

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"				Version 2004.2
2	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
3	Utility Name: Enwin Powerlines Ltd.				
4	Reporting period: 2004				
5					
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	BACKGROUND				
10	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	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
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	Y	
20	shared among the corporate group?	LCT	Y/N	Y	
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	12-31-2004	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			161,325,087	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			13,383,529	
42					
43	1999 return from RUD Sheet #7			7,316,886	7,316,886
44					
45	Total Incremental revenue			6,066,643	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			2,022,214	2,022,214
48	Amount allowed in 2002			2,022,214	2,022,214
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51					0
52					0
53	Total Regulatory Income				11,361,314
54					
55	Equity			72,596,289	
56					
57	Return at target ROE			7,172,513	
58					
59	Debt			88,728,798	
60					
61	Deemed interest amount in 100% of MARR			6,211,016	
62					
63	Phase-in of interest - Year 1 (2001)			4,334,081	
64	((D43+D47)/D41)*D61				
65	Phase-in of interest - Year 2 (2002)			5,272,548	
66	((D43+D47+D48)/D41)*D61				
67	Phase-in of interest - Year 3 (2003) and forward			5,272,548	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
69					
70					
71	SIMPIL MODEL 2004				

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2004.2	
6			\$						\$		\$	
7	Utility Name: Enwin Powerlines Ltd.											
8	Reporting period: 2004											
9	Days in reporting period:	366	days								Column	
10	Total days in the calendar year:	366	days								Brought	
11											From	
12											TAXREC	
13	II) CORPORATE INCOME TAXES											
14												
15	Regulatory Net Income REGINFO E53	1	11,361,314						-10,271,956		1,089,358	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	7,289,925						1,642,797		8,932,722	
21	Employee Benefit Plans - Accrued, Not Paid	3	593,232						-593,232		0	
22	Tax reserves - beginning of year	4							0		0	
23	Reserves from financial statements - end of year	4							11,955,417		11,955,417	
24	Regulatory Adjustments - increase in income	5							0		0	
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Items from "TAXREC" worksheet	6							10,993,960		10,993,960	
27	Other Additions (not "Material") "TAXREC"	6							7,158		7,158	
28	"Material" Items from "TAXREC 2" worksheet	6							251,139		251,139	
29	Other Additions (not "Material") "TAXREC 2"	6							6,171		6,171	
30												
31	Deductions: Input positive numbers											
32	Capital Cost Allowance and CEC	7	5,546,607						4,408,130		9,954,737	
33	Employee Benefit Plans - Paid Amounts	8	285,556						-285,556		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0						0		0	
36	Interest Expense Deemed/ Incurred	11	5,272,548						292,854		5,565,402	
37	Tax reserves - end of year	4							0		0	
38	Reserves from financial statements - beginning of year	4							11,552,011		11,552,011	
39	Contributions to deferred income plans	3							0		0	
40	Contributions to pension plans	3							0		0	
41	Interest capitalized for accounting but deducted for tax	11							0		0	
42	Other Deductions (See Tab entitled "TAXREC")											
43	"Material" Items from "TAXREC" worksheet	12							874,611		874,611	
44	Other Deductions (not "Material") "TAXREC"	12							0		0	
45	Material Items from "TAXREC 2" worksheet	12							0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12							0		0	
47												
48	TAXABLE INCOME/ (LOSS)		8,139,760						30,833,503	Before loss C/F	5,289,164	
49												
50	BLENDED INCOME TAX RATE											
51	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%						-38.6200%		0.00%	
52												
53	REGULATORY INCOME TAX		3,143,575						-3,143,575	Actual	0	
54												
55												
56	Miscellaneous Tax Credits	14							0	Actual	0	
57												
58	Total Regulatory Income Tax		3,143,575						-3,143,575	Actual	0	
59												
60												
61	II) CAPITAL TAXES											
62												
63	Ontario											
64	Base	15	161,325,087						12,201,613		173,526,700	
65	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000						-1,094,572		3,905,428	
66	Taxable Capital		156,325,087						11,107,041		169,621,272	
67												
68	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.0000%		0.3000%	
69												
70	Ontario Capital Tax		468,975						39,889		508,864	
71												
72	Federal Large Corporations Tax											
73	Base	18	161,325,087						14,175,109		175,500,196	
74	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000						2,008,000		12,008,000	
75	Taxable Capital		151,325,087						16,183,109		163,492,196	
76												
77	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%						-0.0250%		0.2000%	
78												
79	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		340,481						-13,497		326,984	
80	Less: Federal Surtax 1.12% x Taxable Income	21	91,165						-91,165		0	
81												
82	Net LCT		249,316						-104,662		326,984	
83												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2004.2	
6			\$						\$		\$	
84	III) INCLUSION IN RATES											
85												
86	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
87												
88	Income Tax (proxy tax is grossed-up)	22	5,029,721							Actual 2004	0	
89	LCT (proxy tax is grossed-up)	23	398,906							Actual 2004	326,984	
90	Ontario Capital Tax (no gross-up since it is deductible)	24	468,975							Actual 2004	508,864	
91												
92												
93	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	5,897,602							Actual 2004	835,848	
94	RAM DECISION											
95												
96												
97	IV) FUTURE TRUE-UPS											
98	IV a) Calculation of the True-up Variance								DR/(CR)			
99	In Additions:											
100	Employee Benefit Plans - Accrued, Not Paid	3							-593,232			
101	Tax reserves deducted in prior year	4							0			
102	Reserves from financial statements-end of year	4							11,955,417			
103	Regulatory Adjustments	5							0			
104	Other additions "Material" Items TAXREC	6							10,993,960			
105	Other additions "Material" Items TAXREC 2	6							251,139			
106	In Deductions - positive numbers											
107	Employee Benefit Plans - Paid Amounts	8							-285,556			
108	Items Capitalized for Regulatory Purposes	9							0			
109	Regulatory Adjustments	10							0			
110	Interest Adjustment for tax purposes (See Below - cell I204)	11							0			
111	Tax reserves claimed in current year	4							0			
112	Reserves from F/S beginning of year	4							11,552,011			
113	Contributions to deferred income plans	3							0			
114	Contributions to pension plans	3							0			
115	Other deductions "Material" Items TAXREC	12							874,611			
116	Other deductions "Material" Item TAXREC 2	12							0			
117												
118	Total TRUE-UPS before tax effect	26						=	10,466,218			
119												
120	Income Tax Rate (excluding surtax) from 2004 Utility's tax return							x	35.00%			
121												
122	Income Tax Effect on True-up adjustments							=	3,663,176			
123												
124	Less: Miscellaneous Tax Credits	14							0			
125												
126	Total Income Tax on True-ups								3,663,176			
127												
128	Income Tax Rate used for gross-up (exclude surtax)								35.00%			
129												
130	TRUE-UP VARIANCE ADJUSTMENT								5,635,656			
131												
132	IV b) Calculation of the Deferral Account Variance caused											
133	by changes in legislation											
134	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							=	8,139,760			
135	estimate column)											
136	REVISED CORPORATE INCOME TAX RATE							x	36.12%			
137												
138	REVISED REGULATORY INCOME TAX							=	2,940,081			
139												
140	Less: Revised Miscellaneous Tax Credits							-	0			
141												
142	Total Revised Regulatory Income Tax							=	2,940,081			
143												
144	Less: Regulatory Income Tax reported in the Initial Estimate Column							-	3,143,575			
145	(Cell C58)											
146	Regulatory Income Tax Variance							=	-203,494			
147												
148	Ontario Capital Tax											
149	Base							=	161,325,087			
150	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	5,000,000			
151	Revised deemed taxable capital							=	156,325,087			
152												
153	Rate - Tab Tax Rates cell C54							x	0.3000%			
154												
155	Revised Ontario Capital Tax							=	468,975			
156	Less: Ontario Capital Tax reported in the initial estimate column (Cell							-	468,975			
157	C70)											
158	Regulatory Ontario Capital Tax Variance							=	0			
159	Federal LCT											
160	Base							=	161,325,087			
161	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
162	Revised Federal LCT							=	111,325,087			
163												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2004.2	
6			\$						\$		\$	
164	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51								0.2000%			
165												
166	Gross Amount								222,650			
167	Less: Federal surtax							-	91,165			
168	Revised Net LCT							=	131,485			
169												
170	Less: Federal LCT reported in the initial estimate column (Cell C82)							-	249,316			
171	Regulatory Federal LCT Variance							=	-117,831			
172												
173	Actual Income Tax Rate used for gross-up (exclude surtax)								35.00%			
174												
175	Income Tax (grossed-up)							+	-313,068			
176	LCT (grossed-up)							+	-181,279			
177	Ontario Capital Tax							+	0			
178												
179	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT							=	-494,347			
180												
181	TRUE-UP VARIANCE (from cell I130)							+	5,635,656			
182												
183	Total Deferral Account Entry (Positive Entry = Debit)							=	5,141,309			
184	<i>(Deferral Account Variance + True-up Variance)</i>											
185												
186												
187												
188	V) INTEREST PORTION OF TRUE-UP											
189	Variance Caused By Phase-in of Deemed Debt											
190												
191	Total deemed interest (REGINFO)								6,211,016			
192	Interest phased-in (Cell C36)								5,272,548			
193												
194	Variance due to phase-in of debt component of MARR in rates								938,468			
195	according to the Board's decision											
196												
197	Other Interest Variances (i.e. Borrowing Levels											
198	Above Deemed Debt per Rate Handbook)											
199	Interest deducted on MoF filing (Cell K36+K41)								5,565,402			
200	Total deemed interest (REGINFO CELL D61)								6,211,016			
201												
202	Variance caused by excess debt								0			
203												
204	Interest Adjustment for Tax Purposes (carry forward to Cell I110)								0			
205												
206	Total Interest Variance								938,468			
207												

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8		Return			
5					Version 2004.2	
6	Section A: Identification:					
7	Utility Name: Enwin Powerlines Ltd.					
8	Reporting period: 2004					
9	Taxation Year's start date: January 1, 2004					
10	Taxation Year's end date: December 31, 2004					
11	Number of days in taxation year:		366	days		
12						
13	Please enter the Materiality Level :		181,491	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
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?	N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
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 expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+				0
32	Distribution Revenue	+	36,325,018			36,325,018
33	Other Income	+	3,081,655			3,081,655
34	Miscellaneous income	+				0
35		+				0
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-				0
40	Administration	-				0
41	Customer billing and collecting	-				0
42	Operating Expenses	-	23,378,422			23,378,422
43	Amortization	-	8,932,722			8,932,722
44	Ontario Capital Tax	-				0
45	Loss on disposal of capital assets	-	6,171			6,171
46	Impairment of regulatory assets	-	6,000,000			6,000,000
47		-				0
48		-				0
49						
50	Net Income Before Interest & Income Taxes EBIT	=	1,089,358		0	1,089,358
51	Less: Interest expense for accounting purposes	-	5,565,402			5,565,402
52	Provision for payments in lieu of income taxes	-	277,500			277,500
53	Net Income (loss)	=	-4,753,544		0	-4,753,544
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						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	277,500		0	277,500
60	Federal large corporation tax	+				0
61	Depreciation & Amortization	+	8,932,722		0	8,932,722
62	Employee benefit plans-accrued, not paid	+			0	0
63	Tax reserves - beginning of year	+	0		0	0
64	Reserves from financial statements- end of year	+	11,955,417		0	11,955,417
65	Regulatory adjustments	+				0
66	Material addition items from TAXREC 2	+	251,139		0	251,139
67	Other addition items (not Material) from TAXREC 2	+	6,171		0	6,171
68						
69	Subtotal		21,422,949		0	21,422,949
70						
71	Other Additions: (Please explain the nature of the additions)					
72	Recapture of CCA	+				0
73	Non-deductible meals and entertainment expense	+	7,158			7,158
74	Capital items expensed	+				0
75	Adjustment to income for lease payments	+	397,769			397,769
76	Capital tax accrual	+	466,396			466,396
77	Change in regulatory assets	+	10,129,795			10,129,795
78		+				0
79	Total Other Additions	=	11,001,118		0	11,001,118
80						
81	Total Additions	=	32,424,067		0	32,424,067
82						
83	Recap Material Additions:					
84			0		0	0
85			0		0	0
86			0		0	0
87	Adjustment to income for lease payments		397,769		0	397,769
88	Capital tax accrual		466,396		0	466,396
89	Change in regulatory assets		10,129,795		0	10,129,795
90			0		0	0
91	Total Other additions >materiality level		10,993,960		0	10,993,960
92	Other deductions (less than materiality level)		7,158		0	7,158
93	Total Other Additions		11,001,118		0	11,001,118
94						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8		Return			
5					Version 2004.2	
95	BOOK TO TAX DEDUCTIONS:					
96	Capital cost allowance	-	9,226,186		9,226,186	
97	Cumulative eligible capital deduction	-	728,551		728,551	
98	Employee benefit plans-paid amounts	-			0	
99	Items capitalized for regulatory purposes	-			0	
100	Regulatory adjustments :	-			0	
101	CCA	-			0	
102	other deductions	-			0	
103	Tax reserves - end of year	-	0	0	0	
104	Reserves from financial statements- beginning of year	-	11,552,011	0	11,552,011	
105	Contributions to deferred income plans	-			0	
106	Contributions to pension plans	-			0	
107	Interest capitalized for accounting deducted for tax	-			0	
108	Material deduction items from TAXREC 2	-	0	0	0	
109	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
110						
111	Subtotal	=	21,506,748	0	21,506,748	
112	Other deductions (Please explain the nature of the deductions)					
113	Charitable donations - tax basis	-			0	
114	Gain on disposal of assets	-			0	
115	Financing Fees	-	365,747		365,747	
116	Capital tax per CT23	-	508,864		508,864	
117		-			0	
118	Total Other Deductions	=	874,611	0	874,611	
119						
120	Total Deductions	=	22,381,359	0	22,381,359	
121						
122	Recap Material Deductions:					
123			0	0	0	
124			0	0	0	
125	Financing Fees		365,747	0	365,747	
126			508,864	0	508,864	
127			0	0	0	
128	Total Other Deductions exceed materiality level		874,611	0	874,611	
129	Other Deductions less than materiality level		0	0	0	
130	Total Other Deductions		874,611	0	874,611	
131						
132	TAXABLE INCOME	=	5,289,164	0	5,289,164	
133	DEDUCT:					
134	Non-capital loss applied positive number	-	5,289,164		5,289,164	
135	Net capital loss applied positive number	-			0	
136					0	
137	NET TAXABLE INCOME	=	0	0	0	
138						
139	FROM ACTUAL TAX RETURNS					
140	Net Federal Income Tax (Must agree with tax return)	+			0	
141	Net Ontario Income Tax (Must agree with tax return)	+			0	
142	Subtotal	=	0	0	0	
143	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
144	Total Income Tax	=	0	0	0	
145						
146	FROM ACTUAL TAX RETURNS					
147	Net Federal Income Tax Rate (Must agree with tax return)				0.00%	
148	Net Ontario Income Tax Rate (Must agree with tax return)				0.00%	
149	Blended Income Tax Rate		0.00%		0.00%	
150						
151	Section D: Detailed calculation of Ontario Capital Tax					
152						
153	ONTARIO CAPITAL TAX					
154	(From Ontario CT23)					
155	PAID-UP CAPITAL					
156						
157	Paid-up capital stock	+	61,447,581		61,447,581	
158	Retained earnings (if deficit, deduct)	+/-	-4,685,143		-4,685,143	
159	Capital and other surplus excluding	+	516,528		516,528	
160	appraisal surplus	+			0	
161	Loans and advances	+	16,632,822		16,632,822	
162	Bank loans	+	20,101,252		20,101,252	
163	Bankers acceptances	+	25,054,400		25,054,400	
164	Bonds and debentures payable	+	50,000,000		50,000,000	
165	Mortgages payable	+			0	
166	Lien notes payable	+			0	
167	Deferred credits	+			0	
168	Contingent, investment, inventory and similar reserves	+			0	
169	Other reserves not allowed as deductions	+	11,955,417		11,955,417	
170	Share of partnership(s), joint venture(s) paid-up capital	+			0	
171	Sub-total	=	181,022,857	0	181,022,857	
172	Subtract:					
173	Amounts deducted for income tax purposes in excess of amounts booked	-	2,638,370		2,638,370	
174	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
175	Total (Net) Paid-up Capital	=	178,384,487	0	178,384,487	
176						
177	ELIGIBLE INVESTMENTS					
178						
179	Bonds, lien notes, interest coupons	+			0	
180	Mortgages due from other corporations	+			0	
181	Shares in other corporations	+			0	
182	Loans and advances to unrelated corporations	+			0	
183	Eligible loans and advances to related corporations	+	5,522,661		5,522,661	
184	Share of partnership(s) or joint venture(s) eligible investments	+			0	
185						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8		Return			
5					Version 2004.2	
186	Total Eligible Investments	=	5,522,661	0	5,522,661	
187						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8		Return			
5					Version 2004.2	
188						
189	TOTAL ASSETS					
190						
191	Total assets per balance sheet	+	205,437,942		205,437,942	
192	Mortgages or other liabilities deducted from assets	+			0	
193	Share of partnership(s)/ joint venture(s) total assets	+			0	
194	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
195						
196	Total assets as adjusted	=	205,437,942	0	205,437,942	
197						
198	Add: (if deducted from assets)					
199	Contingent, investment, inventory and similar reserves	+			0	
200	Other reserves not allowed as deductions	+			0	
201	Subtract:				0	
202	Amounts deducted for income tax purposes in excess of amounts booked	-	2,638,370		2,638,370	
203	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
204	Subtract: Appraisal surplus if booked	-			0	
205	Add or subtract: Other adjustments	+/-			0	
206						
207	Total Assets	=	202,799,572	0	202,799,572	
208						
209						
210	Investment Allowance		4,857,787	0	4,857,787	
211						
212	Taxable Capital					
213						
214	Net paid-up capital	+	178,384,487	0	178,384,487	
215	Subtract: Investment Allowance	-	4,857,787	0	4,857,787	
216						
217	Taxable Capital	=	173,526,700	0	173,526,700	
218						
219	Capital Tax Calculation					
220	Deduction from taxable capital up to maximum of \$5,000,000		3,905,428	0	3,905,428	
221	(Input in tab Tax Rates)					
222	Net Taxable Capital		169,621,272	0	169,621,272	
223						
224	Rate		0.3000%	0.3000%	0.3000%	
225						
226	Days in taxation year		366	366	366	
227	Divide days by 366		1.00	1.00	1.00	
228						
229	Ontario Capital Tax (Must agree with CT23 return)		508,864	0	508,864	
230						
231	Section E: Detailed calculation of Large Corporation Tax					
232						
233	LARGE CORPORATION TAX					
234	(From Federal Schedule 33)					
235	CAPITAL					
236	ADD:					
237	Reserves that have not been deducted in computing income for the year under Part I	+	11,955,417		11,955,417	
238	Capital stock	+	61,447,581		61,447,581	
239	Retained earnings	+			0	
240	Contributed surplus	+			0	
241	Any other surpluses	+	516,528		516,528	
242	Deferred unrealized foreign exchange gains	+			0	
243	All loans and advances to the corporation	+			0	
244	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	111,788,474		111,788,474	
245	Any dividends declared but not paid	+			0	
246	All other indebtedness outstanding for more than 365 days	+			0	
247						
248	Subtotal	=	185,708,000	0	185,708,000	
249						
250	DEDUCT:					
251	Deferred tax debit balance	-			0	
252	Any deficit deducted in computing shareholders' equity	-	4,685,143		4,685,143	
253	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
254	Deferred unrealized foreign exchange losses	-			0	
255						
256	Subtotal	=	4,685,143	0	4,685,143	
257						
258	Capital for the year		181,022,857	0	181,022,857	
259						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8		Return			
5					Version 2004.2	
260	INVESTMENT ALLOWANCE					
261						
262	Shares in another corporation	+			0	
263	Loan or advance to another corporation	+	5,522,661		5,522,661	
264	Bond, debenture, note, mortgage, or	+			0	
265	similar obligation of another corporation	+			0	
266	Long term debt of financial institution	+			0	
267	Dividend receivable from another corporation	+			0	
268	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
269	Interest in a partnership	+			0	
270						
271	Investment Allowance	=	5,522,661	0	5,522,661	
272						
273						
274	TAXABLE CAPITAL					
275						
276	Capital for the year	=	181,022,857	0	181,022,857	
277						
278	Deduct: Investment allowance	-	5,522,661	0	5,522,661	
279						
280	Taxable Capital for taxation year	=	175,500,196	0	175,500,196	
281						
282	Deduct: Capital Deduction - maximum of \$50,000,000	-	12,008,000	0	12,008,000	
283	(Input in tab 'Tax Rates')					
284	Taxable Capital	=	163,492,196	0	163,492,196	
285						
286	Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.20000%	0.20000%	0.20000%	
287						
288	Days in year		366	366	366	
289	Divide days by 366		1.0000	1.0000	1.0000	
290						
291	Gross Part I.3 Tax LCT (Must agree with tax return)	=	326,984	0	326,984	
292						
293	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
294						
295	Less: Federal Surtax = Actual Surtax from tax return	-			0	
296						
297	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	326,984	0	326,984	
298	(If surtax is greater than Gross LCT, then zero)					
299						
300	Section F: Income and Capital Taxes					
301						
302	RECAP FROM ABOVE:					
303	Total Income Taxes	+	0	0	0	
304	Ontario Capital Tax	+	508,864	0	508,864	
305	Federal Large Corporations Tax	+	326,984	0	326,984	
306						
307	Total income and capital taxes	=	835,848	0	835,848	
308						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8				Version 2004.2	
6						
7	Utility Name: Enwin Powerlines Ltd.					
8	Reporting period: 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
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				0	
19	Other				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other				0	
31	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Employee future benefits		11,552,011		11,552,011	
48	Other				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		11,552,011	0	11,552,011	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Employee future benefits		11,955,417		11,955,417	
60	Other				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		11,955,417	0	11,955,417	
64						

	A	B	C	D	E	F
1						
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8		Return			
6					Version 2004.2	
7						
8	Utility Name: Enwin Powerlines Ltd.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		181,491			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+			0	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+	6,171		6,171	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+			0	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+	251,139		251,139	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SR&ED expenditures	+			0	
40	Share issue expense	+			0	
41	Write down of capital property	+			0	
42	Amounts received in respect of qualifying environment trust	+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Debt financing expenses	+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	Total Additions	=	257,310	0	257,310	
55						
56	Recap of Material Additions:					
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	
68			0	0	0	
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	Financing fees deducted in books		251,139	0	251,139	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
82			0	0	0	

	A	B	C	D	E	F
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8		Return			
6					Version 2004.2	
83			0	0	0	
84			0	0	0	
85			0	0	0	
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			0	0	0	
93			0	0	0	
94						
95	Total Material additions		251,139	0	251,139	
96	Other additions less than materiality level		6,171	0	6,171	
97	Total Additions		257,310	0	257,310	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-			0	
101	Dividends not taxable under section 83	-			0	
102	Terminal loss from Schedule 8	-			0	
103	Depreciation in inventory, end of prior year	-			0	
104	Scientific research expenses claimed in year from Form T661	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
109	Other income from financial statements	-			0	
110	Other deductions: (Please explain in detail the nature of the item)	-				
111	Imputed interest on Reg Assets	-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	0	0	0	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145			0	0	0	
146	Total Deductions exceed materiality level		0	0	0	
147	Other deductions less than materiality level		0	0	0	
148	Total Deductions		0	0	0	
149						

	A	B	C	D	E	F	G	H	I	J					
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"														
2	Corporate Tax Rates					Version 2004.2									
3	Exemptions, Deductions, or Thresholds					RRR # 2.1.8									
4	Utility Name: Enwin Powerlines Ltd.														
5	Reporting period: 2004														
6															
7															
8	Table 1														
9	Rates Used in 2002 RAM PILs Applications														
10	Income Range		0		200,001										
11	RAM 2002		to		to										
12		Year	200,000		700,000										
13	Income Tax Rate														
14	Proxy Tax Year	2002													
15	Federal (Includes surtax)		0.00%												
16	and Ontario blended		19.12%		34.12%		38.62%								
17	Blended rate		19.12%	0.00%	34.12%		38.62%								
18	Capital Tax Rate		0.300%												
19	LCT rate		0.225%												
20	Surtax		1.12%												
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000												
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000												
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing														
24															
25	Table 2														
26	Expected Rates and Exemptions for 2004														
27	Income Range		0	250,001	400,001										
28	Expected Rates 2004		to	to	to										
29		Year	250,000	400,000	1,128,000										
30	Income Tax Rate														
31	Current year	2004													
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%								
33	Ontario		5.50%	5.50%	9.75%		14.00%								
34	Blended rate		18.62%	27.62%	31.87%		36.12%								
35															
36	Capital Tax Rate		0.300%												
37	LCT rate		0.200%												
38	Surtax		1.12%												
39	Ontario Capital Tax Exemption ***	MAX \$5MM	5,000,000												
40	Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000												
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.														
42															
43	Table 3														
44	Input Information from Utility's Actual 2004 Tax Returns														
45	Income Range		0	250,001	400,001										
46			to	to	to										
47		Year	250,000	400,000	1,128,000										
48	Income Tax Rate														
49	Current year	2004													
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%								
51	Ontario		5.50%	5.50%	9.75%		14.00%								
52	Blended rate		18.62%	27.62%	31.87%		36.12%								
53															
54	Capital Tax Rate		0.300%												
55	LCT rate		0.200%												
56	Surtax		1.12%												
57	Ontario Capital Tax Exemption *	MAX \$5MM	3,905,428												
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	12,008,000												
59	* Include copies of the actual tax return allocation calculations in your submission:														
60	Ontario CT23 page 11; federal T2 Schedule 36														
61															
62															
63															
64															

	A	B	C	D
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"		
2		Filing Requirements related to the "SIMPIL" model		Version 2004.2
3		Utility Name: Enwin Powerlines Ltd.		RRR # 2.1.8
4		Reporting period: 2004		
5				
6				
7				
8				
9		Documents to be submitted to the Board when filing the Ministry of Finance Column information:		
10		(Stage 3 filing: normally in July of the year following the reporting period)		
11				
12		Please file 3 copies of each paper document and 1 CD or disk		
13				
14	1)	REGINFO	<input checked="" type="checkbox"/>	
15				
16	2)	TAXCALC	<input checked="" type="checkbox"/>	
17				
18	3)	TAXREC	<input checked="" type="checkbox"/>	
19				
20	4)	Tax Reserves	<input checked="" type="checkbox"/>	
21				
22	5)	TAXREC 2	<input checked="" type="checkbox"/>	
23				
24	6)	Tax Rates	<input checked="" type="checkbox"/>	
25				
26	7)	Checklist	<input checked="" type="checkbox"/>	
27				
28	8)	Background Questionnaire	<input checked="" type="checkbox"/>	
29				
30	9)	PILs Variance Analysis	<input checked="" type="checkbox"/>	
31				
32	10)	Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2005	<input type="checkbox"/>	
33				
34	11)	Electronic Excel format of the SIMPIL worksheets	<input checked="" type="checkbox"/>	
35				
36	12)	Notices of assessments, and any re-assessments, for:		
37			2001 <input checked="" type="checkbox"/>	
38			2002 <input checked="" type="checkbox"/>	
39			2003 <input checked="" type="checkbox"/>	
40			2004 <input type="checkbox"/>	
41				
42	13)	Schedules or pages from CT23 and T2 tax returns	<input checked="" type="checkbox"/>	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"	
2		Background Questionnaire	Version 2004.2
3		Utility Name: Enwin Powerlines Ltd.	RRR # 2.1.8
4		Reporting period: 2004	
5			
6	1	Does the company engage in non-regulated activities?	
7		Answer: No	
8			
9			
10		If the answer to question 1 is "NO", please skip questions 2 to 6.	
11			
12	2	Please identify the types of non-wire operations carried on by the LDC.	
13		Answer:	
14			
15			
16			
17	3	Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?	
18		Answer:	
19			
20			
21			
22	4	Please identify the percentage and amount of gross revenues arising from non-wire operations.	
23		Answer:	
24			
25			
26	5	Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.	
27		Answer:	
28			
29			
30	6	Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.	
31		Answer:	
32			
33			
34			
35	7	Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)	
36		Answer: No	
37			
38			
39	8	Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)	
40		Answer: No	
41			
42			
43			
44			

	A	B	C	D	E	F	G	H	I	J	K	N	O
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"												
2	Analysis of Account 1562: Deferred Payments in lieu of Taxes												
3	Utility Name: Enwin Powerlines Ltd.											Version 2004.2	
4	Reporting period: 2004											RRR # 2.1.8	
5	Sign Convention: + for increase; - for decrease												
6													
7													
8													
9	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		
10	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		Total
11													
12	Opening balance:	=			1,866,278		2,237,152		-2,948,067		-1,311,954		0
13	Initial Estimate PILs Rate Adjustment (1)	+/-	1,859,048		5,896,261		5,896,261		6,973,041				20,624,611
14	True-up Variance Adjustment (2)	+/-					-2,940,338		1,150,369		5,635,656		3,845,687
15	Deferral Account Variance Adjustment (3)	+/-									-494,347		-494,347
16	Adjustments to reported prior years' variances (4)												0
17	Carrying charges	+/-	7,230		190,953		-24,074		-201,717				-27,608
18	PILs collected from customers - Proxv (5)	-	0		-5,716,340		-8,117,068		-6,285,580				-20,118,988
19													
20	Ending balance: # 1562		1,866,278		2,237,152		-2,948,067		-1,311,954		3,829,355		3,829,355
21													
22	PILs collected from customers - Reg Assets (6)	-	0		0		0		0		0		0
23													
24	Note:												
25	The purposes of this worksheet is to show the movement in Account 1562.												
26	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities												
27													
28	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery.												
29	Answer: Method 3												
30													
31													
32													
33	(1) (i) From the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.												
34	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.												
35	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.												
36	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.												
37	(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.												
38													
39													
40	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I130, of the TAXCALC spreadsheet												
41													
42	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I179, of the TAXCALC spreadsheet												
43													
44	(4) 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.												
45													
46	(5) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8.												
47	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.												
48	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.												
49													
50													
51													
52	(ii) Collections should equal: (a) the actual kWhs or kW for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;												
53	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.												
54													
55													
56	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.												
57													
58													
59	(6) Any interim PILs recovery from the Reg Asset decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.												
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61													
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