee Benefit Plans - Accrued, Not Paid	3	1,565,000		-551,445		1,013,555	
22 Regulatory Adjustments - increases in scores 5		Tax reserves - beginning of year		665,000					
20 Deter Additions (Sea Table entitled TAXRECY)				0					
20 Monterel Remon from "TAXREC" worksheet 0 0 0 0 0 0 0 0 0		Regulatory Adjustments - increase in income	5			0		0	
27 One Additions from **TAMECF** 0 550,008 -579-273 13-615		Other Additions (See Tab entitled "TAXREC")							
22 Material Roma From TAXREC 2" worksheet 0 593,088 -579,473 1,3615 0 0 0 0 0 0 0 0 0		"Material" Items from "TAXREC" worksheet							-
20 State									
30									-
30 Deductions: Imput positive numbers 16,572.899		Other Additions (not "Material") "TAXREC 2"	6	528					-
30 Develocitions: Imput positive numbers 7 8,779,450 6,799,449 15,572,899 36,799,449 15,572,899 36,799,449 15,572,899 36,799,449 36,799,4		items on which true-up does not apply "TAXREC 3"				4//,833		4//,833	
15,772,899			ļ		\sqcup				-
Section Sect		Deductions: Input positive numbers		0.770.47-		0.700 (:-		45 570 0	_
Secretary Secr		Capital Cost Allowance and CEC							-
Second Content				1,145,000					
11 7,086,360 1,364,898 8,451,849 8,451,849 8,451,849 8,451,849 8,451,849 8,451,849 8,650,000 6					\vdash				-
Secretary Secr		Interset Expense Deemed/Incurred		7 000 050					
39 Reserves from Francial statements - beginning of year				665,000	-			600 000	-
40 Contributions to deferred income plans 3 0 0 0 0 0 0 0 0 0					\vdash				<u> </u>
A									
42 Interest capitalized for accounting but deducted for tax									
43 Other Deductions (See Tab entitled "TAXREC") 12									
44 Material terms from TAXREC worksheet 12 0 0 0 0 0 0 0 0 0		Other Deductions (See Tab entitled "TAXREC")							
46		"Material" Items from "TAXREC" worksheet	12			0		0	
46		Other Deductions (not "Material") "TAXREC"	12						
AF Other Deductions (not "Material") "TAXKEC 2" 12 0 0 0 0 0 0 0 0 0	46	Material Items from "TAXREC 2" worksheet							
Styles		Other Deductions (not "Material") "TAXREC 2"	12						
11,988,400 -1,730,991 Before loss CF 10,257,409	48					57,972		57,972	
Second S									
September Sept		TAXABLE INCOME/ (LOSS)		11,988,400		-1,730,991	Before loss C/F	10,257,409	
13 13 38.62% -1.8427% 36.78% 54 55 56 57 58 Miscellaneous Tax Credits -1.44									
54 55 REGULATORY INCOME TAX					$oxed{\Box}$				
1,546,478 56 57 58 Miscellaneous Tax Credits 14 3,000 Actual 1,546,478 59 59 58 Miscellaneous Tax Credits 14 3,000 Actual 3,0	53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.8427%		36.78%	
Section Sect		DECLII ATORVINICOME TAV	<u> </u>	4 000 0		0.000 (:=	* * * *	4 5 40 4=-	
Second color		REGULATURT INCUME TAX	 	4,629,920		-3,083,442	Actual	1,546,478	
14 3,000 Actual 3,000 Section 3,000					-				-
59 0 Total Regulatory Income Tax		Mincellaneous Tay Credits	1.1			3 000	Actual	2 000	
Total Regulatory Income Tax		IVISCEIIATIEUUS TAX CIEURS	14			3,000	Actual	3,000	
Comparison Com		Total Regulatory Income Tax		4 620 020		-3 086 442	Actual	1 5/3 //78	
Sample Capital Taxes		Total regulatory income rax	-	4,023,320		-5,000,442	Actual	1,545,476	
Garrian Garr					-				
65 Ontario		II) CAPITAL TAXES	l		\vdash				
ES Ottario Company	64								
Sase 15 247,324,048 7,334,690 256,658,738 7,334,690 256,658,738 7,334,690 256,658,738 7,334,690 256,658,738 7,334,690 256,658,738 7,334,690 256,658,738 7,334,690 256,0365,374 7,334,690 256,0365,374 7,334,690 256,0365,374 7,334,690 2,334,734 7,334,690 2,334,734 7,334,690 2,334,734 7,334,690 2,334,734 7,334,690 2,334,734 7,334,690 2,334,734 7,334,690 2,334,734 7,334,690 2,344,734,740 7,334,690 2,344,734,740 7,334,690 2,344,734,740 7,334,690 2,344,734,740 7,344,740 7		Ontario							
For Loss: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 16 5.000,000 .706.636 4.293,364			15	247,324,048		7,334,690		254,658,738	
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3								4,293,364	
Form Fig. 2				242,324,048		6,628,054		250,365,374	
T2									
Teleproperation Teleproper		Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
Table Tabl			-						
74 Faderal Large Corporations Tax		Untario Capital Tax	ļ	726,972		24,124		751,096	
18		Fodoral Large Corporations Tax							-
10,000,000 10,			10	247 224 242		40.440.000		257 440 440	-
77 Taxable Capital 237,324,048 10,116,332 247,440,440 78 79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 20 0.2250% 0.0000% 0.0250% 0.0000% 0.0000% 0.0250% 0.0000% 0.0250% 0.0000% 0.0250% 0.0000% 0.0250% 0.0000% 0.0250% 0.0000% 0.0000% 0.0000% 0.0250% 0.0000%		Lace: Evamption Tay Rates - Regulatory Table 1: Actual Table 2			H				
78			19		\vdash				-
79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 20 0.2250% 0.0000% 0.2250% 80		raxable Capital		231,324,040		10,110,392		241,440,440	
SO Society		Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	20	0.2250%		0.0000%		0.2250%	_
81 Gross Amount of LCT before surfax offset (Taxable Capital x Rate) 533,978 22,762 556,741 22 Less: Federal Surfax 1.12% x Taxable Income 21 134,270 -84,267 50,003 33 84 Net LCT 399,709 107,029 506,738 36 III) INCLUSION IN RATES				U.LLUJ 70		0.000070		3.220370	
Section Sect		Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		533.979		22.762		556.741	
83 M Not LCT 399,709 107,029 506,738		Less: Federal Surtax 1.12% x Taxable Income	21						
84 Net LCT 399,709 107,029 506,738 85	83								
86 III) INCLUSION IN RATES	84	Net LCT		399,709		107,029		506,738	
87	85								
88 Income Tax Rate used for gross- up (exclude surtax) 37.50% 99	86	III) INCLUSION IN RATES							
89	87								
90 Income Tax (proxy tax is grossed-up) 22 7,407,872 Actual 2003 1,543,478 1 LCT (proxy tax is grossed-up) 23 639,534 Actual 2003 506,738 92 Ontario Capital Tax (no gross-up since it is deductible) 24 726,972 Actual 2003 751,099 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 25 8,774,379 Actual 2003 2,801,315 96 RAM DECISION		Income Tax Rate used for gross- up (exclude surtax)		37.50%	I				
91 LCT (proxy tax is grossed-up) 23 639,534 Actual 2003 506,738 92 Ontario Capital Tax (no gross-up since it is deductible) 24 726,972 Actual 2003 751,099 93 94 95 Total PILs for Rate Adjustment — MUST AGREE WITH 2002 25 8,774,379 Actual 2003 2.801,315 96 RAM DECISION					$\sqcup I$				_
92 Ontario Capital Tax (no gross-up since it is deducible) 24 726,972 Actual 2003 751,099 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 25 8,774,379 Actual 2003 2,801,315 96 RAM DECISION				7,407,872					-
93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 25 8,774,379 Actual 2003 2,801,315 96 RAM DECISION					\sqcup				-
94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 25 8,774,379 Actual 2003 2,801,315 96 RAM DECISION		Untario Capital Tax (no gross-up since it is deductible)	24	726,972			Actual 2003	751,099	-
95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 25 8,774,379 Actual 2003 2,801,315 96 RAM DECISION -					\vdash				-
96 RAM DECISION		Total PII s for Rate Adjustment MUST AGREE WITH 2002	25	8 77/ 270	-		Actual 2002	2 801 345	_
			25	0,774,379	\vdash		Actual 2003	2,001,315	-
[··]		KAM DECISION	 		\vdash				
	31		l	1					

	Α	n		_	-	-		
1	A PILS TAXES	ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
3	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5 6	Utility Name: Hamilton Hydro Inc.						Version 2009.1	
7	Reporting period: 2003							
8	Days in reporting period:	365	days	-			Column Brought	
10	Total days in the calendar year:	365	days				From	
11 12			\$		\$		TAXREC \$	
13								
98 99	IV) FUTURE TRUE-UPS							
100 101	IV a) Calculation of the True-up Variance In Additions:			<u></u>	DR/(CR)			
	Employee Benefit Plans - Accrued, Not Paid	3			-551,445			
	Tax reserves deducted in prior year Reserves from financial statements-end of year	4		-	24,584 1,590,000			
105	Regulatory Adjustments	5			0			
	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6		-	-579,473			
108	In Deductions - positive numbers							
	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8			-512,617 0			
111	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10		_	0			
113	Tax reserves claimed in current year	4			-65,000			
	Reserves from F/S beginning of year Contributions to deferred income plans	4			1,856,584			
116	Contributions to pension plans	3			0			
117 118	Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12		-	0			
119	Total TRUE-UPS before tax effect				705.004			
121		26			-795,301			
122 123	Income Tax Rate (excluding surtax) from 2003 Utility's tax return			х	36.62%			
124	Income Tax Effect on True-up adjustments			=	-291,239			
125 126	Less: Miscellaneous Tax Credits	14			1,901			
127								
128 129	Total Income Tax on True-ups			\vdash	-293,141			
130 131	Income Tax Rate used for gross-up (exclude surtax)			F	35.50%			
132	TRUE-UP VARIANCE ADJUSTMENT				-454,482			
133	IV b) Calculation of the Deferral Account Variance caused by			-				
134	changes in legislation							
135	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
	estimate column)			=	11,988,400			
137 138	REVISED CORPORATE INCOME TAX RATE	-		x	36.62%			
139								
140 141	REVISED REGULATORY INCOME TAX			=	4,390,152			
142	Less: Revised Miscellaneous Tax Credits			-	1,901			
143 144	Total Revised Regulatory Income Tax			=	4,388,251			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	4,629,920			
147 148	Regulatory Income Tax Variance	-		=	-241,669			
149				Ē	211,000			
150 151	Ontario Capital Tax Base			=	247,324,048			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153 154	Revised deemed taxable capital			=	242,324,048			
155 156	Rate - Tab Tax Rates cell C54			х	0.3000%			
157	Revised Ontario Capital Tax			=	726,972			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				726,972			
159	Regulatory Ontario Capital Tax Variance			=	0			
160 161	Federal LCT							
162	Base				247,324,048			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			=	10,000,000 237,324,048			
165	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			F	0.2250%			
167								
	Gross Amount Less: Federal surtax			+-	533,979 134,270			
170	Revised Net LCT			=	399,709			
171 172	Less: Federal LCT reported in the initial estimate column (Cell C82)	-		-	399,709			
173	Regulatory Federal LCT Variance			=	0			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)			┢	35.50%			
176 177	Income Tax (grossed-up)			+	-374,681			
178	LCT (grossed-up)			+	0			
179 180	Ontario Capital Tax			+	0			
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-374,681			
182 183	TRUE-UP VARIANCE (from cell l132)			+	-454,482			
184	Total Deferral Account Entry (Positive Entry = Debit)							
185 186	(Deferral Account Variance + True-up Variance)			=	-829,163			
187 188								
189								
190	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							_
192								
193 194	Total deemed interest (REGINFO) Interest phased-in (Cell C36)	-		-	9,521,976 7,086,950			
195								
197	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				2,435,026			_
198 199				\equiv				
200	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
201 202	Interest deducted on MoF filing (Cell K36+K41) Actual Interest Paid				8,451,849 9,521,976			
203					0,021,070			
204 205	Variance caused by excess debt			-	0			
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207 208	Total Interest Variance			\vdash	2,435,026			

	A	В	С	D	E	F	G	Н
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Hamilton Hydro Inc.							
7	Reporting period: 2003							
8							Column	
	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
209								
210								
211								

3 (for "wire: 4 5 6 Section	A YES	В	С	D	E	
2 TAX RET 3 (for "wire: 4 5 6 Section A	YES					F
3 (for "wire: 4 5 6 Section A		LINE	M of F	Non-wires	Wires-only	
3 (for "wire: 4 5 6 Section A	FURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4 5 6 Section A	s-only" business - see s. 72 OEB Act)		Tax		Return	
5 6 Section	Q	١	Return			
6 Section			recuiii		Version 2009.1	
	A. Idontification	+			+ CI 31011 2003. I	
	A: Identification:	1				
	ame: Hamilton Hydro Inc.					
8 Reportin	g period: 2003					
9 Taxation	Year's start date:					
	Year's end date:					
	of days in taxation year:		365	days		
	or days in taxation year:		303	uays		
12						
13 Please e	nter the Materiality Level :		0	< - enter materiality	level	
14 (0.25%	x Rate Base x CER)	Y/N	N			
	x Net Assets)	Y/N	N			
	er measure (please provide the basis of the amount)	Y/N	Y			
	e utility carry on non-wires related operation?	Y/N	Y			
	complete the questionnaire in the Background questionnaire	worksh	eet.)			
19						
20 Note: Car	rry forward Wires-only Data to Tab "TAXCALC" Column K					
21	, ,					
	B: Financial statements data:					
	consolidated financial statement data submitted with Tax returns.					
	al categories of the income statements should be used.					
	d please change the descriptions except for amortization, interes	t expens	e and provision for	income tax		
26	`					
	nter the non-wire operation's amount as a positive number, the pa	rogram :	automatically treats	all amounts		
	on-wires elimination column" as negative values in TAXREC and			3111041110		
	on whos similiation column as negative values in TAAREC and	INAME	<i>/</i> L.			
29		-				
30 Income:						
	gy Sales	+			0	
	ibution Revenue	+	57,358,200		57,358,200	
	r Income	+	6,088,989	2,726,539	3,362,450	
	ellaneous income	+	589,238	2,720,000	589,238	
	chaneous income		509,238			
35		+			0	
	should be entered above this line					
37						
	nd Expenses:	1				
	of anargu purchased	-			0	
	of energy purchased	-			0	ļ
	nistration	-			0	
41 Custo	omer billing and collecting	-			0	l
	ations and maintenance	-	28,672,650	1,437,536	27,235,114	
	tization	-	14,572,881	249,665	14,323,216	
	io Capital Tax	-	730,065	210,000	730,065	
		-	730,065			
45 Reg A	Asset movement	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
	me Before Interest & Income Taxes EBIT	=	20,060,831	1,039,338	19,021,493	
51 Less: Inte	erest expense for accounting purposes	-	8,495,849	44,000	8,451,849	
	ovision for payments in lieu of income taxes	-	4,524,401	364,493	4,159,908	
	me (loss)	=	7,040,581	630,845	6,409,736	
		=	7,040,561	030,043	0,409,730	
	Income (loss) on the MoF column should equal to the net income (loss)					
	ial statements on Schedule 1 of the tax return.)					
55						
56 Section 6	C: Reconciliation of accounting income to taxable income					
57 From T2	Schedule 1					
	O TAX ADDITIONS:					
	n for income tax	+	4,524,401	364,493	4,159,908	
			7,024,401	504,493	7,100,000	-
	arge corporation tax	+	4,,		0	
	tion & Amortization	+	14,872,681	249,665	14,623,016	
	e benefit plans-accrued, not paid	+	1,171,352	157,797	1,013,555	
	rves - beginning of year	+	689,584	0	689,584	
	s from financial statements- end of year	+	1,590,000	0	1,590,000	
	ry adjustments on which true-up may apply (see A66)	+	.,200,000	-	0	
			477,833	0		
	on which true-up does not apply "TAXREC 3"	1				
	addition items from TAXREC 2	+	13,615	0	13,615	
68 Other add	dition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal	1	23,339,466	771,955	22,567,511	
71		1	,,.50	,000	,,	
	ditions: (Places explain the nature of the additions)	+				
	Iditions: (Please explain the nature of the additions)	1				
73 Recaptur		+			0	
	uctible meals and entertainment expense	+			0	
75 Capital ite	ems expensed	+			0	
76	•	+	0		n	
77		+	0		0	
						-
78		+			0	
79		+			0	
	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	23,339,466	771,955	22,567,511	
	i otal / taatiOH3	+ -	20,000,400	111,933	22,001,011	
1 00 1						
83	aterial Additions:					
84 Recap Ma			0	0	0	
			0	0	0	
84 Recap Ma 85			0	0	0	
84 Recap Ma 85 86			0	0	0	
84 Recap Ma 85 86 87			U			
84 Recap M 85 86 87 88		_				
84 Recap M: 85 86 87 88 89			0	0	0	_
84 Recap M 85 86 87 88			0	0	0	
84 Recap M: 85 86 87 88 89						
84 Recap M 85 86 87 88 89 90 91	ner additions >materiality level		0	0	0	
84 Recap M: 85 86 87 88 89 90 90 91 92 Total Oth	ner additions >materiality level		0 0 0	0 0 0	0 0 0	
84 Recap M 85 86 87 88 89 90 91 92 Total Other add	ditions (less than materiality level)		0 0 0	0 0 0	0 0 0	
84 Recap M: 85 86 87 88 89 90 91 91 92 <i>Total Oth</i> 93 Other add 94 Total Oth			0 0 0	0 0 0	0 0 0	
84 Recap M 85 86 87 88 89 90 91 92 Total Other add	ditions (less than materiality level)		0 0 0	0 0 0	0 0 0	

	A	В	С	D	Е	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	•
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Ziiiiiiidiidiid	Return	
4	0		Return			
5					Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
97		-	14,514,345	249,665	14,264,680	
98	Cumulative eligible capital deduction	-	1,308,219		1,308,219	
99	Employee benefit plans-paid amounts	-	702,256	69,873	632,383	
100		-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-	600,000	0	0	
	Tax reserves - end of year Reserves from financial statements- beginning of year	-	1,856,584	0	600,000 1,856,584	
105		-	1,000,004	U	1,000,004	
107		- 1			0	
108	Items on which true-up does not apply "TAXREC 3"	-	57,972	0	57,972	
	Interest capitalized for accounting deducted for tax	-	01,012	U	07,572	
110			0	0	0	
111	Other deduction items (not Material) from TAXREC 2		0	0	0	
112	Sales addates nome (not material) nom 170/120 2		U _I	U	0	
113	Subtotal	=	19.039.376	319.538	18,719,838	
114		_	10,000,010	0.0,000	10,1 10,000	
	Charitable donations - tax basis	-			0	
116		-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	19,039,376	319,538	18,719,838	
123	D. M. C. I. D. L. C.					
124	Recap Material Deductions:		0	0	0	
125 126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level	1	0	0	0	
	Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133						
	TAXABLE INCOME	=	11,340,671	1,083,262	10,257,409	
	DEDUCT:					
136		-	6,876,092		6,876,092	
137	Net capital loss applied positive number	-			0	
138	NET TAYABLE INCOME		4 404 570	4 000 000	0 224 247	
139 140	NET TAXABLE INCOME	=	4,464,579	1,083,262	3,381,317	
141	FROM ACTUAL TAX RETURNS					
142		+	1,083,879		1,083,879	
143		+	462,599		462,599	
144		=	1,546,478	0	1,546,478	
145		-	3,000		3,000	
146		=	1,543,478	0	1,543,478	
147						
148						
149			24.28%		24.28%	
150			12.50%		12.50%	
151	Blended Income Tax Rate	 	36.78%		36.78%	
152	Continue Enterone and Control Town					
153	Section F: Income and Capital Taxes					
154 155	RECAP		+			
156		+	1,543,478	0	1,543,478	
157	Ontario Capital Tax	+	751,099	U	751,099	
158	Federal Large Corporations Tax	+	506,738		506,738	
159	, odoral Edigo corporationo rax	'	500,750		000,700	
160	Total income and capital taxes	=	2,801,315	0	2,801,315	
161			,,,,,,,,,		,,,,,,,,,,,	
				l	U	

	A	В	С	D	Е	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	'
2	Tax and Accounting Reserves	LIINL	Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax	Liiiiiiiations	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		Return	
5	(lot wires only business see s. 12 OLD Net)		rectain		Version 2009.1	
6					VC131011 2003.1	
7	Utility Name: Hamilton Hydro Inc.					
8	Reporting period: 2003					
9	Reporting period. 2003					
	TAX RESERVES					
11	TAX RESERVES					
	Beginning of Year:					
13	beginning of Tear.				0	
	Reserve for doubtful accounts ss. 20(1)(I)		600,000		600,000	
	Reserve for goods & services ss.20(1)(m)		000,000		0	
	Reserve for unpaid amounts ss.20(1)(n)		89,584		89,584	
	Debt and share issue expenses ss.20(1)(e)		00,001		0	
	Other - Please describe				0	
	Other - Please describe				0	
20					0	
21					0	
	Total (carry forward to the TAXREC worksheet)		689,584	0	689,584	
23	, , , , , , , , , , , , , , , , , , , ,					
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)		600,000		600,000	
27	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		600,000	0	600,000	
36						
37						
	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts		1,500,000		1,500,000	
	Inventory obsolescence		200,000		200,000	
	Property taxes		0		0	
	Employee expenses accrual		156,584		156,584	
	Other - Please describe				0	
49	Total (seems femore al. 11 TAVDES 11 11 2)		4.050.504		0	
	Total (carry forward to the TAXREC worksheet)		1,856,584	0	1,856,584	
51	Find of Vocas					
	End of Year:					
53					0	
54	Environmental				0	
	Environmental Allowance for doubtful accounts		1,250,000			
			340,000		1,250,000	
	Inventory obsolescence		340,000		340,000	
	Property taxes		0		0	
	Employee expenses accrual Other - Please describe		0			
61	Other - Flease describe				0	
	Inpart line above this line				0	
	Insert line above this line Total (corru forward to the TAXBEC worksheet)		4 500 000		1 500 000	
	Total (carry forward to the TAXREC worksheet)		1,590,000	0	1,590,000	
64						

	A	В	С	D	E	F
2	PILS TAXES	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY		Tax Return		Return	
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	Utility Name: Hamilton Hydro Inc.					
9	Reporting period: 2003					
	Number of days in taxation year: Materiality Level:		365 0			
12	materiality Level.		O			
13						
14	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+	42.045		0	
21	Taxable capital gains	+	13,615		13,615 0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
	Interest paid on income debentures Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
34	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust Provision for bad debts	+			0	
37	Provision for bad debts	+			0	
38		+			0	
39 40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Caror radiations. (produce explain in detail the nature of the item)	+			0	
42		+			0	
43		+			0	
45		+				
46 47	Total Additions	=	13,615	0	13,615	
_	Recap of Material Additions:					
49			0	0	0	
50 51			0	0	0	
52			0	0	0	
53 54	Loss on disposal of assets		13,615 0	0	13,615 0	
55			0	0	0	
56			0	0	0	
57 58			0	0	0	
59			0	0	0	
60 61			0	0	0	
62			0	0	0	
63			0	0	0	
64 65			0	0	0	
66			0	0	0	
67			0	0	0	
68 69			0	0	0	
70			0	0	0	
71 72			0	0	0	
73			0	0	0	
74			0	0	0	
75 76			0	0	0	
77	Total Material additions		13,615	0	13,615	
	Other additions less than materiality level		0	0	0	
79	Total Additions		13,615	0	13,615	

	A	В	С	D	E	F
1						
	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RATEPAYERS ONLY		Return			
	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2003					
	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
80						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-			0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
	Total Deductions	=	0	0	0	
100						
	Recap of Material Deductions:					
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						

	A	В	С	D	E	F
1	n	ь	C	<u> </u>	L	
	PILs TAXES					
	TAX RETURN RECONCILIATION (TAXREC 3)					
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	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return		Rotain	
	Utility Name: Hamilton Hydro Inc.				Version 2009.1	
9	,					
10						
	Reporting period: 2003					
	Number of days in taxation year:		365			
13						
14 15						
	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18	71441					
	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+	10.0		0	
	Loss from joint ventures or partnerships	+	43,835		43,835	
	Deemed dividend income Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	9,948		9,948	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+			0	
	Donations - amount per books				0	
	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end Imputed interest expense on Regulatory Assets				0	
39	Imputed interest expense on regulatory Assets	+			0	
	Ontario capital tax adjustments	+			0	
	Changes in Regulatory Asset balances	+			0	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+	101.050		0	
	Capitalized Fleet Depreciation, net (not permitted for UCC purposes)	+	424,050		424,050	
46 47	Total Additions on which true-up does not apply	+	477,833	0	477,833	
48	Total Additions on which true-up does not apply	_	411,033	0	477,033	
	Deduct:					
50						
	CCA adjustments	-			0	
52	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-	57,972		57,972	
	Financing fee amorization - considered to be interest expense for PILs	-			0	
	Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
	Ontario capital tax adjustments to current or prior year	-			0	
65	Changes in Danulaton, Accet belong	-			0	
66	Changes in Regulatory Asset balances	-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	отог асаасионо. (г теазе ехріані ні астан тіс паште от тіс нені)	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	57,972	0	57,972	
74						
75						

	Α	В	С	D	Е	F	G	Н		ı
_	PILs TAXES								•	
2	Corporate Tax Rates				'	Version 2009.1				
	Exemptions, Deductions, or		s							
	Utility Name: Hamilton Hyd Reporting period: 2003	ro inc.								
5 6	neporting period: 2003									
7						Table 1				
	Rates Used in 2002 RAM PI	Ls Applicati	ions for 2002							
	Income Range		0		200,001					
10	RAM 2002		to		to	>700000				
11		Year	200,000		700,000					
	Income Tax Rate									
	Proxy Tax Year	2002								
	Federal (Includes surtax)		13.12%		26.12%	26.12%				
	and Ontario blended		6.00%		6.00%	12.50%				
16	Blended rate		19.12%		34.12%	38.62%				
17 18	Conital Tay Bata		0.3000/							
	Capital Tax Rate LCT rate		0.300% 0.225%							
	Surtax		1.12%							
۷۷	Ontario Capital Tax	MAX	1.12%							
21	Exemption **	\$5MM	5,000,000							
	Federal Large									
	Corporations Tax	MAX	10,000,000							
22	Exemption **	\$10MM	, , , , , , , , ,							
	**Exemption amounts i	nust agre	e with the B	oard-appro	ved 2002 R	AM PILs				
	filing					·				
23	<u>a</u>									
24										
25						Table 2				
	Expected Income Tax Rates	for 2003 ar		Exemptions						
	Income Range		0		200,001					
	Expected Rates		to		to	>700000				
29		Year	200,000		700,000					
	Income Tax Rate	2000								
	Current year	2003	12 120/			24.400/				
33	Federal (Includes surtax) Ontario	2003 2003	13.12% 6.00%			24.12% 12.50%				
აა 34	Blended rate	2003	19.12%		34.12%	36.62%				
35	Dienueu Tale	2003	13.1270		J4. 12 70	00.0270				
		2003	0.300%							
~	Canital Tay Rate									
	Capital Tax Rate LCT rate		0.225%							
37	LCT rate	2003	0.225% 1.12%							
37	LCT rate Surtax	2003 2003	1.12%							
37 38	LCT rate Surtax Ontario Capital Tax	2003								
37 38 39	LCT rate Surtax Ontario Capital Tax Exemption *** 2003	2003 2003 MAX \$5MM	1.12%							
37 38 39	LCT rate Surtax Ontario Capital Tax	2003 2003 MAX \$5MM MAX	1.12%							
37 38 39 40	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003	2003 2003 MAX \$5MM MAX \$10MM	1.12% 5,000,000 10,000,000							
37 38 39 40	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003	2003 2003 MAX \$5MM MAX \$10MM	1.12% 5,000,000 10,000,000	th the Boar	d's instruct	ions				
37 38 39 40 41	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption	2003 2003 MAX \$5MM MAX \$10MM	1.12% 5,000,000 10,000,000	th the Boar	d's instruct	ions				
37 38 39 40 41 42	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003	2003 2003 MAX \$5MM MAX \$10MM	1.12% 5,000,000 10,000,000	th the Boar	d's instruct					
37 38 39 40 41 42 43	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated acceptance.	2003 2003 MAX \$5MM MAX \$10MM tions mus	1.12% 5,000,000 10,000,000 t comply wit		d's instruct	ions Table 3				
37 38 39 40 41 42 43 44	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated actions of the complete of the complet	2003 2003 MAX \$5MM MAX \$10MM tions mus	1.12% 5,000,000 10,000,000 t comply wit							
37 38 39 40 41 42 43 44 45	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated acceptance.	2003 2003 MAX \$5MM MAX \$10MM tions mus	1.12% 5,000,000 10,000,000 t comply wit		200,001	Table 3				
37 38 39 40 41 42 43 44 45 46	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated actions of the complete of the complet	2003 2003 MAX \$5MM MAX \$10MM sions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to		200,001 to					
37 38 39 40 41 42 43 44 45 46 47	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action of the complete	2003 2003 MAX \$5MM MAX \$10MM tions mus	1.12% 5,000,000 10,000,000 t comply wit		200,001	Table 3				
37 38 39 40 41 42 43 44 45 46 47 48	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated actions of the complete of the complet	2003 2003 MAX \$5MM MAX \$10MM sions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to		200,001 to	Table 3				
37 38 39 40 41 42 43 44 45 46 47 48 49	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated act Input Information from Utilit Income Range Income Tax Rate Current year	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to		200,001 to	Table 3		24.129	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action of the complete	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000		200,001 to 700,000	Table 3 >700,000		24.12 ⁶ 12.50 ⁶		0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated actions Input Information from Utiliticome Range Income Tax Rate Current year Federal (Includes surtax)	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000		200,001 to 700,000	Table 3 >700,000 24.12%			%	
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action of exemption actions from Utility Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action regarding regulated regarding regulated regarding regulated regarding regulated re	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action regulated regarding regulated regulate	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action regarding regulated regarding regulated regarding regulated regarding regulated re	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action regarding regulated regulated regarding regulated regul	2003 2003 MAX \$5MM MAX \$10MM cions mus tivities.	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 55 56	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action regarding regulated regul	2003 2003 MAX \$5MM MAX \$10MM tions mus tivities. Year 2003	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 55 56 57	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated action regarding regulated regarding regulated regarding regulated regarding regulated re	2003 2003 MAX \$5MM MAX \$10MM clions mus tivities. Year 2003 MAX \$5MM	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 56 57	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated act Input Information from Utilit Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	2003 2003 MAX \$5MM MAX \$10MM tions mus tivities. Year 2003 MAX \$5MM MAX	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12%		200,001 to 700,000 0.00% 0.00%	700,000 >700,000 24.12% 12.50%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 55 56 57	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated act Input Information from Utilit Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	2003 2003 MAX \$5MM MAX \$10MM sions mus tivities. Year 2003 MAX \$5MM MAX \$5MM MAX \$5MM	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,686,438	ns	200,001 to 700,000 0.00% 0.00%	700,000 24.12% 12.50% 36.62%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 55 56 57	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated act Input Information from Utilit Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	2003 2003 MAX \$5MM MAX \$10MM sions mus tivities. Year 2003 MAX \$5MM MAX \$5MM MAX \$5MM	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,686,438	ns	200,001 to 700,000 0.00% 0.00%	700,000 24.12% 12.50% 36.62%		12.509	%	0.00
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 55 56 57	LCT rate Surtax Ontario Capital Tax Exemption *** 2003 Federal Large Corporations Tax Exemption *** 2003 ***Allocation of exemption regarding regulated act Input Information from Utilit Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	2003 2003 MAX \$5MM MAX \$10MM sions mus tivities. Year 2003 MAX \$5MM MAX \$10MM MAX \$10MM MAX \$10MM	1.12% 5,000,000 10,000,000 t comply wit 2003 Tax Retur 0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,686,438 10,000,000	ns	200,001 to 700,000 0.00% 0.00% 0.00%	700,000 24.12% 12.50% 36.62%		12.509	%	0.00

	A	В	С) E	F	G	Н	ı	J	K	L	M	N	0
1	PILS TAXES		Ů.			J	•••	•	j		_	.*1		J
2	Analysis of PILs Tax Account	1562:												
3	Utility Name: Hamilton Hydro													Version 2009.1
4	Reporting period: 2003			Sign Conventi	on: 4	for increase; -	for	decrease						0
5														
6														
7														
8	Year start:		01/10/2001	01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001	31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10														
11	Opening balance:	=	0	2,485,720		2,475,236		2,870,963						
	Board-approved PILs tax	+/-												
12	proxy from Decisions (1)		2,470,670	8,774,379		11,245,049		9,392,047						
	PILs proxy from April 1, 2005													
13	- input 9/12 of amount													
	True-up Variance	+/-												
14	Adjustment Q4, 2001 (2)			333,490										
	True-up Variance	+/-												
15	Adjustment (3)					-91,966		-454,482						
	Deferral Account Variance													
16	Adjustment Q4, 2001 (4)													
	Deferral Account Variance	+/-												
17	Adjustment (5)					0		-374,681						
	Adjustments to reported	+/-												
18	prior years' variances (6)													
19	Carrying charges (7)	+/-	15,050	232,853		167,356								
	PILs billed to (collected	-												
20	from) customers (8)		0	-9,351,206		-10,924,712								
21														
22	Ending balance: # 1562		2,485,720	2,475,236		2,870,963								
23	1				•				•		•			

Uncollected PILs

24

26 27

39

40 41

42

43 44

56

63

64

65 67 68

70

76

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to rate Power and P NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.

- 33 (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. 34 Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. 35 If the Board gave more than one decision in the year, calculate a weighted average proxy. 36 37 38
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
 - (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 49 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 50 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. 52 53 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.
 - (7) Carrying charges are calculated on a simple interest basis.
- 57 58 (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 59 60 61 62 components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 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.

	A	В	С	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Hamilton Hydro Inc.			Colour Code	
_	Reporting period: 2002			Input Cell	
5	Troporting period: 2002			Formula in Cell	
_	Days in reporting period:	365	days	i ormala in oen	
7	Total days in the calendar year:				
-	Total days in the calendar year:	365	days		
8					
	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Υ	
13	144 41 415 41 11 11 10				
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
17	Is the utility a non-profit corporation?		Y/N	N	
_	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		1/19	- 14	
18					
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			247,324,048	
33	Common Equity Ratio (CER)			45.00%	
35	1-CER			55.00%	
37	Target Return On Equity			9.88%	
-	Debt rate			7.00%	
70	Market Adjusted Revenue Requirement			20,518,003	
72					4 770 007
43	1999 return from RUD Sheet #7			4,776,987	4,776,987
45	Total Incremental revenue			15,741,016	
	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			5,247,005	5,247,005
48	Amount allowed in 2002			5,247,005	5,247,005
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					0
54	Total Regulatory Income				15,270,997
55	•				
56	Equity			111,295,822	
57	- ' '				
_	Return at target ROE			10,996,027	
59				-,,,,,,,,	
	Debt			136,028,226	
61				.00,020,220	
	Deemed interest amount in 100% of MARR			9,521,976	
63				0,021,070	
	Phase-in of interest - Year 1 (2001)			4,651,925	
65				4,031,323	
	Phase-in of interest - Year 2 (2002)			7,086,950	
	((D43+D47+D48)/D41)*D61			7,000,950	
67	" ' '			7,000,050	
_	Phase-in of interest - Year 3 (2003) and forward			7,086,950	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			0.504.555	
_	Phase-in of interest - 2005			9,521,976	
71					
72	I .	l	1	1	l

_		_		_			•	
1	PILs TAXES	ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
2	PILS TAXES PILS DEFERRAL AND VARIANCE ACCOUNTS	11 EIVI	Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)		Lotimate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					•	Version 2009.1	
6	Utility Name: Hamilton Hydro Inc.							
7	Reporting period: 2002							
8	Deve le sessette e seste de	005	dana				Column	
9	Days in reporting period:	365 365	days				Brought	
10	Total days in the calendar year:	300	days				From TAXREC	
12			\$		\$		\$	
13			Ψ		Ψ		Ÿ	
14	I) CORPORATE INCOME TAXES							
15	,							
	Regulatory Net Income REGINFO E53	1	15,270,998		3,411,336		18,682,334	
17	•							
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	11,570,187		1,847,303		13,417,490	
	Employee Benefit Plans - Accrued, Not Paid	3	1,565,000		-580,761		984,239	ļ
22	Tax reserves - beginning of year	4	665,000		0		665,000	
23 24	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5	0		1,856,584 0		1,856,584	
25	Other Additions (See Tab entitled "TAXREC")	3		-	0		U	1
26	"Material" Items from "TAXREC" worksheet	6			0		0	-
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6	593,088		-578,947		14,141	
29	Other Additions (not "Material") "TAXREC 2"	6	528		-528		0	
30	Items on which true-up does not apply "TAXREC 3"				438,075		438,075	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	8,779,450		8,482,110		17,261,560	
34	Employee Benefit Plans - Paid Amounts	8	1,145,000		-644,576		500,424	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	ļ
37	Interest Expense Deemed/ Incurred	11	7,086,950		1,998,204		9,085,154	ļ
38	Tax reserves - end of year	4	665,000		24,584		689,584	
39	Reserves from financial statements - beginning of year	4			1,465,700		1,465,700	
40	Contributions to deferred income plans Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")						0	
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				66,831		66,831	
49								
50	TAXABLE INCOME/ (LOSS)		11,988,401		-4,999,791	Before loss C/F	6,988,610	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	ļ
54	DECLII ATODY INCOME TAY		4.000.000		4 474 467	A	450 750	
55 56	REGULATORY INCOME TAX		4,629,920		-4,471,167	Actual	158,753	
57								-
58	Miscellaneous Tax Credits	14			0	Actual	0	-
59	Tun Oromo	.,				Actual	0	
60	Total Regulatory Income Tax		4,629,920		-4,471,167	Actual	158,753	
61			,,		, , . 21		22,. 30	
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	247,324,048		-1,283,531		246,040,517	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-628,824		4,371,176	
68	Taxable Capital		242,324,048		-1,912,355		241,669,341	
69 70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	-
71	INDIE - TAX INDIES - INEGUIDIUTY, TADIE T, ACTUAL, TADIE 3	17	0.3000%		0.0000%		0.3000%	
72	Ontario Capital Tax		726,972		-1,964		725,008	
73	S Capital Fax		120,012		1,504		720,000	
74	Federal Large Corporations Tax							
75	Base	18	247,324,048		1,822,651		249,146,699	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		237,324,048		1,822,651		239,146,699	
78							-	
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80	Occasion Associated OT hafers and all all all all all all all all all al		500.00				======	
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	24	533,979		4,101		538,080	-
82	Less: Federal Surtax 1.12% x Taxable Income	21	134,270		-134,270		0	
83 84	Net LCT		399,709		138,371		538,080	1
85	1101 201		333,109		130,371		330,000	
UJ		1	ı					

Base				-	_		-	^	-
2 PILE DEFERNAL AND VARIANCE ACCOUNTS Estimate Filing Filing Return TAX CALCULATIONS (TAXCAL)	H				υ				1
TAX CACULATIONS (FACACAC)							IIEIVI		
A	15	Returns				LStilliate			
O	_								
Column Reporting period: 202	2009.1	Version 2009.							
Reporting periods: 2002 Stays in most periods: 955 Stays Stays									
Total days in reporting period: 55 days									
10 Total days in the calendar year:	nn	Column							8
TAXRE	ht	Brought				days	365	Days in reporting period:	9
\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	n	From				days	365	Total days in the calendar year:	10
13 13 15 15 15 15 15 15	EC	TAXREC							
Be Imp.CLUSION IN RATES		\$		\$		\$			
ST St Doorne Tax Rate used for gross- up (exclude surtax)									_
88 Decime Tax (prior) tax is grossed-up)								III) INCLUSION IN RATES	
Big December Tax (proxy tax is grossed-up)									
December Company Com						37.50%		Income Tax Rate used for gross- up (exclude surtax)	
Second S	-0.750	450.75	1			7 407 070			
Section Sect		158,75							
93 94 95 701 91 92 93 93 RAN DECISION 93 93 RAN DECISION 93 93 RAN DECISION 93 94 95 95 95 95 95 95 95		720,07 538,08							
St Total PiLs for Rate Adjustment - MUST AGREE WITH 2002 25 8,774,379 Actual 2002 1,414	30,000	538,08	Actual 2002			720,972	24	Ontario Capital Tax (no gross-up since it is deductible)	
95 Total Plus for Rate Adjustment - MUST AGREE WITH 2002 2.5 8,774,379			+						
98	16 909	1,416,90	Actual 2002			8 774 270	25	Total PILs for Pate Adjustment MUST AGREE WITH 2002	
98 99 IV PUTURE TRUE-UPS	0,300	1,410,90	Mulual 2002			0,114,319	20		
98 79 FITURE TRUE-UPS	-+		+					NAM DECISION	
199 IV. FITURE TRUE-UPS	-+		+			 			
100 100 Calculation of the True-up Variance	-+		 					IV) FUTURE TRUE-UPS	
101 In Auditions:	-+		†	DR/(CR)		1			
102 Employee Benefit Plans - Accrued, Not Paid 3 -580,761 103 Tax reserves deducted in prior year 4 0 0 104 Reserves from financial statements—and of year 4 1,856,584 1,856			 	(••••)	-+			· · · · · · · · · · · · · · · · · · ·	
103 Tax reserves deducted in prior year	-+		 	-580 761		 	3		
103 Reserves from financial statements-end of year	-+			000,701					
105 Regulatory Adjustments	-+		<u> </u>	1.856.584					
106 Other additions *Material* tens TAXREC 6									
107 Other additions "Material" terms TAXREC 2 6 .578,947									
108 Im Deductions - positive numbers				-578,947					
110 Items Capitalized for Regulatory Purposes 9				·					
111 Regulatory Adjustments or tax purposes See Below - cell 204 11 0 0 112 Interest Augustment for tax purposes See Below - cell 204 11 0 0 113 Tax reserves claimed in current year				-644,576			8	Employee Benefit Plans - Paid Amounts	109
112 Interest Adjustment for tax purposes (See Below - cell I204)			1	0			9	Items Capitalized for Regulatory Purposes	110
113 Tax reserves claimed in current year				0			10	Regulatory Adjustments	111
114 Reserves from F/5 beginning of year			,	0			11	Interest Adjustment for tax purposes (See Below - cell I204)	112
115 Contributions to deferred income plans 3				24,584					
116 Contributions to pension plans 3				1,465,700					
117 Other deductions "Material" Item TAXREC									
115									
119									
120 Total TRUE-UPS before tax effect 26				0			12	Other deductions "Material" Item TAXREC 2	
121			<u> </u>	4.40.000			20	Total TRUE LIPS hafare toy offeet	
Income Tax Rate (excluding surtax) from 2002 Utility's tax return x 38.62% Iza Income Tax Effect on True-up adjustments = -57,479 Iza Income Tax Effect on True-up adjustments = -57,479 Iza Income Tax Credits 14 0 Iza Iza 0 0 Iza 1 0 0 Iza				-148,832	=		26	Total TRUE-UPS before tax effect	
123			+	39 63%	v			Income Tay Pate (excluding surtay) from 2002 Utility's tay return	
124 Income Tax Effect on True-up adjustments			4	30.02 /6	^			income Tax Nate (excluding surtax) from 2002 office is tax return	
125	-+			-57 479	_		1	Income Tax Effect on True-up adjustments	
126 Less: Miscellaneous Tax Credits	-+		†	01,410		† †	 		
127			1	0			14	Less: Miscellaneous Tax Credits	
128			1				1		
129				-57,479				Total Income Tax on True-ups	
131								·	129
132 TRUE-UP VARIANCE ADJUSTMENT -91,966				37.50%				Income Tax Rate used for gross-up (exclude surtax)	
133 IV b) Calculation of the Deferral Account Variance caused by changes in legislation			<u> </u>						
IV b) Calculation of the Deferral Account Variance caused by changes in legislation			4	-91,966				TRUE-UP VARIANCE ADJUSTMENT	
134 Changes in legislation		ļ	 						133
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial									
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial setimate column)								changes in legislation	
136 estimate column)			<u> </u>						135
137			1						
138 REVISED CORPORATE INCOME TAX RATE	$-\!+\!$	ļ	+	11,988,401	=	1		jestimate column)	
139	$\!\!\!+$		 	60.0001			-	DEVICED CORPORATE INCOME TAY DATE	
140 REVISED REGULATORY INCOME TAX		 	+	38.62%	Х	+	-	KEVISED CURPURATE INCUME TAX KATE	
141	-+		 	4 620 020				PEVISED REGITI ATORY INCOME TAY	
142 Less: Revised Miscellaneous Tax Credits - 0 143 - 0 144 Total Revised Regulatory Income Tax = 4,629,920 145 - - 4,629,920 146 (C58) - - 4,629,920 147 - - 4,629,920 148 Regulatory Income Tax Variance = 0	-+		+	4,029,920	-		-	INL VIOLD NEGULATORT INCOIVE TAX	
143 = 4,629,920 144 Total Revised Regulatory Income Tax = 4,629,920 145 = - - 146 (C58) - - - 147 = - - 148 Regulatory Income Tax Variance = 0	-+		 	0	_	+		Less: Revised Miscellaneous Tax Credits	
144 Total Revised Regulatory Income Tax = 4,629,920 145 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell - 4,629,920 146 C58) - 4,629,920 147 - - - 148 Regulatory Income Tax Variance = 0	-+		 	0			1		
145 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell - 4,629,920 146 (C58) - 4,629,920 147			1	4,629,920	=			Total Revised Regulatory Income Tax	
146 (C58) - 4,629,920 147 - - 148 Regulatory Income Tax Variance = 0]						
146 (C58) - 4,629,920 147 - - 148 Regulatory Income Tax Variance = 0								Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell	
148 Regulatory Income Tax Variance = 0		<u></u>		4,629,920	-				
				0	=			Regulatory Income Tax Variance	
149	L	<u> </u>							149

	A	В	С	D	E	F	G	Н
4	PILS TAXES		Initial	U	M of F			п
		ITEM				M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing Variance	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)	-		+	K-C	Variance		
5	(Wires-only dusiness - see Tab TAXREC)				K-C	Explanation	Version 2009.1	
	Utility Name: Hamilton Hydro Inc.	<u> </u>					Version 2009.1	
	Reporting period: 2002			+				
8	Reporting period. 2002			+			Column	
	Days in reporting period:	365	days				Brought	
	Total days in the calendar year:	365	days	+			From	
11	Total days in the calendar year.	000	uuyo				TAXREC	
12			\$		\$		\$	
13			Ÿ		Ť		Ť	
	Ontario Capital Tax							
	Base			=	247,324,048			
	Less: Exemption from tab Tax Rates, Table 2, cell C39			+-	5,000,000			
	Revised deemed taxable capital			T =	242,324,048			
154	Tronoca doomica taxable capital				_ :=,== :,= ::			
	Rate - Tab Tax Rates cell C54			х	0.3000%			
156	Tab Tax Tax Taxoo oo i oo i			1	2,2222,0			
	Revised Ontario Capital Tax			=	726,972			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				,			
158	The state of the s	1		-	726,972			l
	Regulatory Ontario Capital Tax Variance	l		=	. 20,072			1
160	Section 2 Sectio	1						l —
	Federal LCT	1						
	Base				247,324,048			
	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
	Revised Federal LCT			=	237,324,048			
165					. , . ,			
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167	, , , , , , , , , , , , , , , , , , ,							
	Gross Amount				533,979			
	Less: Federal surtax			-	134,270			
	Revised Net LCT			=	399,709			
171					,			
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	399,709			
173	Regulatory Federal LCT Variance			=	0			
174	,							
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
	Income Tax (grossed-up)			+	0			
	LCT (grossed-up)			+	0			
	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	-91,966			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)	1		=	-91,966			
186	(Deferral Account Variance + True-up Variance)							L
187								L
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							L
192								
	Total deemed interest (REGINFO)				9,521,976			
	Interest phased-in (Cell C36)				7,086,950			
195						· 		
	Variance due to phase-in of debt component of MARR in rates				2,435,026	-		
197	according to the Board's decision							
198						-		
	Other Interest Variances (i.e. Borrowing Levels							
	Above Deemed Debt per Rate Handbook)							
	Interest deducted on MoF filing (Cell K36+K41)				9,085,154			
	Total deemed interest (REGINFO CELL D61)				9,521,976			
203								
	Variance caused by excess debt				0			
205		ļ						
	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
207								
	Total Interest Variance				2,435,026			
209								
210								<u> </u>
211								
	· · · · · · · · · · · · · · · · · · ·							

_	Λ.	В		Б	- 1	F
1	PILs TAXES	LINE	C M of F	D Non-wires	E Wires-only	г
_	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5	Continu A. Idoutification.				Version 2009.1	
_	Section A: Identification: Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2002					
	Taxation Year's start date:					
	Taxation Year's end date:					
	Number of days in taxation year:		365	days		
12						
14	Please enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	0 N	< - enter materiality	ievei	
15		Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	Y			
17	Does the utility carry on non-wires related operation?	Y/N	Υ			
	(Please complete the questionnaire in the Background questionnaire v	vorksh	eet.)			
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
	The actual categories of the income statements should be used.					
	If required please change the descriptions except for amortization, interest e	expense	and provision for in	come tax		
26						
27	Please enter the non-wire operation's amount as a positive number, the pro			ll amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and TA	AXREC.	2.			
29	Income					
30	Income: Energy Sales	,i.			0	
32	Distribution Revenue	+	55,315,947		55,315,947	
33	Other Income	+	5,016,020	2,695,000	2,321,020	
34	Miscellaneous income	+	2,3.0,020	_,500,030	0	
35		+			0	
	Revenue should be entered above this line					•
37						
	Costs and Expenses:					
39 40	Cost of energy purchased	-			0	
40	Administration Customer billing and collecting	-			0	
42	Operations and maintenance		26,304,823	1,174,000	25,130,823	
43	Amortization	-	13,372,544	236,000	13,136,544	
44	Ontario Capital Tax	-	687,266		687,266	
45	Reg Assets	-	,		0	
46		-			0	
47		-			0	
48		-			0	
49	Net Income Before Interest & Income Taxes EBIT	=	19,967,334	1,285,000	18,682,334	
	Less: Interest expense for accounting purposes	-	9,085,154	1,265,000	9,085,154	
52	Provision for payments in lieu of income taxes	-	3,592,198	497,000	3,095,198	
53	Net Income (loss)	=	7,289,982	788,000	6,501,982	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)					
54	per financial statements on Schedule 1 of the tax return.)					
55	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	3,592,198	497,000	3,095,198	
	Federal large corporation tax	+			0	
	Depreciation & Amortization	+	13,653,490	236,000	13,417,490	
_	Employee benefit plans-accrued, not paid	+	984,239	0	984,239	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	665,000 1,856,584	0	665,000 1,856,584	
	Regulatory adjustments on which true-up may apply (see A66)	+	1,000,084	0	1,000,004	
	Items on which true-up does not apply "TAXREC 3"		438,075	0	438,075	
	Material addition items from TAXREC 2	+	14,141	0	14,141	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						•
70	Subtotal		21,203,727	733,000	20,470,727	
71	Other Additional (Please aveleig the metion of the 199					
_	Other Additions: (Please explain the nature of the additions)	+				
	Recapture of CCA Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79	T + 100 A 150	+			0	
80	Total Other Additions	=	0	0	0	
81	Total Additions	_	24 202 707	700.000	20 470 707	
82	Total Additions	=	21,203,727	733,000	20,470,727	
	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	•
88			0		0	
89			0		0	
90			0		0	
91			0	0	0	

	A	В	С	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
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	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
	Total Other Additions		0	0	0	
95				•		

	l A	В	С	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	'
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	16,090,873	236,000	15,854,873	
	Cumulative eligible capital deduction	-	1,406,687		1,406,687	
	Employee benefit plans-paid amounts	-	500,424		500,424	
	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments : CCA	-			0	
103		-			0	
_	Tax reserves - end of year		689.584	0	689,584	
	Reserves from financial statements- beginning of year	-	1,465,700	0	1,465,700	
	Contributions to deferred income plans	-	,,		0	
	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		66,831	0	66,831	
	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113		=	20,220,099	236,000	19,984,099	
	Other deductions (Please explain the nature of the deductions)					
	Charitable donations - tax basis	-	0		0	
	Gain on disposal of assets		0		0	
117 118		-			0	
119		_			0	
120	Total Other Deductions	=	0	0	0	
121	Total Ottor Doddollorio		O O		· ·	
122	Total Deductions	=	20,220,099	236,000	19,984,099	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129	To to LOther Destructions are administrated by		0	0	0	
	Total Other Deductions exceed materiality level Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133	Total Offici Boardions		Ü	,	Ü	
	TAXABLE INCOME	=	8,273,610	1,285,000	6,988,610	
	DEDUCT:					
136	Non-capital loss applied positive number	-	8,273,610		8,273,610	
137		-			0	
138					0	
	NET TAXABLE INCOME	=	0	1,285,000	-1,285,000	
140						
	FROM ACTUAL TAX RETURNS Net Federal Income Tax (Must agree with tax return)	+ . +	0		0	
	Net Ontario Income Tax (Must agree with tax return) Net Ontario Income Tax (Must agree with tax return)	+ +	158,753		158,753	
144	, , , , , , , , , , , , , , , , , , , ,	=	158,753	0	158,753	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
	Total Income Tax	=	158,753	0	158,753	
147				-	,	
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax Rate (Must agree with tax return)		26.12%		26.12%	
	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151			38.62%	******	38.62%	
152						
	Section F: Income and Capital Taxes					
154						
	RECAP Total Income Taxes	+	158,753	0	158,753	
	Ontario Capital Tax	+	720,075	U	720,075	
	Federal Large Corporations Tax	+	538,080		538,080	
159	0 1				222,300	
160		=	1,416,908	0	1,416,908	
161						

	А	В	С	D	Е	F
1	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	O		rtotam		Version 2009.1	
6						
7	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2002					
9	Reporting period. 2002					
	TAX RESERVES					
11	TAX RECERVED					
	Beginning of Year:					
13	Deginning of Tear.				0	
	Reserve for doubtful accounts ss. 20(1)(I)		450,000		450,000	
	Reserve for goods & services ss.20(1)(m)		400,000		0	
	Reserve for unpaid amounts ss.20(1)(n)		215,000		215,000	
	Debt and share issue expenses ss.20(1)(e)		213,000		213,000	
	Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
20	Other i lease describe				0	
21					0	
	Total (carry forward to the TAXREC worksheet)		665,000	0	665,000	
23	. Can join and to the TANKEO WORKSheet)		000,000	0	000,000	
	End of Year:					
25	J Juli				0	
	Reserve for doubtful accounts ss. 20(1)(l)		600,000		600,000	
	Reserve for goods & services ss.20(1)(m)		000,000		000,000	
	Reserve for unpaid amounts ss.20(1)(n)		89,584		89,584	
	Debt and share issue expenses ss.20(1)(e)		03,304		03,304	
	Other - Please describe				0	
	Other - Please describe				0	
32	Cities Ticase describe				0	
33					0	
	Insert line above this line				Ŭ	
	Total (carry forward to the TAXREC worksheet)		689,584	0	689,584	
36	Total (carry forward to the TAXINEC Worksheet)		003,304	U	003,504	
37						
	FINANCIAL STATEMENT RESERVES					
39	THANGIAL OTATEMENT RECERVES					
	Beginning of Year:					
41	Deginning of Tear.				0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts		1,000,000		1,000,000	
	Inventory obsolescence		50,000		50,000	
	Property taxes		55,000		0	
47	Employee Expenses Accrual		415,700		415,700	
	Other - Please describe		413,700		413,700	
49	Carlos . Todos doscribo				0	
	Total (carry forward to the TAXREC worksheet)		1,465,700	0	1,465,700	
51	Total (carry formatio to the TANKEO WORKSheet)		1,700,100	0	.,=00,100	
	End of Year:					
53	J Juli				0	
54					0	
_	Environmental				0	
	Allowance for doubtful accounts		1,500,000		1,500,000	
	Inventory obsolescence		200,000		200,000	
	Property taxes		200,000		0	
	Employee Expenses Accrual		156,584		156,584	
	Other - Please describe		0		0	
61			- U		0	
	Insert line above this line				U	
	Total (carry forward to the TAXREC worksheet)		1,856,584	0	1,856,584	
64	Total (carry lorward to the TAXINEO WORKSHEEL)		1,000,004	U	1,000,004	
04						

	A	В	С	D	E	F
1						
	PILs TAXES TAX RETURN RECONCILIATION (TAXREC 2)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	Z.III III III III II	Return	
5 6	RATEPAYERS ONLY Shareholder-only Items should be shown on TAXREC 3		Return		Version 2000 4	
7	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2002 Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
14						
	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	
	Charitable donations (Only if it benefits ratepayers) Taxable capital gains	+	14,141		14,141	
22		+	·		0	
23	Scientific research expenditures deducted per financial statements	+			0	
25	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	-
	Capital items expensed Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
	Gain on settlement of debt Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
35	Write down of capital property Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+			0	
37		+			0	
38 39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
43		+			0	
44		+			0	
45 46	Total Additions	+	14,141	0	14,141	
47			,			
48 49	Recap of Material Additions:		0	0	0	
50			0	0	0	
51			0	0	0	
52 53	Loss on disposal of assets		0 14,141	0	0 14,141	
54	,		0	0	0	
55 56			0	0		
57			0	0	0	
58			0	0		
59 60			0	0	0	
61			0	0	0	
62 63			0	0		
64			0	0		
65			0	0	0	
66 67			0	0	0	
68			0	0	0	
69 70			0	0	0	
71			0	0		
72			0	0		
73 74			0	0		
75			0	0	0	
76	Total Material additions		0 14,141	0	0 14,141	
	Other additions less than materiality level		0	0		
79	Total Additions		14,141	0	14,141	

	A	В	С	D	E	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-			0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92	Other moonie nom manoidi statemento	-			Ů	
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-			0	
97	TVOT (UNUSIO TOUGH HUTISTOTS)	-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100	1000 2000000		Ü		·	
	Recap of Material Deductions:					
102	Troods of material Broadcitons.		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		
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	
121	Total Deductions		U	0	0	
122						

	A	В	С	D	Е	F
1	Λ		Ŭ		-	
2	PILs TAXES					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
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	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
	Utility Name: Hamilton Hydro Inc.				Version 2009.1	
9						
10	Descenting weeks do 0000					
	Reporting period: 2002		365			
13	Number of days in taxation year:		303			
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+	11,830		11,830	
	Deemed dividend income	+	,		0	
26	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account Non-deductible meals	+	15,121		15,121	
	Non-deductible club dues	+	15,121		13,121	
	Non-deductible automobile costs	+			0	
35	Donations - amount per books				0	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39	Outsuis souital tay adjustments	+			0	
	Ontario capital tax adjustments Changes in Regulatory Asset balances	+			0	
42	Changes in Regulatory Asset balances	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Capitalized Fleet Depreciation disallowed for UCC Purposes	+	411,124		411,124	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	438,075	0	438,075	
48	Deduct:					
50	Dougo.					
	CCA adjustments	-			0	
_	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-	66,831		66,831	
	Financing fee amorization - considered to be interest expense for PILs	-			0	
	Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59	John Fornardo di parandidispo	-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65	Changes in Regulatory Asset halans	-			0	
66 67	Changes in Regulatory Asset balances	-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	The state of the s	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	66,831	0	66,831	
74 75						
13		1			1	

		_							
	A A	В	С	D	E	F	G	Н	
1	PILs TAXES					/! 0000			
	Corporate Tax Rates	Thusabald	_		١	ersion 2009.	1		
	Exemptions, Deductions, or		5						
	Utility Name: Hamilton Hydr	ro inc.							
5	Reporting period: 2002								
6						T-1-1-4			
7	D					Table 1			
	Rates Used in 2002 RAM PI	Ls Applicati							
	Income Range		0		200,001				
	RAM 2002		to		to	>700,000			
11		Year	200,000		700,000				
	Income Tax Rate								
	Proxy Tax Year	2002							
14	Federal (Includes surtax)		13.12%		26.12%	26.12%			
15	and Ontario blended		6.00%		6.00%	12.50%			
16	Blended rate		19.12%		34.12%	38.62%			
17									
18	Capital Tax Rate		0.300%						
19	LCT rate		0.225%						
20	Surtax		1.12%						
	Ontario Capital Tax	MAX							
21	Exemption **	\$5MM	5,000,000						
	Federal Large								
	Corporations Tax	MAX	10,000,000						
22	Exemption **	\$10MM	2,220,000						
Ħ	**Exemption amounts i	must agra	o with the !	Roard-appr	oved 2001	PAM			
	•	nusi ayre	e with the f	Joaru-appr	0 veu 2002	- IVAIN			
22	PILs filing								
23									
24						.			
25						Table 2			
	Expected Income Tax Rates	tor 2002 ar		Exemptions					
	Income Range		0		200,001				
	Expected Rates		to		to	>700,000			
29		Year	200,000		700,000				
	Income Tax Rate								
	Current year	2002							
32	Federal (Includes surtax)	2002	13.12%		26.12%	26.12%			
33	Ontario	2002	6.00%		6.00%	12.50%			
34	Blended rate	2002	19.12%		32.12%	38.62%			
35									
36	Capital Tax Rate	2002	0.300%						
	LCT rate	2002	0.225%						
	Surtax	2002	1.12%						
	Ontario Capital Tax	MAX							
30	Exemption *** 2002	\$5MM	5,000,000						
- 00	Federal Large	POINTINI							
	Corporations Tax	MAX	10,000,000						
40		\$10MM	10,000,000						
	Exemption *** 2002	dana	4	14b 4b - D	nalla lecet				
41	ranocamon or onomp		t comply w	ith the Boa	ra's instri	uctions			
42	regarding regulated ac	tivities.							
43						Table 3			
_	Input Information from Utilit	tv's Actual 3	0002 Tax Retu	ırns		IGNICS			
	Income Range	y o Aotual Z	0 02 TAX NEW		200,001				
46		l	to		200,001 to	>700,000			
47		Year	200,000		700,000	Z100,000			
		rear	200,000		700,000				
	Income Tax Rate	2002							
	Current year	2002	40.4004		00.4004	00.4004		00.4007	0.000
	Federal (Includes surtax)	 	13.12%		22.12%	26.12%		26.12%	0.00%
_	Ontario	ļ	6.00%		9.75%	12.50%		12.50%	0.00%
52			19.12%		31.87%	38.62%		38.62%	0.00%
53									
	Capital Tax Rate		0.300%						
55	LCT rate		0.225%						
56	Surtax		1.12%						
	Ontario Capital Tax	MAX							
57	Exemption *	\$5MM	4,668,892						
	Federal Large								
	Corporations Tax	MAX	10,000,000						
58	Exemption *	\$10MM	.0,000,000						
		noticel to:	roturn all-	ontion only	ulations!	n vous			
Jy	* Include copies of the					ii your			
60	submission: Ontario C	T23 page	11; federal	T2 Schedu	ıle 36				
60	1								
61									

	A	В	С	D	E	F	G	Н	I	J	K	L	M	Ν	0
1	PILs TAXES														
2	Analysis of PILs Tax Account	1562:													
3	Utility Name: Hamilton Hydro	Inc.													Version 2009.1
4	Reporting period: 2002				Sign Convention	on: +	for increase; -	for	decrease						0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		2,485,720		2,475,236								
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)		2,470,670		8,774,379		11,245,049								
	PILs proxy from April 1, 2005						,								
13	- input 9/12 of amount														
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)				333,490										
	True-up Variance	+/-													
	Adjustment (3)						-91,966								
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														
	Deferral Account Variance	+/-													
17	Adjustment (5)						0								
	Adjustments to reported	+/-													
18	prior years' variances (6)														
19	Carrying charges (7)	+/-	15,050		232,853										
	PILs billed to (collected	-													
20	from) customers (8)		0		-9,351,206										
21															
	Ending balance: # 1562		2,485,720		2,475,236										
23 24	· ·									•					
24															

26 **Uncollected PILs**

25

28

31 32

35

39

40 41

45

46

49 50

51

52

67

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NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER

- (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. 33 34 Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
 - If the Board gave more than one decision in the year, calculate a weighted average proxy.
- 36 37 38 (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13. (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.

 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 42 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 43 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
 - (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
 - (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 55 (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 57 (7) Carrying charges are calculated on a simple interest basis.
- 58 59 60 61 62 63 64 65 (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.
- 68 70 71 72 73 74 9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes 75 will have to include amounts from 1562 and from 1590.

					1
	A	В	С	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Hamilton Hydro Inc.			Colour Code	
4	Reporting period: 2001			Input Cell	
5	3			Formula in Cell	
	Days in reporting period:	92	days		
	Total days in the calendar year:	365	days		
8	Total days in the salendar year.	000	auyo		
	DAGKODOLIND				
	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	NI	
10	and now subject to 5.69 & 90 FILS?		T/IN	N	
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		.,		
_		OCT	Y/N	Υ	
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions			_	
20	shared among the corporate group?	LCT	Y/N	N	
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		87%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23	Association Voca Find		Data	24 Dee	
24	Accounting Year End		Date	31-Dec	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30					
_	Rate Base (wires-only)			247,324,048	
32					
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			20,518,003	
43	1999 return from RUD Sheet #7			4,776,987	4,776,987
45	Total Incremental revenue			15,741,016	
				13,741,010	
47	Input: Board-approved dollar amounts phased-in			074 504	074 504
	Amount allowed in 2001			874,501	874,501
48	Amount allowed in 2002			9,619,510	9,619,510
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			5,247,005	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	Total Barrelatana Income				0
54	Total Regulatory Income				15,270,998
55	- "			111 005	
	Equity			111,295,822	
57					
	Return at target ROE			10,996,027	
59					
	Debt			136,028,226	
61					
	Deemed interest amount in 100% of MARR			9,521,976	
63					
	Phase-in of interest - Year 1 (2001)			2,622,737	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			7,086,951	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			7,086,951	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			9,521,976	
71					
72					

		_		5 -			-
_	A DIL 0 TAYES ED 2009 294	B ITEM	C Initial	D E M of F	F M of F	G H	1
1	PILS TAXES - EB-2008-381	IIEM					_
2	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate	Filing Variance	Filing Variance	Returns	_
4	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		-
5	(Wiles-Only business - See Tab TAXREC)			N-C	⊏хріапаціоп	Version 2009.1	=
6	Utility Name: Hamilton Hydro Inc.					VE131011 2003.1	\neg
7	Reporting period: 2001						\neg
8	properties and a second					Column	\neg
9	Days in reporting period:	92	days			Brought	
10	Total days in the calendar year:	365	days			From	
11			ĺ			TAXREC	
12			\$	\$		\$	
13							
14	I) CORPORATE INCOME TAXES						
15							
	Regulatory Net Income REGINFO E53	1	2,068,748	-6,726,041		-4,657,293	
17							
	BOOK TO TAX ADJUSTMENTS						
19	Additions:						_
20	Depreciation & Amortization	2	2,892,547	440,439		3,332,986	_
21	Employee Benefit Plans - Accrued, Not Paid	3	377,492	-175,000		202,492	_
22	Tax reserves - beginning of year	4		450,000		450,000	\dashv
23	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5		1,465,700		1,465,700	\dashv
24	Other Additions (See Tab entitled "TAXREC")	Э		0		U	\dashv
25 26	"Material" Items from "TAXREC" worksheet	6		0		0	\dashv
27	Other Additions (not "Material") "TAXREC"	6		0		0	-
28	"Material Items from "TAXREC 2" worksheet	6		0		0	\dashv
29	Other Additions (not "Material") "TAXREC 2"	6	186,561	-186,561		0	=
30	Items on which true-up does not apply "TAXREC 3"		100,001	344,902		344,902	\dashv
31	none on which true-up does not apply TAXINEO 3			044,302		011,002	\dashv
31	Deductions: Input positive numbers					+ +	\dashv
33	Capital Cost Allowance and CEC	7	1,118,595	3.140.173		4,258,768	\dashv
34	Employee Benefit Plans - Paid Amounts	8	278.827	-96,005		182,822	\dashv
35	Items Capitalized for Regulatory Purposes	9	210,021	-30,003		0	_
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0	\exists
37	Interest Expense Deemed/ Incurred	11	960,062	1,296,002		2,256,064	\neg
38	Tax reserves - end of year	4	000,000	665,000		665,000	\exists
39	Reserves from financial statements - beginning of year	4		675,000		675,000	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	Items on which true-up does not apply "TAXREC 3"			8,250,835		8,250,835	
49							
50	TAXABLE INCOME/ (LOSS)		3,167,864	-18,317,566		-15,149,702	
51							
52	BLENDED INCOME TAX RATE						_
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%	-2.0000%		38.62%	_
54	DEGULATORY MOONE TAY		4 000 700	4 000 700			_
	REGULATORY INCOME TAX		1,286,786	-1,286,786		0	4
56						+	\dashv
57	Miscellaneous Tax Credits	14		0		0	\dashv
58	IVIIOUGIIAI IGUUS I AX CIEUIIS	14		0		U	\dashv
60	Total Regulatory Income Tax		1,286,786	-1,286,786		0	\dashv
61	rotal negulatory income rax		1,200,700	-1,200,780		U	\dashv
62						+ +	\dashv
	II) CAPITAL TAXES						\dashv
64	ary see a constant of the cons					 	\neg
65	Ontario						\neg
66	Base	15	247,324,048	80,412,178		327,736,226	\exists
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-582,271		4,417,729	\exists
68	Taxable Capital		242,324,048	79,829,907		323,318,497	\neg
69				, ,			
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71	•						
72	Ontario Capital Tax		181,743	62,739		244,482	
73							
74	Federal Large Corporations Tax						
75	Base	18	247,324,048	81,040,318		328,364,366	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	0		10,000,000	
77	Taxable Capital		237,324,048	81,040,318		318,364,366	_
78	D. T. D. D. L. T. L						_
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
80	Conso Amount of LCT hofers and the CT- 11 Co. 11 Co. 11		400 40-	47.0		400 550	
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	24	133,495	47,057		180,552	
82	Less: Federal Surtax 1.12% x Taxable Income	21	35,480	-35,480		0	-
83	Net LCT		09.045	00 507		190 552	-
84 85	INGLEO I		98,015	82,537		180,552	\dashv
ပ၁			<u> </u>				

	Λ.	В	0	D	-		1 0 1	
_	A	В	C	D	E	F	G	Н
	PILS TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	1/ 1 0000 /	
5	0						Version 2009.1	
6	Utility Name: Hamilton Hydro Inc.							
7	Reporting period: 2001						—	
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	2,126,919			Actual 2001	0	
91	LCT (proxy tax is grossed-up)	23	162,008			Actual 2001	244,482	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	181,743			Actual 2001	180,552	
93								
94								
95	Total PILs for Rate Adjustment MUST AGREE WITH 2001	25	2,470,670			Actual 2001	425,034	_7
96	RAM DECISION							
97								
98								
	IV) FUTURE TRUE-UPS							
	IV a) Calculation of the True-up Variance				DR/(CR)			
	In Additions:				(,		+	\dashv
	Employee Benefit Plans - Accrued, Not Paid	3			-175.000		+ +	
	Tax reserves deducted in prior year	4			450,000		+	-
	Reserves from financial statements-end of year	4			1,465,700			
	Reserves from financial statements-end of year Regulatory Adjustments							
	Other additions "Material" Items TAXREC	5			0			
	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			0			
	In Deductions "Material" Items TAXREC 2	6			0			
		_			22.225			
	Employee Benefit Plans - Paid Amounts	8			-96,005			
	Items Capitalized for Regulatory Purposes	9			0			
	Regulatory Adjustments	10			0			
	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
	Tax reserves claimed in current year	4			665,000			
	Reserves from F/S beginning of year	4			675,000			
	Contributions to deferred income plans	3			0			
	Contributions to pension plans	3			0			
	Other deductions "Material" Items TAXREC	12			0			
	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	496,705			
121								
122	Income Tax Rate (excluding surtax) from 2001 Utility's tax return			Х	40.62%			
123								
124	Income Tax Effect on True-up adjustments			=	201,762			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
	Total Income Tax on True-ups				201,762			
129	·							
	Income Tax Rate used for gross-up (exclude surtax)				39.50%			
131								
	TRUE-UP VARIANCE ADJUSTMENT				333,490			
133					,			
	IV b) Calculation of the Deferral Account Variance caused by							
124	changes in legislation							
	onangos III logislation						1	
135	DECLII ATODV TAVADI E INICOME //I COCEC: /						1	
100	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial				0.407.004			
	estimate column)			=	3,167,864		1	
137	DELVIOLED CORDODATE INCOME TO VE						1	
	REVISED CORPORATE INCOME TAX RATE			Х	40.62%			
139								
	REVISED REGULATORY INCOME TAX			=	1,286,786			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	1,286,786			
145								
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell					·	1]
	C58)			-	1,286,786			
147						<u> </u>		
148	Regulatory Income Tax Variance			=	0			7
149								_7
_								

	Α	-			-		1 0	
L .	A	В	C	D	E	F	G	Н
	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Hamilton Hydro Inc.							
7	Reporting period: 2001							
8	The state of the s						Column	
	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365					From	
	Total days in the calendar year:	303	days					
11					•		TAXREC	
12			\$		\$		\$	
13								
150	Ontario Capital Tax							
151	Base			=	247,324,048			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
	Revised deemed taxable capital			=	242,324,048			
154	rtevised deemed taxable capital			+ =	2-12,02-1,0-10			
	D-1- T-1 T D-1 II 054				0.20000/			
	Rate - Tab Tax Rates cell C54			Х	0.3000%			
156		-		1				
157	Revised Ontario Capital Tax	ļ		=	181,743			
1	Less: Ontario Capital Tax reported in the initial estimate column (Cell		1					
	C70)	<u></u>	<u> </u>	<u>L</u> - l	181,743		1	
	Regulatory Ontario Capital Tax Variance		1	=	0			
160	· · · · · · · · · · · · · · · · · · ·							
	Federal LCT		1					
	Base		<u> </u>	\vdash	247,324,048			
			+	+-				\vdash
	Less: Exemption from tab Tax Rates, Table 2, cell C40	 	-		10,000,000			
_	Revised Federal LCT	-		=	237,324,048			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				133,495			
169	Less: Federal surtax			-	35,480			
	Revised Net LCT			=	98,015			
171	10110001101201			\vdash	00,010			
	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	98,015			
					96,013			
	Regulatory Federal LCT Variance			=	U			
174								
	Actual Income Tax Rate used for gross-up (exclude surtax)				39.50%			
176								
	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180	•							
	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
	TRUE-UP VARIANCE (from cell I130)			+	333,490			
184	TROE-OF VARIANCE (HOIII CEIL 1130)			-	333,430			
	Total Defense I Assessment Forting (Describes Forting Debits)							
	Total Deferral Account Entry (Positive Entry = Debit)	 		=	333,490			
186	(Deferral Account Variance + True-up Variance)							
187		<u></u>						
188								
189								
	V) INTEREST PORTION OF TRUE-UP		1					
	Variance Caused By Phase-in of Deemed Debt		1					
192	Tallance Saddod by I had in or beeined best	†		1				
	Total deemed interest (REGINFO)	1	 	1	9,521,976			
		-	-	1-				
	Interest phased-in (Cell C36)	 	-	1	2,622,737			
195		-		1				
	Variance due to phase-in of debt component of MARR in rates	ļ		\perp	6,899,239			
197	according to the Board's decision	1						
198								
199	Other Interest Variances (i.e. Borrowing Levels			$oldsymbol{L}$				L l
200	Above Deemed Debt per Rate Handbook)			$I \square$		-		
201	Interest deducted on MoF filing (Cell K36+K41)				2,256,064			
202	Total deemed interest (REGINFO CELL D62)				9,521,976			
203	(1		3,02.,070			
204	Variance caused by excess debt	†		1	0			
205	variance caused by excess dept		+	1	U			\vdash
	Interest Adjustment for Tay Durance - ((-	1			+	\vdash
	Interest Adjustment for Tax Purposes (carry forward to Cell I110)	 	1	1	0		1	
207		-		1				
	Total Interest Variance		<u> </u>		6,899,239			
209								
210								
211								
		_						_

_	Λ	l n		D	- 1	F
1	A PILs TAXES - EB-2008-381	LINE	C M of F	D Non-wires	E Wires-only	F
_	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5	Continu A. Idoutification.				Version 2009.1	
	Section A: Identification: Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2001					
	Taxation Year's start date:					
	Taxation Year's end date:					
	Number of days in taxation year:		92	days		
12						
14	Please enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	0 N	< - enter materiality	levei	
15		Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	Y			
_	Does the utility carry on non-wires related operation?	Y/N	Y			
	(Please complete the questionnaire in the Background questionnaire v	vorkshe	eet.)			
19						
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
_	The actual categories of the income statements should be used.					
	If required please change the descriptions except for amortization, interest of	expense	and provision for in	come tax		
26						
27	Please enter the non-wire operation's amount as a positive number, the pro			Il amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and TA	AXREC.	2.			
29	Income					
30	Income: Energy Sales	+			0	
32	Distribution Revenue	+	6,310,377		6,310,377	
33	Other Income	+	799,673		799,673	
34	Miscellaneous income	+			0	
35		+			0	
	Revenue should be entered above this line					•
37						
	Costs and Expenses:					
39 40	Cost of energy purchased	-	F 700 000		5 700 000	
41	Administration Customer billing and collecting	-	5,700,692		5,700,692	
42	Operations and maintenance	-	2,474,193		2,474,193	
43	Amortization	-	3,332,458		3,332,458	
44	Ontario Capital Tax	-	260,000		260,000	
45	Reg Assets	-	,		0	
46		-			0	
47		-			0	
48		-			0	
49 50	Net Income Before Interest & Income Taxes EBIT	=	-4,657,293	0	-4,657,293	
	Less: Interest expense for accounting purposes	-	2,256,064	U	2,256,064	
52	Provision for payments in lieu of income taxes	-	-2,864,436		-2,864,436	
	Net Income (loss)	=	-4,048,921	0	-4,048,921	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)					
54	per financial statements on Schedule 1 of the tax return.)					
55	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	-2,864,436	0	-2,864,436	
	Federal large corporation tax	+			0	
	Depreciation & Amortization	+	3,332,986	0	3,332,986	
	Employee benefit plans-accrued, not paid	+	202,492	0	202,492	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	450,000 1,465,700	0	450,000 1,465,700	
	Regulatory adjustments on which true-up may apply (see A66)	+	1,400,700	0	1,400,700	
	Items on which true-up does not apply "TAXREC 3"	,	344,902	0	344,902	
	Material addition items from TAXREC 2	+	0	0	0	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		2,931,644	0	2,931,644	
71	04 418 0					
	Other Additions: (Please explain the nature of the additions)				_	
	Recapture of CCA Non-deductible meals and entertainment expense	+			0	
	Non-deductible meals and entertainment expense Capital items expensed	+			0	
	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81	Total Additions		0.004.044	_	0.004.044	
82 83	Total Additions	=	2,931,644	0	2,931,644	
	Recap Material Additions:					
85	reseap material readitions.		0	0	0	
86			0	0	0	
87			0	0	0	
88			0		0	
89			0		0	
90			0		0	
91			0	0	0	

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
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	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
	Total Other Additions		0	0	0	
95						

	A	В	С	D	Е	F
_						Г
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	3,897,934		3,897,934	
98	Cumulative eligible capital deduction	-	360,834		360,834	
	Employee benefit plans-paid amounts	-	182,822		182,822	
	Items capitalized for regulatory purposes	-	,		0	
	Regulatory adjustments :	- 1			0	
102		- 1			0	
103		-			0	
_		-	CCE 000	0		
	Tax reserves - end of year	-	665,000	0	665,000	
	Reserves from financial statements- beginning of year		675,000	0	675,000	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		8,250,835	0	8,250,835	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112					_	
113		=	14,032,425	0	14,032,425	
	Other deductions (Please explain the nature of the deductions)		14,002,420	U	14,002,420	
	Charitable donations - tax basis	. 1			0	
	Gain on disposal of assets	-			0	
	Gairi Ori disposai Or assets	-				
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	14,032,425	0	14,032,425	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
_			0	0	0	
	Total Other Deductions exceed materiality level					
	Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133						
	TAXABLE INCOME	=	-15,149,702	0	-15,149,702	
_	DEDUCT:					
136		-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	-15,149,702	0	-15,149,702	
140		Ī				
141	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax (Must agree with tax return)	+			0	
	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	,	=	0	0	0	
_	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0	U	0	
	Total Income Tax		0	0	0	
140		=	0	0	0	
	FROM ACTUAL TAX RETURNS			1		
	Net Federal Income Tax Rate (Must agree with tax return)		26.12%		26.12%	
_	Net Ontario Income Tax Rate (Must agree with tax return)	ļ ļ	12.50%		12.50%	
151			38.62%	*******	38.62%	
152						
153	Section F: Income and Capital Taxes					
154		\Box				
155	RECAP					
	Total Income Taxes	+	0	0	0	
	Ontario Capital Tax	+	244,482	Ü	244,482	
	Federal Large Corporations Tax	+	180,552		180,552	
159			100,002		100,002	
160		=	425,034	0	425,034	
		-	420,034	U	423,034	
161		Ì				

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2001					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13	<u> </u>				0	
14	Reserve for doubtful accounts ss. 20(1)(I)		450,000		450,000	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
	Total (carry forward to the TAXREC worksheet)		450,000	0	450,000	
23						
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)		450,000		450,000	
	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	
	Employee expenses accrual		215,000		215,000	
	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		665,000	0	665,000	
36 37						
	FINANCIAL CTATEMENT DECEDVES					
39	FINANCIAL STATEMENT RESERVES					
	Beginning of Year:					
41	beginning or rear.				0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts		625,000		625,000	
45	Inventory obsolescence		50,000		50,000	
	Property taxes		00,000		0	
47	Other - Please describe				0	
	Other - Please describe				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		675,000	0	675,000	
51						
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts		1,000,000		1,000,000	
	Inventory obsolescence		50,000		50,000	
	Property taxes				0	
	Employee expenses accrual		415,700		415,700	
	Other - Please describe				0	
61					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		1,465,700	0	1,465,700	
64						

A B C D 1 2 PILS TAXES - EB-2008-381 LINE M of F Non-wires 3 TAX RETURN RECONCILIATION (TAXREC 2) Corporate Eliminations 4 (for "wires-only" business - see s. 72 OEB Act) Tax 5 RATEPAYERS ONLY Return 6 Shareholder-only Items should be shown on TAXREC 3 7 8 Utility Name: Hamilton Hydro Inc. 9 Reporting period: 2001 10 Number of days in taxation year: 92 11 Materiality Level: 0	E F Wires-only Tax Return Version 2009.1
3 TAX RETURN RECONCILIATION (TAXREC 2) 4 (for "wires-only" business - see s. 72 OEB Act) 5 RATEPAYERS ONLY 6 Shareholder-only Items should be shown on TAXREC 3 7 8 Utility Name: Hamilton Hydro Inc. 9 Reporting period: 2001 10 Number of days in taxation year: 11 Materiality Level: 0	Tax Return
4 (for "wires-only" business - see s. 72 OEB Act) Tax 5 RATEPAYERS ONLY Return 6 Shareholder-only Items should be shown on TAXREC 3 *** 7 *** 8 Utility Name: Hamilton Hydro Inc. *** 9 Reporting period: 2001 *** 10 Number of days in taxation year: 92 11 Materiality Level: 0	Return
5 RATEPAYERS ONLY 6 Shareholder-only Items should be shown on TAXREC 3 7 8 Utility Name: Hamilton Hydro Inc. 9 Reporting period: 2001 10 Number of days in taxation year: 11 Materiality Level: 0	
6 Shareholder-only Items should be shown on TAXREC 3 7 8 Utility Name: Hamilton Hydro Inc. 9 Reporting period: 2001 10 Number of days in taxation year: 11 Materiality Level: 0	Version 2009.1
8 Utility Name: Hamilton Hydro Inc. 9 Reporting period: 2001 10 Number of days in taxation year: 11 Materiality Level: 92	
9 Reporting period: 2001 10 Number of days in taxation year: 92 11 Materiality Level: 0	
10 Number of days in taxation year: 92 11 Materiality Level: 0	
11 Materiality Level:	
13	
14 A Continuo O Boom Walton of accounting income to touch being an	
15 Section C: Reconciliation of accounting income to taxable income 16 Add:	
17 +	0
18 Gain on sale of eligible capital property +	0
19 Loss on disposal of assets +	0
20 Charitable donations (Only if it benefits ratepayers) +	0
22 + + +	0
23 Scientific research expenditures deducted +	0
24 per financial statements +	0
25 Capitalized interest + + 26 Soft costs on construction and renovation of buildings +	0
26 Soft costs on construction and renovation of buildings +	0
28 Debt issue expense +	0
29 Financing fees deducted in books +	0
30 Gain on settlement of debt +	0
31 Interest paid on income debentures + 32 Recapture of SR&ED expenditures +	0
32 Recapture of SR&ED expenditures +	0
34 Write down of capital property +	0
35 Amounts received in respect of qualifying environment trust +	0
36 Provision for bad debts +	0
37 +	0
39 +	0
40 +	0
41 + +	0
42 + + + + + + + + + + + + + + + + + + +	0
43 + + + + + + + + + + + + + + + + + + +	0
45 +	Ŭ
46 Total Additions = 0 0	0
47	
48 Recap of Material Additions:	0
50 0 0	0
51 0 0	0
52 0 0	0
53 0 0 54 0 0	0
55 0 0	0
56 0 0	0
57 0 0	0
58 0 0	0
59 0 0 60 0 0	0
61 0 0	0
62 0 0	0
63 0 0	0
64 0 0 0 65 0 0 0	0
66 0 0	0
67 0 0	0
68 0 0	0
69 0 0 70 0 0	0
70	0
72 0 0	0
73 0 0	0
74 0 0	0
75 0 0	0
76	0
78 Other additions less than materiality level 0 0	0
79 Total Additions 0 0	0

	A	В	С	D	Е	F
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-	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)	LINE	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiations	Return	
	RATEPAYERS ONLY		Return		Ketuiii	
	Shareholder-only Items should be shown on TAXREC 3		rtetum		Version 2009.1	
7	onarenoider-only items should be shown on TAXILO 5				Version 2003.1	
	Utility Name: Hamilton Hydro Inc.					
	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		0			
12			_			
13						
80						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-			0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92	Other income from infancial statements	-			0	
93		-			0	
94					0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-			0	
97	Non-taxable load transiers	-			0	
98		-			0	
	Total Deductions	=	0	0	0	
100	Total Deductions	-	0	U	O	
	Recap of Material Deductions:					
102	recap of Material Deductions.		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	
100			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	Total Doddollono		U	U	U	

	A	В	С	D	Е	F
1	A	ь	C	U	Е	Г
2	PILs TAXES - EB-2008-381					
	TAX RETURN RECONCILIATION (TAXREC 3)					
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	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	(IOI WITES-OTHY BUSINESS - SEE S. 12 OLD ACI)		Return		Return	
	Utility Name: Hamilton Hydro Inc.				Version 2009.1	
9						
10						
	Reporting period: 2001					
	Number of days in taxation year:		92			
13						
14 15						
_	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
_	Non-deductible meals	+	4,284		4,284	
	Non-deductible club dues Non-deductible automobile costs	+			0	
_	Donations - amount per books	+			0	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
	Ontario capital tax adjustments	+			0	
	Changes in Regulatory Asset balances	+			0	
42 43	Pre Sept 30/01 interest	+	154,585		154,585	
44	Capitalized Fleet Depreciation disallowed for UCC Purposes	+ -	186,033		186,033	
45	Suprialized Floor Boptodiation distance of the Good alphabet	+	100,000		0	
46		+			-	
47	Total Additions on which true-up does not apply	=	344,902	0	344,902	
48						
	Deduct:					
50	CCA adjustments	-			0	
_	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-	62,665		62,665	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59 60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
	Changes in Regulatory Asset balances	-	8,188,170		8,188,170	
67	Other deductions: (Please explain in detail the metions of the item)	-			0	
68 69	Other deductions: (Please explain in detail the nature of the item)	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	8,250,835	0	8,250,835	
74						
75		1				

	В	С	D	E	F	G	Н	l
				'	ersion 2009.	1		
		S						
	o Inc.							
Reporting period: 2001								
					Table 1			
	Ls Applicati					ı		
		-						
RAM 2002					>700,000			
	Year	200,000		700,000				
	2002							
		13.12%		26.12%				
Blended rate		19.12%		34.12%	38.62%			
Capital Tax Rate		0.300%						
LCT rate		0.225%						
Surtax		1.12%						
Ontario Capital Tax	MAX	E 000 000						
Exemption **	\$5MM	5,000,000						
Federal Large	MAY							
Corporations Tax		10,000,000						
Exemption **	φισινινί							
	nust agre	e with the I	Board-appr	oved 2002	2 RAM			
•	· ·							
g								
					Table 2			
Expected Income Tax Rates	for 2002 ar	nd Capital Tax	x Exemptions	for 2002		_		
Income Range		0		200,001				
Expected Rates		to		to	>700,000			
	Year	200,000		700,000				
Income Tax Rate						l		
Current year	2002							
Federal (Includes surtax)	2002	13.12%		26.12%	26.12%			
Ontario	2002	6.00%			12.50%			
				5,5	22.02,0			
Capital Tax Rate	2002	0.300%						
		5,000,000						
	POININ							
	MAX	40,000,000						
	\$10MM	10,000,000						
	lene	4	ith the De-	ralla in atro	inting -	l		
•		t comply w	itu tue Roa	ra's instri	uctions			
regarding regulated act	tivities.							
					Table 3			
Input Information from Utilit	y's Actual 2	2002 Tax Retu	ırns					
				200.001				
		to		to	>700.000			
	Year			700,000	.,			
Income Tax Rate		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,				
	2002							
		13.12%		22.12%	26.12%		26 12%	0.00
								0.00
								0.00
2.0/1404 /410		10.12/0		01.0770	00.0270		55.02 /6	5.00
Capital Tax Rate		0.300%						
LCT rate	 							
		0.225%						
	-	1.12%						
Surtax								
Surtax Ontario Capital Tax	MAX	4,668,892						
Surtax Ontario Capital Tax Exemption *	MAX \$5MM	4,668,892						
Surtax Ontario Capital Tax Exemption * Federal Large	\$5MM							
Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	\$5MM MAX	4,668,892 10,000,000						
Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	\$5MM MAX \$10MM	10,000,000						
Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	\$5MM MAX \$10MM	10,000,000	ocation cald	ulations i	n your			
	Utility Name: Hamilton Hydr Reporting period: 2001 Rates Used in 2002 RAM Pli Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax) and Ontario blended Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption ** Federal Large Corporations Tax Exemption ** PILS filling Expected Income Tax Rates Income Range Expected Rates Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate Composition Tax Exemption *** Capital Tax Rate Current year Federal (Includes surtax) Ontario Capital Tax Rate Composition Tax Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption of exemption regarding regulated accorporations regarding regard	PILs TAXES - EB-2008-381 Corporate Tax Rates Exemptions, Deductions, or Threshold: Utility Name: Hamilton Hydro Inc. Reporting period: 2001 Rates Used in 2002 RAM PILs Applications Income Range RAM 2002 Income Tax Rate Proxy Tax Year Proxy Tax Rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption ** PFederal Large Corporations Tax Exemption ** **Exemption amounts must agree PILs filing Expected Income Tax Rates for 2002 and Income Range Expected Rates Year Income Tax Rate Current year Pederal (Includes surtax) Ontario Dontario Dontario Dontario Pils Siling Expected Rates Year Income Tax Rate Current year Pederal (Includes surtax) Dontario Capital Tax Rate Dontario Dontario Pils Siling Expected Rates Year Income Tax Rate Current year Pederal (Includes surtax) Dontario Pils Siling Expected Rates Year Income Tax Rate Current year Pederal Large Corporations Tax Exemption *** 2002 Exemption *** Exemption *** Exemption *** Exemption *** Exemption ***	PILs TAXES - EB-2008-381 Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Hamilton Hydro Inc. Reporting period: 2001 Rates Used in 2002 RAM PILs Applications for 2002 Income Range	PILs TAXES - EB-2008-381 Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Hamilton Hydro Inc. Reporting period: 2001 Rates Used in 2002 RAM PILs Applications for 2002 Income Range	PILS TAXES - EB-2008-381 Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Hamilton Hydro Inc. Reporting period: 2001 Rates Used in 2002 RAM PILS Applications for 2002 Income Range	PILS TAXES - EB-2008-381 Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Hamilton Hydro Inc. Reporting period: 2001 Table 1 Rates Used in 2002 RAM PILS Applications for 2002 Income Range	PILS TAKES - EB-2008-381 Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Hamilton Hydro Inc. Reporting period: 2001 Table 1 Rates Used in 2002 RAM PILs Applications for 2002 Income Range	PILS TAKES - EB-2008-381 Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Hamilton Hydro Inc. Reporting period: 2001 Table 1 Rates Used in 2002 RAM PILS Applications for 2002 Income Range

_		_	0								17				
1	A PILs TAXES - EB-2008-381	В	С	D	E	F	G	Н	l l	J	K	L	М	N	0
	Analysis of PILs Tax Account	1562				1									
	Utility Name: Hamilton Hydro														Version 2009.1
	Reporting period: 2001			5	ign Conventi	on: +	+ for increase;	for	decrease	-					0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		+
10	Year end:		31/12/2001		31/12/2002	1	31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10	Opening balance:	_													
11			0		2,485,720	1									
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)		2,470,670												
40	PILs proxy from April 1, 2005														
13	- input 9/12 of amount True-up Variance	+/-	-			_									
14	Adjustment Q4, 2001 (2)	+/-			333,490										
17	True-up Variance	+/-	-	_	333,430	_									
15	Adjustment (3)	.,													
-	Deferral Account Variance														
16	6 Adjustment Q4, 2001 (4) 0														
	Deferral Account Variance +/-														
17	Adjustment (5)									L		L		L	
	Adjustments to reported	+/-													
18	prior years' variances (6)														
19	Carrying charges (7)	+/-	15.050												
19	PILs billed to (collected		15,050							 				-	
20	from) customers (8)	-	0												
21															
22	Ending balance: # 1562		2,485,720												
23						_				-		-			
24															
25															
26	Uncollected PILs														
	NOTE: The purpose of this wor	kshee	t is to show the n	nove	ment in Accou	nt 15	62 which establis	shes	the receivable f	from	or liability to rat	epay	ers.		
	For explanation of Account 1562														
30	Diseas identify if Mathed 4.2	2	4		autha DII a n			A NIC	NACD.						
32	Please identify if Method 1, 2	or 3 w	as used to acco	unti	or the PILS p	гоху	and recovery.	ANS	OVVER:						
	(1) (i) From the Board's Decision	on - se	e Inclusion in Ra	ites, l	Part III of the 1	AXC	ALC spreadshee	t for	r Q4 2001 and 2	002.					
34															
	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
	36 (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained. (v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PI									λу 11	om April 1 to De	,001111	501 01, 2000.		
41	` '				•										
42												2001	proxy has to be		
43 44	trued up in 2002, 2003 and	d for th	e period January	/ 1- N	1arch 31, 2004	I. Inp	out the variance	n th	e whole year red	conc	ilation.				
45	(3) From the Ministry of Finance	Varia	nce Column, und	ler Fu	ıture True-ups	, Par	t IV a, cell I132,	of th	e TAXCALC spr	ead	sheet.				
46	The true-up will compare t														
47		Vorin	nco Columa	lor F	ituro Truo ···-	Da-	t I\/ b asil 1404	of th	0 TAYCALO	.00-	shoot The O4	2004	provi has to t-		
48	(4) From the Ministry of Finance trued up in 2002, 2003 and											∠∪∪1	proxy rias to be	;	
50															
51	(5) From the Ministry of Finance									ead	sheet.				
52 53	The true-up will compare t	o the 2	2002 proxy for 20	002, 2	.003, 2004 and	d Jan	uary 1 to March	31, 2	2005.						
54	(6) The correcting entry should	be sho	wn in the vear th	e ent	rv was made	The	true-up of the ca	rrvir	ng charges will h	ave	to be reviewed				
55	, ,		•		•		0 00	.,.	J 300 11	_,,					
56 57	(7) Carrying charges are calcula	ated on	a simple interes	t bas	is.										
58	(8) (i) PILs collected from custor	mers fr	om March 1 200)2 to	March 31 200)4 we	ere based on a fix	ed r	charge and a vol	lume	etric charge reco	verv	by class The P	ا د اا	ate
59	components for Q4, 2001a								-		-		•		
60	2002 PILs tax proxy recov									\			,		
61	The 2005 PILs tax proxy is		•		•										
62	(ii) Collections should a surely	(a) +h -	ootuol values	/ loo-	(Id)A/ba Id)A/-	Kva\	for the residual (- داد	ling not	ot -	oriod ond)	nlind	1		
64		` '			, ,	,			•		,,	•			
65	plus, (b) customer counts									u Jd	ilidaiy i to ivialCi	101,	2007,		
67		•			. ,		Ü			tho	2004 RAM sha	et 7			
68															
70										-					
71															
	to calculate the recovery for the period January 1 to March 31, 2005.														
[73]															
(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.															
	76														
76															