

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>			
2	<b>REGULATORY INFORMATION (REGINFO)</b>			
3				
4	Halton Hills Hydro Inc.			<b>Amount</b>
5	December 31, 2001			
6				
7	<b>BACKGROUND</b>			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	n
14				
15	Accounting Year End		Date	31-Dec
16				
17	<b>MARR NO TAX CALCULATIONS</b>			
18	<b>SHEET #7 FINAL RUD MODEL DATA</b>			
19	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>			
20	<b>USE BOARD-APPROVED AMOUNTS</b>			
21				
22	Rate base (wires-only)			\$25,052,967.65
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			2,145,787
33				
34	1999 return from RUD Sheet #7			0
35				
36	Total Incremental revenue			2,145,787
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			715,405
40	Amount allowed in 2002, Year 2			715,191
41	Amount allowed in 2003, Year 3			715,191
42				
43	Equity			12,526,484
44				
45	Return at target ROE			1,237,617
46				
47	Debt			12,526,484
48				
49	Deemed interest amount in EBIT			908,170
50				
51	Phase-in of interest - Year 1			302,784
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			605,477
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			908,170
56				



[illegible]

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	Initial Estimate	Source	Deferral Account	Deferral Account	Deferral Account	Source	M of F Filing	M of F Filing	M of F Filing	Source
2	DEFERRAL/VARIANCE ACCOUNTS											
3	TAX CALCULATIONS (TAXCALC)											
4	"Wires-only" business - see Tab TAXREC)											
5			\$	#	\$		\$	#	\$		\$	#
91												
92	IV) FUTURE TRUE-UPS (post June 2002)								DR / (CR)			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4								0	True-up	
99	Change in Tax Reserves	5								0	True-up	
100	Regulatory Adjustments	6								0	True-up	
101	Other additions "Material" Item #1	7								0	True-up	
102	Other additions "Material" Item #2	7								0	True-up	
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9								0	True-up	
106	Items Capitalized for Regulatory Purposes	10								0	True-up	
107	Regulatory Adjustments	11								0	True-up	
108	Interest Adjustment for Tax Purposes (Cell I135)	12								0	True-up-See Below	
109	Other deductions "Material" Item #1	13								0	True-up	
110	Other deductions "Material" Item #2	13								0	True-up	
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15								0	True-up	
113												
114	Deferral Account Entry (Positive Entry=Debit)									0	True-up	
115												
116												
117	V) INTEREST PORTION OF TRUE-UP											
118												
119	Variance Caused By Phase-in of Deemed Debt											
120												
121	Total deemed interest (REGINFO CELL D49)								-908,170			
122	Interest phased-in - (Deferral Account Cell G34)								75,696			
123												
124	Variance due to phase-in of debt stucture								-832,474			
125	according to Rate Handbook											
126												
127	Other Interest Variances (ie Borrowing Levels											
128	Above Deemed Debt per Rate Handbook)											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								908,170			
132												
133	Variance caused by excess debt								908,170			
134												
135	Interest Adjustment for Tax Purposes Cell I108								0	True-up Amount- Used above		
136												
137	Total Interest Variance (Cell I34)								75,696			
138												



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	Wires-only	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
7	Halton Hills Hydro Inc.					
8	December 31, 2001					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	<b>I) CORPORATE INCOME TAXES</b>					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1			0	
16	Other Income	2			0	
17	Expenses					
18	Administration	3			0	
19	Distribution	4			0	
20	Operations and Maintenance	5			0	
21	Depreciation and Amortization	6			0	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8			0	
24	Federal LCT	9			0	
25						
26	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	10	0	0	0	1C
27						
28	<b>BOOK TO TAX ADDITIONS:</b>					
29	Depreciation & Amortization		0	0	0	2C
30	Federal Large Corporation Tax		0	0	0	3C
31	Employee benefit plans-accrued, not paid				0	4C
32	Change in tax reserves				0	5C
33	Regulatory adjustments				0	6C
34	Other additions "Material" Item #1				0	7C
35	Other additions "Material" Item #2				0	7C
36			0	0	0	
37	<i>Other Additions:</i> (From T2 S1)					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	<i>Other Additions:</i>				0	7C
83					0	
84	<i>Total Other Additions</i>		0	0	0	7C
85						
86	<i>Total Additions</i>		0	0	0	
87						
88	<b>BOOK TO TAX DEDUCTIONS:</b>					
89	Capital cost allowance				0	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred				0	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			0	0	0	
97	<i>Other deductions: (From T2 S1)</i>					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				0	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		0	0	0	13C
134						
135	<i>Total Deductions</i>		0	0	0	
136						
137						
138	<b>TAXABLE INCOME</b>		0	0	0	
139						
140						
141						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
142						
143						
144	<b>ONTARIO CAPITAL TAX</b>					
145						
146	<b>PAID-UP CAPITAL</b>					
147						
148	Paid-up capital stock				0	
149	Retained earnings (if deficit, deduct)				0	
150	Capital and other surplus excluding				0	
151	appraisal surplus				0	
152	Loans and advances				0	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and				0	
160	similar reserves				0	
161	Other reserves not allowed as deductions				0	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		0	0	0	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked				0	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	<b>Total (Net) Paid-up Capital</b>		0	0	0	
172						
173	<b>ELIGIBLE INVESTMENTS</b>					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations				0	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related				0	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	<b>Total Eligible Investments</b>		0	0	0	
185						
186						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
187						
188	<b>TOTAL ASSETS</b>					
189						
190	Total assets per balance sheet				0	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	<b>Total assets as adjusted</b>		0	0	0	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	<b>Total Assets</b>		1	1	2	
213						
214	<b>Investment Allowance</b>					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	<b>Taxable Capital</b>					
220						
221	Net paid-up capital		0	0	0	
222	Subtract: Investment Allowance		0	0	0	
223					0	
224	Taxable Capital		0	0	0	
225						
226	<b>Capital Tax Calculation</b>					
227						
228	Taxable capital		0	0	0	16C
229						
230	Deduction from taxable capital up to \$5,000,000				0	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	<b>Ontario Capital Tax</b>		0	0	0	
240						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
241						
242						
243	<b>LARGE CORPORATION TAX</b>					
244						
245	<b>CAPITAL</b>					
246						
247	ADD:					
248	Reserves that have not been deducted in				0	
249	computing income for the year under Part I				0	
250	Capital stock				0	
251	Retained earnings				0	
252	Contributed surplus				0	
253	Any other surpluses				0	
254	Deferred unrealized foreign exchange gains				0	
255	All loans and advances to the corporation				0	
256	All indebtedness- bonds, debentures, notes,				0	
257	mortgages, bankers acceptances, or similar				0	
258	obligations				0	
259	Any dividends declared but not paid				0	
260	All other indebtedness outstanding for more				0	
261	than 365 days				0	
262						
263	Subtotal		0	0	0	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity				0	
269	Any patronage dividends 135(1) deducted in				0	
270	computing income under Part I included in				0	
271	amounts above				0	
272	Deferred unrealized foreign exchange losses				0	
273						
274	Subtotal		0	0	0	
275						
276	<b>Capital for the year</b>		0	0	0	
277						
278	<b>INVESTMENT ALLOWANCE</b>					
279						
280	Shares in another corporation				0	
281	Loan or advance to another corporation				0	
282	Bond, debenture, note, mortgage, or				0	
283	similar obligation of another corporation				0	
284	Long term debt of financial institution				0	
285	Dividend receivable from another corporation				0	
286	Debts of corporate partnerships that were not				0	
287	exempt from tax under Part I.3				0	
288	Interest in a partnership				0	
289						
290	<b>Investment Allowance</b>		0	0	0	
291						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
292						
293	<b>TAXABLE CAPITAL</b>					
294						
295	Capital for the year		0	0	0	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		0	0	0	19C
300						
301	Deduct: Capital Deduction \$10,000,000				0	20C
302						
303	<b>Taxable Capital</b>		0	0	0	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	<b>Gross Part I.3 Tax LCT</b>		0	0	0	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
315						
316	<b>Net Part I.3 Tax LCT Payable</b>		0	0	0	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						



	A	B	C	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"			Version XX.xx
2	REGULATORY INFORMATION (REGINFO)			
3	Utility Name: Halton Hills Hydro Inc.			
4	Reporting period: December 31, 2002			
5				
6	Days in reporting period:	365	days	
7	Total days in the calendar year:	365	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	Y/N	
13				
14	Was the utility recently acquired by Hydro One			
15	and now subject to s.89 & 90 PILs?	N	Y/N	
16				
17	Is the utility a non-profit corporation?	N	Y/N	
18	(If the utility is a non-profit corporation, please contact the Rates Manager at OEB)			
19				
20	Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	N	Y/N	
21	Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet.		100%	
22				
23	Accounting Year End		Date	31-Dec
24				
25	MARR NO TAX CALCULATIONS			
26	SHEET #7 FINAL RUD MODEL DATA			
27	(FROM 1999 FINANCIAL STATEMENTS)			
28	USE BOARD-APPROVED AMOUNTS			
29				
30	Rate base (wires-only)			25,052,968
31				
32	Common Equity Ratio (CER)			50.00%
33				
34	1-CER			50.00%
35				
36	Target Return On Equity			9.88%
37				
38	Debt rate			7.25%
39				
40	Market Adjusted Revenue Requirement			2,145,787
41				
42	1999 return from RUD Sheet #7			0
43				
44	Total Incremental revenue			2,145,787
45	Input Board-approved dollar amounts phased-in			
46				
47	Amount allowed in 2001, Year 1			715,262
48	Amount allowed in 2002, Year 2			715,262
49	Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)			0
50				
51	Equity			12,526,484
52				
53	Return at target ROE			1,237,617
54				
55	Debt			12,526,484
56				
57	Deemed interest amount in EBIT			908,170
58				
59	Phase-in of interest - Year 1 (2001)			302,723
60	$((D38+D43)/D36)*D54$			
61	Phase-in of interest - Year 2 (2002)			605,447
62	$((D38+D43+D44)/D36)*D54$			
63	Phase-in of interest - Year 3 (2003) and forward			605,447
64	$((D38+D43+D44)/D36)*D54$ (due to Bill 210)			
65				
66				
67				

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										Version XX.xx	
6			\$					\$		\$	
7	Utility Name: Halton Hills Hydro Inc.										
8	Reporting period: December 31, 2002										
9	Days in reporting period:	365	days							Column	
10	Total days in the calendar year:	365	days							Brought	
11										From	
12										TAXREC	
13											
14	<b>II) CORPORATE INCOME TAXES</b>										
15	Regulatory Net Income	1	1,430,596					1,104,835		2,535,431	
16											
17	BOOK TO TAX ADJUSTMENTS										
18											
19	<b>Additions:</b>										
20	Depreciation & Amortization	2	1,059,367					709,026		1,768,393	
21	Employee Benefit Plans - Accrued, Not Paid	3	0					36,264		36,264	
22	Tax reserves deducted in prior year	4	0					0		0	
23	Reserves from financial statements-end of year	4	0					0		0	
24	Regulatory Adjustments	5	151,437					-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")										
26	"Material" Items from "TAXREC" worksheet	6	0					0		0	
27	Other Additions (not "Material") "TAXREC"	6	0					31,237		31,237	
28	"Material" Items from "TAXREC 2" worksheet	6	0					0		0	
29	Other Additions (not "Material") "TAXREC 2"	6	0					0		0	
30											
31	<b>Deductions:</b>										
32	Capital Cost Allowance and CEC	7	1,072,272					627,486		1,699,758	
33	Employee Benefit Plans - Paid Amounts	8	0					18,743		18,743	
34	Items Capitalized for Regulatory Purposes	9	0					0		0	
35	Regulatory Adjustments	10	55,617					-55,617		0	
36	Interest Expense Deemed/ Incurred	11	605,477					202,670		808,147	
37	Tax reserves claimed in current year	4	0					0		0	
38	Reserves from F/S beginning of year	4	0					0		0	
39	Contributions to deferred income plans	3	0					0		0	
40	Contributions to pension plans	3	0					0		0	
41	Interest capitalized for accounting but deducted for tax	11	0					0		0	
42	Other Deductions (See Tab entitled "TAXREC")										
43	"Material" Items from "TAXREC" worksheet	12	0					170,052		170,052	
44	Other Deductions (not "Material") "TAXREC"	12	0					1,631		1,631	
45	Material Items from "TAXREC 2" worksheet	12	0					0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12	0					0		0	
47											
48	<b>REGULATORY TAXABLE INCOME/ (LOSSES)</b>		908,034					2,694,890		1,672,994	
49											
50	<b>CORPORATE INCOME TAX RATE</b>										
51	Deemed %	13	38.62%					0.0000%		38.62%	
52											
53	<b>REGULATORY INCOME TAX</b>		350,683					295,428		646,110	
54	Taxable Income x Rate										
55											
56	Miscellaneous Tax Credits	14	0					0		0	
57											
58	<b>Total Regulatory Income Tax</b>		350,683					295,428		646,110	
59											
60	<b>To determine the exemptions for capital tax and large corporations tax:</b>										
61	Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%								
62											
63	<b>III) CAPITAL TAXES</b>										
64											
65	<b>Ontario</b>										
66	Base	15	25,052,968					6,372,944		31,425,911	
67	Less: Exemption	16	5,000,000					-331,108		4,668,892	
68	Deemed Taxable Capital		20,052,968					6,041,836		26,757,019	
69											
70	Rate (.3%)	17	0.3000%					0.0000%		0.3000%	
71											
72	Net Amount (Taxable Capital x Rate)		60,159					20,112		80,271	
73											
74	<b>Federal (LCT)</b>										
75	Base	18	25,052,968					5,579,510		30,632,478	
76	Less: Exemption	19	10,000,000					0		10,000,000	
77	Deemed Taxable Capital		15,052,968					5,579,510		20,632,478	
78											
79	Rate (.225%)	20	0.2250%					0.0000%		0.2250%	
80											
81	Gross Amount (Taxable Capital x Rate)		33,869					12,554		46,423	
82	Less: Federal Surtax	21	10,170					8,568		18,738	
83											
84	<b>Net LCT</b>		23,699					21,121		27,686	
85											

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	<b>ITEM</b>	<b>Initial</b>						<b>M of F</b>	<b>M of F</b>	<b>M of F</b>	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						<b>Filing</b>	<b>Filing</b>	<b>Filing</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)								<b>K-C</b>	<b>Explanation</b>	<b>(June)</b>	
5											<b>Version XX.xx</b>	
6			\$						\$		\$	
86	<b>III) INCLUSION IN RATES</b>											
87												
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
89												
90	Income Tax (grossed-up)	22	561,092									
91	LCT (grossed-up)	23	37,919									
92	Ontario Capital Tax	24	60,159									
93												
94												
95	<b>Total S. 93 PILs Rate Adjustment</b>	25	659,170									
96												
97												
98												
99	<b>IV) FUTURE TRUE-UPS (post June 2002)</b>											
100	<b>IV a) Calculation of the True-up Variance</b>								<b>DR/(CR)</b>			
101												
102	Employee Benefit Plans - Accrued, Not Paid	3							36,264			
103	Tax reserves deducted in prior year	4							0			
104	Reserves from financial statements-end of year	4							0			
105	Regulatory Adjustments	5							-151,437			
106	Other additions "Material" Items "TAXREC"	6							0			
107	Other additions "Material" Items "TAXREC 2"	6							0			
108												
109	Employee Benefit Plans - Paid Amounts	8							18,743			
110	Items Capitalized for Regulatory Purposes	9							0			
111	Regulatory Adjustments	10							-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11							0			
113	Tax reserves claimed in current year	4							0			
114	Reserves from F/S beginning of year	4							0			
115	Contributions to deferred income plans	3							0			
116	Contributions to pension plans	3							0			
117	Other deductions "Material" Items "TAXREC"	12							170,052			
118	Other deductions "Material" Item "TAXREC 2"	12							0			
119												
120	Total TRUE-UPS before tax effect	26						=	-248,351			
121												
122	Income Tax Rate (excluding surtax)							x	37.50%			
123												
124	Income Tax Effect on True-up adjustments							=	-93,132			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								-93,132			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
131												
132	<b>TRUE-UP VARIANCE</b>								(149,011)			
133												
134	<b>IV b) Calculation of the Deferral Account Variance</b>											
135												
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	908,034			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	38.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	350,683			
141												
142	Less: Revised Miscellaneous Tax Credits							-	0			
143												
144	Total Revised Regulatory Income Tax							=	350,683			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	350,683			
147												
148	Regulatory Income Tax Variance							=	0			
149												
150	Ontario Capital Tax											
151	Base							=	25,052,968			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	20,052,968			
154												
155	Rate (as a result of legislative changes)							x	0.3000%			
156												
157	Revised Ontario Capital Tax							=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)							-	60,159			
159	Regulatory Ontario Capital Tax Variance							=	0			
160												
161	Federal LCT											
162	Base							=	25,052,968			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	15,052,968			
165												

	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											Version XX.xx	
6			\$						\$		\$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								33,869			
169	Less: Federal surtax							-	10,170			
170	Revised Net LCT							=	23,699			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	23,699			
173	Regulatory Federal LCT Variance							=	0			
174												
175	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
176												
177	Income Tax (grossed-up)							+	0			
178	LCT (grossed-up)							+	0			
179	Ontario Capital Tax							+	0			
180												
181	DEFERRAL ACCOUNT VARIANCE							=	0			
182												
183	TRUE-UP VARIANCE (from cell I132)							+	(149,011)			
184												
185	Deferral Account Entry (Positive Entry = Debit)							=	(149,011)			
186	(Deferral Account Variance + True-up Variance)											
187	To be included as deferral account in rate application)											
188												
189												
190	V) INTEREST PORTION OF TRUE-UP											
191	Variance Caused By Phase-in of Deemed Debt											
192												
193	Total deemed interest (REGINFO)								908,170			
194	Interest phased-in (Cell C36)								605,477			
195												
196	Variance due to phase-in of debt structure								302,693			
197	according to Rate Handbook											
198												
199	Other Interest Variances (i.e. Borrowing Levels											
200	Above Deemed Debt per Rate Handbook)											
201	Interest deducted on MoF filing (Cell K36+K41)								808,147			
202	Total deemed interest (REGINFO CELL D57)								908,170			
203												
204	Variance caused by excess debt								0			
205												
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)								0			
207												
208	Total Interest Variance								302,693			
209												

	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			Return			
5					Version XX.xx	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills Hydro Inc.					
8	Reporting period: December 31, 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		31,316	< - 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-wire related operation?	Y/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	<b>Section B: Financial statements data:</b>					
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 positive number, the program automatically treat all amounts					
28	in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2.					
29	<b>Description:</b>					
30	<b>Income:</b>					
31	Service Revenue	+	39,024,565		39,024,565	
32	Other Income	+	1,197,549		1,197,549	
33	Miscellaneous income	+			0	
34		+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Expenses:</b>					
39	Cost of energy purchased	-	31,847,778		31,847,778	
40	Salaries and benefits	-	3,042,942		3,042,942	
41	Material costs	-	1,387,058		1,387,058	
42	Amortization	-	1,768,393		1,768,393	
43	Contract services	-	1,001,342		1,001,342	
44	Ontario Capital Tax	-	149,400		149,400	
45	Property costs	-	479,292		479,292	
46	Other expenses	-	288,438		288,438	
47	Communication costs	-	230,203		230,203	
48	Allocated to capital	-	-2,508,163		-2,508,163	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,535,431	0	2,535,431	
51	Less: Interest expense for accounting purposes	-	808,147		808,147	
52	Provision for payments in lieu of income taxes	-	305,000		305,000	
53	<b>Net Income (loss)</b>	=	1,422,284	0	1,422,284	
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	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	305,000	0	305,000	
60	Depreciation & Amortization	+	1,768,393	0	1,768,393	
61	Employee benefit plans-accrued, not paid	+	36,264	0	36,264	
62	Tax reserves deducted in prior year	+	0	0	0	
63	Reserves from financial statements- end of year	+			0	
64	Regulatory adjustments	+			0	
65	Material addition items from TAXREC 2	+	0	0	0	
66	Other addition items (not Material) from TAXREC 2	+	0	0	0	
67						
68	Subtotal		2,109,657	0	2,109,657	
69						
70	<b>Other Additions: (Please explain the nature of the additions)</b>					
71	Recapture of CCA	+			0	
72	Non-deductible meals and entertainment expense	+	4,423		4,423	
73	Capital items expensed	+			0	
74	Provision for bad debts	+	26,588		26,588	
75	Charitable donations	+	226		226	
76		+			0	
77		+			0	
78	Total Other Additions	=	31,237	0	31,237	
79						
80	Total Additions	=	2,140,894	0	2,140,894	
81						
82	<b>Recap Material Additions:</b>					
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	Total Other additions > materiality level		0	0	0	
91	Other deductions (less than materiality level)		31,237	0	31,237	
92	Total Other Additions		31,237	0	31,237	
93						

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			Return			
5					Version XX.xx	
94	BOOK TO TAX DEDUCTIONS:					
95	Capital cost allowance	-	1,616,937		1,616,937	
96	Cumulative eligible capital deduction	-	82,821		82,821	
97	Employee benefit plans-paid amounts	-	18,743		18,743	
98	Items capitalized for regulatory purposes	-			0	
99	Regulatory adjustments :	-			0	
100	CCA	-			0	
101	other deductions	-			0	
102	Tax reserves claimed in current year	-	0	0	0	
103	Reserves from F/S- beginning of year	-			0	
104	Contributions to deferred income plans	-			0	
105	Contributions to pension plans	-			0	
106	Interest capitalized for accounting deducted for tax	-			0	
107	Material deduction items from TAXREC 2	-	0	0	0	
108	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
109						
110	Subtotal	=	1,718,501	0	1,718,501	
111	Other deductions (Please explain the nature of the deductions)					
112	Charitable donations - tax basis	-			0	
113	Gain on disposal of assets	-			0	
114	Non-taxable load transfers	-	170,052		170,052	
115	Bad debts	-	1,631		1,631	
116		-			0	
117	Total Other Deductions	=	171,683	0	171,683	
118						
119	Total Deductions	=	1,890,184	0	1,890,184	
120						
121	Recap Material Deductions:					
122			0	0	0	
123			0	0	0	
124	Non-taxable load transfers		170,052	0	170,052	
125			0	0	0	
126			0	0	0	
127	Total Other Deductions exceed materiality level		170,052	0	170,052	
128	Other Deductions less than materiality level		1,631	0	1,631	
129	Total Other Deductions		171,683	0	171,683	
130						
131	TAXABLE INCOME	=	1,672,994	0	1,672,994	
132	DEDUCT:					
133	Non-capital loss applied	-	903,659		903,659	
134	Net capital loss applied	-			0	
135	NET TAXABLE INCOME	=	769,335	0	769,335	
136						
137	Net Federal Income Tax	+	200,891		200,891	
138	Net Ontario Income Tax	+	95,160		95,160	
139	Subtotal	=	296,051	0	296,051	
140	Less: Miscellaneous tax credits	-			0	
141	Total Income Tax	=	296,051	0	296,051	
142						
143						
144	Section D: Detail calculation of the Ontario Capital Tax					
145	ONTARIO CAPITAL TAX					
146	(From Ontario CT23)					
147	PAID-UP CAPITAL					
148						
149	Paid-up capital stock	+	16,161,663		16,161,663	
150	Retained earnings (if deficit, deduct)	+/-	233,887		233,887	
151	Capital and other surplus excluding	+			0	
152	appraisal surplus	+			0	
153	Loans and advances	+	16,465,836		16,465,836	
154	Bank loans	+			0	
155	Bankers acceptances	+			0	
156	Bonds and debentures payable	+			0	
157	Mortgages payable	+			0	
158	Lien notes payable	+			0	
159	Deferred credits	+			0	
160	Contingent, investment, inventory and similar reserves	+			0	
161	Other reserves not allowed as deductions	+			0	
162	Share of partnership(s), joint venture(s) paid-up capital	+	14,833		14,833	
163	Sub-total	=	32,876,219	0	32,876,219	
164	Subtract:					
165	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
166	Deductible R&D expenditures and ONTT1 costs deferred for income tax	-			0	
167	Total (Net) Paid-up Capital	=	32,876,219	0	32,876,219	
168						
169	ELIGIBLE INVESTMENTS					
170						
171	Bonds, lien notes, interest coupons	+			0	
172	Mortgages due from other corporations	+			0	
173	Shares in other corporations	+	879,235		879,235	
174	Loans and advances to unrelated corporations	+	4,250		4,250	
175	Eligible loans and advances to related corporations	+	830,551		830,551	
176	Share of partnership(s) or joint venture(s) eligible investments	+			0	
177						
178	Total Eligible Investments	=	1,714,036	0	1,714,036	
179						



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
4			Return			
5					Version XX.xx	
180						
181	<b>TOTAL ASSETS</b>					
182						
183	Total assets per balance sheet	+	38,859,556		38,859,556	
184	Mortgages or other liabilities deducted from assets	+			0	
185	Share of partnership(s)/ joint venture(s) total assets	+	20,401		20,401	
186	Subtract: Investment in partnership(s)/joint venture(s)	-	25,429		25,429	
187						
188	<b>Total assets as adjusted</b>	=	38,854,528	0	38,854,528	
189						
190	Add: (if deducted from assets)					
191	Contingent, investment, inventory and similar reserves	+			0	
192	Other reserves not allowed as deductions	+			0	
193	Subtract:				0	
194	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
195	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
196	Subtract: Appraisal surplus if booked	-			0	
197	Add or subtract: Other adjustments	+/-			0	
198						
199	<b>Total Assets</b>	=	38,854,528	0	38,854,528	
200						
201						
202	<b>Investment Allowance</b>		1,450,308	0	1,450,308	
203						
204	<b>Taxable Capital</b>					
205						
206	Net paid-up capital	+	32,876,219	0	32,876,219	
207	Subtract: Investment Allowance	-	1,450,308	0	1,450,308	
208						
209	<b>Taxable Capital</b>	=	31,425,911	0	31,425,911	
210						
211	<b>Capital Tax Calculation</b>					
212	Deduction from taxable capital up to \$5,000,000		4,668,892		4,668,892	
213						
214	<b>Net Taxable Capital</b>		26,757,019	0	26,757,019	
215						
216	Rate 0.3%		0.3000%	0.3000%	0.3000%	
217						
218	Days in taxation year		365	365	365	
219	Divide days by 365		1.00	1.00	1.00	
220						
221	<b>Ontario Capital Tax</b>		80,271	0	80,271	
222						
223						
224	<b>LARGE CORPORATION TAX</b>					
225	(From Federal Schedule 33)					
226	<b>CAPITAL</b>					
227	<b>ADD:</b>					
228	Reserves that have not been deducted in computing income for the year under Part I	+			0	
229	Capital stock	+	16,161,663	0	16,161,663	
230	Retained earnings	+	233,887		233,887	
231	Contributed surplus	+			0	
232	Any other surpluses	+			0	
233	Deferred unrealized foreign exchange gains	+			0	
234	All loans and advances to the corporation	+	16,151,219		16,151,219	
235	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	323,866		323,866	
236	Any dividends declared but not paid	+			0	
237	All other indebtedness outstanding for more than 365 days	+			0	
238						
239	<b>Subtotal</b>	=	32,870,635	0	32,870,635	
240						
241	<b>DEDUCT:</b>					
242	Deferred tax debit balance	-			0	
243	Any deficit deducted in computing shareholders' equity	-			0	
244	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
245	Deferred unrealized foreign exchange losses	-			0	
246						
247	<b>Subtotal</b>	=	0	0	0	
248						
249	<b>Capital for the year</b>		32,870,635	0	32,870,635	
250						



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
4			Return			
5					<b>Version XX.xx</b>	
251	<b>INVESTMENT ALLOWANCE</b>					
252						
253	Shares in another corporation	+	830,552		830,552	
254	Loan or advance to another corporation	+	547,375		547,375	
255	Bond, debenture, note, mortgage, or	+	834,801		834,801	
256	similar obligation of another corporation	+			0	
257	Long term debt of financial institution	+			0	
258	Dividend receivable from another corporation	+			0	
259	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
260	Interest in a partnership	+	25,429		25,429	
261						
262	<b>Investment Allowance</b>	=	2,238,157	0	2,238,157	
263						
264						
265	<b>TAXABLE CAPITAL</b>					
266						
267	Capital for the year	=	32,870,635	0	32,870,635	
268						
269	Deduct: Investment allowance	-	2,238,157	0	2,238,157	
270						
271	Taxable Capital for taxation year	=	30,632,478	0	30,632,478	
272						
273	Deduct: Capital Deduction \$10,000,000	-	10,000,000	0	10,000,000	
274						
275	<b>Taxable Capital</b>	=	20,632,478	0	20,632,478	
276						
277	Rate .225%		0.22500%	0.22500%	0.22500%	
278						
279	Days in year		365	365	365	
280	Divide days by 365		1.0000	1.0000	1.0000	
281						
282	<b>Gross Part I.3 Tax LCT</b>	=	46,423.08	0.00	46,423.08	
283						
284	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
285						
286	Less: Federal Surtax = Taxable Income x Surtax Rate	-	8,617	0	8,617	
287						
288	<b>Net Part I.3 Tax LCT Payable</b>	=	37,807	0	37,807	
289	(If surtax is greater than Gross LCT, then zero)					
290						
291	<b>RECAP:</b>					
292	Total Income Taxes	+	296,051	0	296,051	
293	Ontario Capital Tax	+	80,271	0	80,271	
294	Federal Large Corporations Tax	+	37,807	0	37,807	
295						
296	Total income and capital taxes	=	414,129	0	414,129	
297						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (Tax Reserves)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
4			Return			
5					<b>Version XX.xx</b>	
6						
7	<b>Utility Name: Halton Hills Hydro Inc.</b>					
8	<b>Reporting period: December 31, 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11	<b>Opening balance:</b>					
12	Accrued contingent liability				0	
13					0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
22						
23	<b>Ending balances:</b>					
24	Accrued contingent liability				0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33	Insert line above this line				0	
34	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
35						

	A	B	C	D	E	F
1						
2	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5			Return			
6					<b>Version XX.xx</b>	
7						
8	<b>Utility Name: Halton Hills Hydro Inc.</b>					
9	<b>Reporting period: December 31, 2002</b>					
10	<b>Number of days in taxation year:</b>		365	days		
11	<b>Materiality Level:</b>		31,316			
12						
13	<b>Section C: Reconciliation of accounting income to taxable income</b>					
14	<b>Add:</b>					
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	+			0	
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	Book loss on joint ventures or partnerships	+			0	
31	Capital items expensed	+			0	
32	Debt issue expense	+			0	
33	Deemed dividend income	+			0	
34	Dividends credited to investment account	+			0	
35	Financing fees deducted in books	+			0	
36	Gain on settlement of debt	+			0	
37	Interest paid on income debentures	+			0	
38	Recapture of SR&ED expenditures	+			0	
39	Share issue expense	+			0	
40	Write down of capital property	+			0	
41	Amounts received in respect of qualifying environment trust	+			0	
42	Other Additions: (please explain in detail the nature of the item)	+			0	
43	Employee future benefit costs accrued	+			0	
44	Provision for bad debts	+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53	Total Additions	=	0	0	0	
54						
55	Recap of Material Additions:					
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	
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			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			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			Return			
6					Version XX.xx	
82			0	0	0	
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						
94	Total Material additions		0	0	0	
95	Other additions less than materiality level		0	0	0	
96	Total Additions		0	0	0	
97						
98	Deduct:					
99	Gain on disposal of assets per f/s	-			0	
100	Dividends not taxable under section 83	-			0	
101	Terminal loss from Schedule 8	-			0	
102	Depreciation in inventory, end of prior year	-			0	
103	Scientific research expenses claimed in year from Form T661	-			0	
104	Bad debt	-			0	
105	Book income of joint venture or partnership	-			0	
106	Equity in income from subsidiary or affiliates	-			0	
107	Contributions to a qualifying environment trust	-			0	
108	Other income from financial statements	-			0	
109	Other deductions: (Please explain in detail the nature of the item)	-				
110	Employee future benefit expenses paid	-			0	
111	Non taxable load transfers	-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	0	0	0	
122						
123	Recap of Material Deductions:					
124			0	0	0	
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	Total Deductions exceed materiality level		0	0	0	
146	Other deductions less than materiality level		0	0	0	
147	Total Deductions		0	0	0	
148						

	A	B	C	D	E	F	G	H	I
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"								
2	Corporate Tax Rates								
3									
4	Income Range		0	200,001	>700,000				
5			to	to					
6		Year	200,000	700,000					
7	Income Tax Rate								
8	Current year	2002	19.12%	34.12%	38.62%				
9	Capital Tax Rate		0.30%						
10	LCT rate		0.225%						
11	Surtax		1.12%						
12	Ontario Capital Tax Exemption		5,000,000						
13	Federal Large Corporations Tax Exemption		10,000,000						
14									
15	Income Range		0	225,001	>700,000				
16			to	to					
17		Year	225,000	700,000					
18	Income Tax Rate								
19	Income Tax Rates used to gross up the deferral account allowance variance	2003	18.62%	32.12%	36.62%				
20									
21	Income Range		0	250,001	>700,000				
22			to	to					
23		Year	250,000	700,000					
24	Income Tax Rate								
25	Income Tax Rates used to gross up the true up variance	2004	18.62%	32.12%	36.62%				

	A	B	C	D	E	F	G
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"					Version XX.xx
2		Filing Requirements related to the "SIMPIL" model					
3		Utility Name: Halton Hills Hydro Inc.					
4		Reporting period: December 31, 2002					
5							
6		<u>Documents to be submitted to the Board when filing the Initial Estimate Column information:</u>					
7		<u>(Stage 1 filing: normally in January of the reporting period)</u>					
8							
9	1)	REGINFO spreadsheet		<input type="checkbox"/>			
10							
11	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
12							
13	3)	CCA schedule prepared for regulatory purposes		<input type="checkbox"/>			
14							
15	4)	TAX RATES spreadsheet		<input type="checkbox"/>			
16							
17	5)	Checklist		<input type="checkbox"/>			
18							
19	6)	Electronic format of the SIMPIL spreadsheets		<input type="checkbox"/>			
20							
21		<u>Documents to be submitted to the Board when filing the Deferral Account Allowance Column information:</u>					
22		<u>(Stage 2 filing: normally in December of the reporting period)</u>					
23							
24	1)	REGINFO spreadsheet		<input type="checkbox"/>			
25							
26	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
27							
28	3)	Revised CCA schedule prepared for regulatory purposes if changes have been made		<input type="checkbox"/>			
29							
30	4)	TAX RATES spreadsheet		<input type="checkbox"/>			
31							
32	5)	Checklist		<input type="checkbox"/>			
33							
34	6)	Electronic format of the SIMPIL spreadsheets		<input type="checkbox"/>			
35							
36		<u>Documents to be submitted to the Board when filing the Ministry of Finance Column information:</u>					
37		<u>(Stage 3 filing: normally in July of the year following the reporting period)</u>					
38							
39	1)	REGINFO spreadsheet		<input type="checkbox"/>			
40							
41	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
42							
43	3)	TAXREC, TAXREC 2 spreadsheets		<input type="checkbox"/>			
44							
45	4)	TAX RESERVES spreadsheet		<input type="checkbox"/>			
46							
47	5)	BACKGROUND QUESTIONNAIRE spreadsheet		<input type="checkbox"/>			
48							
49	6)	CONTINUITY SCHEDULE OF ACCOUNT # 1562		<input type="checkbox"/>			
50							
51	7)	Financial statements used to prepare tax returns if different from the audited financial statements previously submitted to the Board		<input type="checkbox"/>			
52							
53	8)	TAX RATES worksheet		<input type="checkbox"/>			
54							
55	9)	Checklist		<input type="checkbox"/>			
56							
57	10)	Electronic format of the SIMPIL worksheets		<input type="checkbox"/>			

	A	B	C	D	E	F	G	H
1		SECTION 93 PILs TAX GROSS-UP	"SIMPIL"					
2		QUESTIONNAIRE						
3		Utility Name: Halton Hills Hydro Inc.						
4		Reporting period: December 31, 2002						Version XX.xx
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 question 2 to 6.						
11		2 Please identify the types of non-wire operations carried on by the LDC.						
12		Answer:						
13								
14								
15								
16		3 Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?						
17		Answer:						
18								
19								
20								
21		4 Please identify the percentage and amount of gross revenues arising from non-wire operations.						
22		Answer:						
23								
24								
25		5 Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.						
26		Answer:						
27								
28								
29		6 Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining						
30		to non-wire operations.						
31		Answer:						
32								
33								
34		7 Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes? (P						
35		Answer:Yes	Accounting - 36,264		Tax - 18,743			
36								
37		8 Did the company have any reserve for accounting and tax purposes? (Please identify the amount.)						
38		Answer:No						
39								
40								
41		OTHER PERTINENT INFORMATION:						
42		9 Did the LDC incur any transition costs?						
43		Answer:Yes						
44								
45								
46		If the answer to question 9 is "NO", please skip question 10 and 11.						
47		10 Please identify the amount of transition costs recovery received from consumers during the reporting period.						
48		Answer:\$126,198						
49								
50								
51		11 Please identify the amount of transition costs deducted for accounting and tax purposes.						
52		Answer:						
53			Accounting		Tax			
54		Amortization/CCA claimed	126200		126200			
55		Other expensed	0		0			
56		Total	126200		126200			
57		Transition costs capitalized	0		0			
58		Incurred prior to October 1, 2001 & non-deductible for tax purposes	0		0			



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>														
2	<b>Analysis of Account 1562: Deferred Payment in lieu of Taxes</b>														
3															
4															
5	<b>Utility Name: Halton Hills Hydro Inc.</b>														
6	<b>Reporting period: December 31, 2002</b>														
7															
8															
9	<b>Year start:</b>		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
10	<b>Year end:</b>		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		12/31/2006		<b>Total</b>
11															
12	<b>Opening balance:</b>	=			236,647		81,863		81,863		81,863		81,863		0
13	<b>Initial Estimate PILs Rate Adjustment(1)</b>	+/-	236,647		659,170										895,817
14	<b>Deferral Account Variance PILs Rate Adjustment(2)</b>	+/-			0										0
15	<b>Deferral Account Entry (True-up adjustments ) (3)</b>	+/-			(149,011)										(149,011)
16	<b>Carrying charges</b>	+/-			2,863										2,863
17	<b>PILs collected from customers</b>	-	0		667,806										667,806
18															
19	<b>Ending balance:</b>		236,647		81,863		81,863		81,863		81,863		81,863		81,863
20															
21	<b>Note:</b>														
22	The purposes of this worksheet is to show the movement in Account 1562.														
23	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities														
24															
25	<b>Please identify the accounting method used to account for the PILs recovery.</b>														
26	<b>Answer: Accrual basis</b>														
27															
28															
29															
30	(1) in the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
31	(2) in the Deferral Account Variance Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
32	(3) in the Ministry of Finance Variance Column, under Future True-ups, Part IV of the TAXCALC spreadsheet														
33															

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP</b>			<b>Version XX.xx</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>			
3	<b>Utility Name: HALTON HILLS HYDRO INC.</b>			
4	<b>Reporting period: DECEMBER 31, 2003</b>			
5				
6	<b>Days in reporting period:</b>	365	days	
7	<b>Total days in the calendar year:</b>	365	days	
8				
9	<b>BACKGROUND</b>			
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 the utility is a non-profit corporation, please contact the Rates Manager at OEB)			
19				
20	Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate		Y/N	N
21	group?			
22	Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC			
23	spreadsheet.			
24				
25	<b>MARR NO TAX CALCULATIONS</b>			
26	<b>SHEET #7 FINAL RUD MODEL DATA</b>			
27	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>			
28	<b>USE BOARD-APPROVED AMOUNTS</b>			
29				
30	Rate base (wires-only)			25,052,968
31				
32	Common Equity Ratio (CER)			50.00%
33				
34	1-CER			50.00%
35				
36	Target Return On Equity			9.88%
37				
38	Debt rate			7.25%
39				
40	Market Adjusted Revenue Requirement			2,145,787
41				
42	1999 return from RUD Sheet #7			0
43				
44	Total Incremental revenue			2,145,787
45	Input Board-approved dollar amounts phased-in			
46				
47	Amount allowed in 2001, Year 1			715,262
48	Amount allowed in 2002, Year 2			715,262
49	Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)			0
50				
51	Equity			12,526,484
52				
53	Return at target ROE			1,237,617
54				
55	Debt			12,526,484
56				
57	Deemed interest amount in EBIT			908,170
58				
59	Phase-in of interest - Year 1 (2001)			302,723
60	$((D38+D43)/D36)*D54$			
61	Phase-in of interest - Year 2 (2002)			605,447
62	$((D38+D43+D44)/D36)*D54$			
63	Phase-in of interest - Year 3 (2003) and forward			605,447
64	$((D38+D43+D44)/D36)*D54$ (due to Bill 210)			
65				
66				
67				

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										Version XX.xx	
6			\$					\$		\$	
7	Utility Name: HALTON HILLS HYDRO INC.										
8	Reporting period: DECEMBER 31, 2003										Column
9	Days in reporting period:	365	days								Brought
10	Total days in the calendar year:	365	days								From
11											TAXREC
12											
13											
14	<b>I) CORPORATE INCOME TAXES</b>										
15	Regulatory Net Income	1	1,609,447					1,639,194		3,248,641	
16											
17	BOOK TO TAX ADJUSTMENTS										
18											
19	<b>Additions:</b>										
20	Depreciation & Amortization	2	1,789,218					6,641		1,795,859	
21	Employee Benefit Plans - Accrued, Not Paid	3	0					0		0	
22	Tax reserves deducted in prior year	4	0					0		0	
23	Reserves from financial statements-end of year	4	0					0		0	
24	Regulatory Adjustments	5	154,437					-154,437		0	
25	Other Additions (See Tab entitled "TAXREC")										
26	"Material" Items from "TAXREC" worksheet	6	0					0		0	
27	Other Additions (not "Material") "TAXREC"	6	0					4,319		4,319	
28	"Material" Items from "TAXREC 2" worksheet	6	0					52,983		52,983	
29	Other Additions (not "Material") "TAXREC 2"	6	0					15,737		15,737	
30											
31	<b>Deductions:</b>										
32	Capital Cost Allowance and CEC	7	1,209,332					353,235		1,562,567	
33	Employee Benefit Plans - Paid Amounts	8	0					0		0	
34	Items Capitalized for Regulatory Purposes	9	0					0		0	
35	Regulatory Adjustments	10	-55,617					55,617		0	
36	Interest Expense Deemed/ Incurred	11	681,173					540,428		1,221,601	
37	Tax reserves claimed in current year	4	0					0		0	
38	Reserves from F/S beginning of year	4	0					0		0	
39	Contributions to deferred income plans	3	0					0		0	
40	Contributions to pension plans	3	0					0		0	
41	Interest capitalized for accounting but deducted for tax	11	0					0		0	
42	Other Deductions (See Tab entitled "TAXREC")										
43	"Material" Items from "TAXREC" worksheet	12	0					0		0	
44	Other Deductions (not "Material") "TAXREC"	12	0					0		0	
45	Material Items from "TAXREC 2" worksheet	12	0					66,837		66,837	
46	Other Deductions (not "Material") "TAXREC 2"	12	0					13,548		13,548	
47											
48	REGULATORY TAXABLE INCOME/ (LOSSES)		1,718,214					2,594,102		2,252,986	
49											
50	CORPORATE INCOME TAX RATE										
51	Deemed %	13	38.62%					0.0000%		38.62%	
52											
53	REGULATORY INCOME TAX		663,574					206,529		870,103	
54	Taxable Income x Rate										
55											
56	Miscellaneous Tax Credits	14	0					0		0	
57											
58	<b>Total Regulatory Income Tax</b>		663,574					206,529		870,103	
59											
60	<b>To determine the exemptions for capital tax and large corporations tax:</b>										
61	Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%								
62											
63	<b>II) CAPITAL TAXES</b>										
64											
65	<i>Ontario</i>										
66	Base	15	25,052,968					7,586,603		32,639,570	
67	Less: Exemption	16	5,000,000					-313,562		4,686,438	
68	Deemed Taxable Capital		20,052,968					7,273,041		27,953,132	
69											
70	Rate (.3%)	17	0.3000%					0.0000%		0.3000%	
71											
72	Net Amount (Taxable Capital x Rate)		60,159					23,700		83,859	
73											
74	<i>Federal (LCT)</i>										
75	Base	18	25,052,968					6,521,653		31,574,621	
76	Less: Exemption	19	10,000,000					0		10,000,000	
77	Deemed Taxable Capital		15,052,968					6,521,653		21,574,621	
78											
79	Rate (.225%)	20	0.2250%					0.0000%		0.2250%	
80											
81	Gross Amount (Taxable Capital x Rate)		33,869					14,674		48,543	
82	Less: Federal Surtax	21	19,244					5,989		25,233	
83											
84	<b>Net LCT</b>		14,625					20,663		23,309	
85											

	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	Variance	
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											Version XX.xx	
6			\$						\$		\$	
86	<b>III) INCLUSION IN RATES</b>											
87												
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
89												
90	Income Tax (grossed-up)	22	1,061,719									
91	LCT (grossed-up)	23	23,400									
92	Ontario Capital Tax	24	60,159									
93												
94												
95	Total S. 93 PILs Rate Adjustment	25	1,145,278									
96												
97												
98												
99	<b>IV) FUTURE TRUE-UPS (post June 2002)</b>											
100	<b>IV a) Calculation of the True-up Variance</b>								DR/(CR)			
101												
102	Employee Benefit Plans - Accrued, Not Paid	3							0			
103	Tax reserves deducted in prior year	4							0			
104	Reserves from financial statements-end of year	4							0			
105	Regulatory Adjustments	5							-154,437			
106	Other additions "Material" Items "TAXREC"	6							0			
107	Other additions "Material" Items "TAXREC 2"	6							52,983			
108												
109	Employee Benefit Plans - Paid Amounts	8							0			
110	Items Capitalized for Regulatory Purposes	9							0			
111	Regulatory Adjustments	10							55,617			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11							313,431			
113	Tax reserves claimed in current year	4							0			
114	Reserves from F/S beginning of year	4							0			
115	Contributions to deferred income plans	3							0			
116	Contributions to pension plans	3							0			
117	Other deductions "Material" Items "TAXREC"	12							0			
118	Other deductions "Material" Item "TAXREC 2"	12							66,837			
119												
120	Total TRUE-UPS before tax effect	26						=	-537,339			
121												
122	Income Tax Rate (excluding surtax)							x	37.50%			
123												
124	Income Tax Effect on True-up adjustments							=	-201,502			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								-201,502			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
131												
132	<b>TRUE-UP VARIANCE</b>								(322,403)			
133												
134	<b>IV b) Calculation of the Deferral Account Variance</b>											
135												
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,718,214			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	38.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	663,574			
141												
142	Less: Revised Miscellaneous Tax Credits							-	0			
143												
144	Total Revised Regulatory Income Tax							=	663,574			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	663,574			
147												
148	Regulatory Income Tax Variance							=	0			
149												
150	Ontario Capital Tax											
151	Base							=	25,052,968			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	20,052,968			
154												
155	Rate (as a result of legislative changes)							x	0.3000%			
156												
157	Revised Ontario Capital Tax							=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)							-	60,159			
159	Regulatory Ontario Capital Tax Variance							=	0			
160												
161	Federal LCT											
162	Base							=	25,052,968			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	15,052,968			
165												

	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	Variance	
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											Version XX.xx	
6			\$						\$		\$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								33,869			
169	Less: Federal surtax							-	19,244			
170	Revised Net LCT							=	14,625			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	14,625			
173	Regulatory Federal LCT Variance							=	0			
174												
175	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
176												
177	Income Tax (grossed-up)							+	0			
178	LCT (grossed-up)							+	0			
179	Ontario Capital Tax							+	0			
180												
181	DEFERRAL ACCOUNT VARIANCE							=	0			
182												
183	TRUE-UP VARIANCE (from cell I132)							+	(322,403)			
184												
185	Deferral Account Entry (Positive Entry = Debit)							=	(322,403)			
186	(Deferral Account Variance + True-up Variance)											
187	To be included as deferral account in rate application)											
188												
189												
190	V) INTEREST PORTION OF TRUE-UP											
191	Variance Caused By Phase-in of Deemed Debt											
192												
193	Total deemed interest (REGINFO)								908,170			
194	Interest phased-in (Cell C36)								681,173			
195												
196	Variance due to phase-in of debt structure								226,997			
197	according to Rate Handbook											
198												
199	Other Interest Variances (i.e. Borrowing Levels											
200	Above Deemed Debt per Rate Handbook)											
201	Interest deducted on MoF filing (Cell K36+K41)								1,221,601			
202	Total deemed interest (REGINFO CELL D57)								908,170			
203												
204	Variance caused by excess debt								313,431			
205												
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)								313,431			
207												
208	Total Interest Variance								-86,434			
209												

	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			Return			
5					Version XX.xx	
6	<b>Section A: Identification:</b>					
7	Utility Name: HALTON HILLS HYDRO INC.					
8	Reporting period: DECEMBER 31, 2003					
9	Taxation Year's start date: JANUARY 1, 2003					
10	Taxation Year's end date: DECEMBER 31, 2003					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		31,316	< - 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-wire related operation?	Y/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	<b>Section B: Financial statements data:</b>					
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 positive number, the program automatically treat all amounts					
28	in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2.					
29	<b>Description:</b>					
30	Income:					
31	Service Revenue	+	36,226,346		36,226,346	
32	Other income	+	1,136,036		1,136,036	
33	Miscellaneous income	+			0	
34		+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Expenses:					
39	Cost of energy purchased	-	28,473,695		28,473,695	
40	Salaries & benefits	-	3,004,752		3,004,752	
41	Material costs	-	1,512,768		1,512,768	
42	Amortization	-	1,795,859		1,795,859	
43	Contract services	-	914,377		914,377	
44	Ontario Capital Tax	-	133,080		133,080	
45	Property costs	-	498,472		498,472	
46	Other expenses	-	440,309		440,309	
47	Communication costs	-	186,462		186,462	
48	Allocated to capital	-	-2,846,033		-2,846,033	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,248,641	0	3,248,641	
51	Less: Interest expense for accounting purposes	-	1,221,601		1,221,601	
52	Provision for payments in lieu of income taxes	-	856,051		856,051	
53	Net Income (loss)	=	1,170,989	0	1,170,989	
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	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	856,051	0	856,051	
60	Depreciation & Amortization	+	1,795,859	0	1,795,859	
61	Employee benefit plans-accrued, not paid	+	0	0	0	
62	Tax reserves deducted in prior year	+	0	0	0	
63	Reserves from financial statements- end of year	+			0	
64	Regulatory adjustments	+			0	
65	Material addition items from TAXREC 2	+	52,983	0	52,983	
66	Other addition items (not Material) from TAXREC 2	+	15,737	0	15,737	
67						
68	Subtotal		2,720,630	0	2,720,630	
69						
70	<b>Other Additions: (Please explain the nature of the additions)</b>					
71	Recapture of CCA	+			0	
72	Non-deductible meals and entertainment expense	+	4,319		4,319	
73	Capital items expensed	+			0	
74		+			0	
75		+			0	
76		+			0	
77		+			0	
78	Total Other Additions	=	4,319	0	4,319	
79						
80	Total Additions	=	2,724,949	0	2,724,949	
81						
82	<b>Recap Material Additions:</b>					
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	Total Other additions >materiality level		0	0	0	
91	Other deductions (less than materiality level)		4,319	0	4,319	
92	Total Other Additions		4,319	0	4,319	
93						



	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			Return			
5					Version XX.xx	
94	BOOK TO TAX DEDUCTIONS:					
95	Capital cost allowance	-	1,485,543		1,485,543	
96	Cumulative eligible capital deduction	-	77,024		77,024	
97	Employee benefit plans-paid amounts	-			0	
98	Items capitalized for regulatory purposes	-			0	
99	Regulatory adjustments:	-			0	
100	CCA	-			0	
101	other deductions	-			0	
102	Tax reserves claimed in current year	-	0	0	0	
103	Reserves from F/S- beginning of year	-			0	
104	Contributions to deferred income plans	-			0	
105	Contributions to pension plans	-			0	
106	Interest capitalized for accounting deducted for tax	-			0	
107	Material deduction items from TAXREC 2	-	66,837	0	66,837	
108	Other deduction items (not Material) from TAXREC 2	-	13,548	0	13,548	
109						
110	Subtotal	=	1,642,952	0	1,642,952	
111	Other deductions (Please explain the nature of the deductions)					
112	Charitable donations - tax basis	-			0	
113	Gain on disposal of assets	-			0	
114		-			0	
115		-			0	
116		-			0	
117	Total Other Deductions	=	0	0	0	
118						
119	Total Deductions	=	1,642,952	0	1,642,952	
120						
121	Recap Material Deductions:					
122			0	0	0	
123			0	0	0	
124			0	0	0	
125			0	0	0	
126			0	0	0	
127	Total Other Deductions exceed materiality level		0	0	0	
128	Other Deductions less than materiality level		0	0	0	
129	Total Other Deductions		0	0	0	
130						
131	TAXABLE INCOME	=	2,252,986	0	2,252,986	
132	DEDUCT:					
133	Non-capital loss applied	-			0	
134	Net capital loss applied	-			0	
135	NET TAXABLE INCOME	=	2,252,986	0	2,252,986	
136						
137	Net Federal Income Tax	+	543,420		543,420	
138	Net Ontario Income Tax	+	282,602		282,602	
139	Subtotal	=	826,022	0	826,022	
140	Less: Miscellaneous tax credits	-			0	
141	Total Income Tax	=	826,022	0	826,022	
142						
143						
144	Section D: Detail calculation of the Ontario Capital Tax					
145	ONTARIO CAPITAL TAX					
146	(From Ontario CT23)					
147	PAID-UP CAPITAL					
148						
149	Paid-up capital stock	+	16,161,663		16,161,663	
150	Retained earnings (if deficit, deduct)	+/-	1,404,876		1,404,876	
151	Capital and other surplus excluding	+			0	
152	appraisal surplus	+			0	
153	Loans and advances	+	16,572,997		16,572,997	
154	Bank loans	+			0	
155	Bankers acceptances	+			0	
156	Bonds and debentures payable	+			0	
157	Mortgages payable	+			0	
158	Lien notes payable	+			0	
159	Deferred credits	+			0	
160	Contingent, investment, inventory and similar reserves	+			0	
161	Other reserves not allowed as deductions	+			0	
162	Share of partnership(s), joint venture(s) paid-up capital	+	19,921		19,921	
163	Sub-total	=	34,159,457	0	34,159,457	
164	Subtract:					
165	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
166	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
167	Total (Net) Paid-up Capital	=	34,159,457	0	34,159,457	
168						
169	ELIGIBLE INVESTMENTS					
170						
171	Bonds, lien notes, interest coupons	+			0	
172	Mortgages due from other corporations	+			0	
173	Shares in other corporations	+	924,617		924,617	
174	Loans and advances to unrelated corporations	+			0	
175	Eligible loans and advances to related corporations	+	865,551		865,551	
176	Share of partnership(s) or joint venture(s) eligible investments	+	30,926		30,926	
177						
178	Total Eligible Investments	=	1,821,094	0	1,821,094	
179						



	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			Return			
5					Version XX.xx	
180						
181	<b>TOTAL ASSETS</b>					
182						
183	Total assets per balance sheet	+	40,940,086		40,940,086	
184	Mortgages or other liabilities deducted from assets	+			0	
185	Share of partnership(s)/ joint venture(s) total assets	+	24,814		24,814	
186	Subtract: Investment in partnership(s)/joint venture(s)	-	35,811		35,811	
187						
188	<b>Total assets as adjusted</b>	=	40,929,089	0	40,929,089	
189						
190	Add: (if deducted from assets)					
191	Contingent, investment, inventory and similar reserves	+			0	
192	Other reserves not allowed as deductions	+			0	
193	Subtract:				0	
194	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
195	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
196	Subtract: Appraisal surplus if booked	-			0	
197	Add or subtract: Other adjustments	+/-			0	
198						
199	<b>Total Assets</b>	=	40,929,089	0	40,929,089	
200						
201						
202	<b>Investment Allowance</b>		1,519,887	0	1,519,887	
203						
204	<b>Taxable Capital</b>					
205						
206	Net paid-up capital	+	34,159,457	0	34,159,457	
207	Subtract: Investment Allowance	-	1,519,887	0	1,519,887	
208						
209	<b>Taxable Capital</b>	=	32,639,570	0	32,639,570	
210						
211	<b>Capital Tax Calculation</b>					
212	Deduction from taxable capital up to \$5,000,000		4,686,438		4,686,438	
213						
214	<b>Net Taxable Capital</b>		27,953,132	0	27,953,132	
215						
216	Rate 0.3%		0.3000%	0.3000%	0.3000%	
217						
218	Days in taxation year		365	365	365	
219	Divide days by 365		1.00	1.00	1.00	
220						
221	<b>Ontario Capital Tax</b>		83,859	0	83,859	
222						
223						
224	<b>LARGE CORPORATION TAX</b>					
225	(From Federal Schedule 33)					
226	<b>CAPITAL</b>					
227	ADD:					
228	Reserves that have not been deducted in computing income for the year under Part I	+			0	
229	Capital stock	+	16,161,663	0	16,161,663	
230	Retained earnings	+	1,404,876		1,404,876	
231	Contributed surplus	+			0	
232	Any other surpluses	+			0	
233	Deferred unrealized foreign exchange gains	+			0	
234	All loans and advances to the corporation	+	16,147,787		16,147,787	
235	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
236	Any dividends declared but not paid	+			0	
237	All other indebtedness outstanding for more than 365 days	+	431,027		431,027	
238						
239	<b>Subtotal</b>	=	34,145,353	0	34,145,353	
240						
241	DEDUCT:					
242	Deferred tax debit balance	-			0	
243	Any deficit deducted in computing shareholders' equity	-			0	
244	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
245	Deferred unrealized foreign exchange losses	-			0	
246						
247	<b>Subtotal</b>	=	0	0	0	
248						
249	<b>Capital for the year</b>		34,145,353	0	34,145,353	
250						

	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			Return			
5					Version XX.xx	
251	<b>INVESTMENT ALLOWANCE</b>					
252						
253	Shares in another corporation	+	865,552		865,552	
254	Loan or advance to another corporation	+	803,818		803,818	
255	Bond, debenture, note, mortgage, or	+	865,551		865,551	
256	similar obligation of another corporation	+			0	
257	Long term debt of financial institution	+			0	
258	Dividend receivable from another corporation	+			0	
259	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
260	Interest in a partnership	+	35,811		35,811	
261						
262	<b>Investment Allowance</b>	=	2,570,732	0	2,570,732	
263						
264						
265	<b>TAXABLE CAPITAL</b>					
266						
267	Capital for the year	=	34,145,353	0	34,145,353	
268						
269	Deduct: Investment allowance	-	2,570,732	0	2,570,732	
270						
271	Taxable Capital for taxation year	=	31,574,621	0	31,574,621	
272						
273	Deduct: Capital Deduction \$10,000,000	-	10,000,000	0	10,000,000	
274						
275	<b>Taxable Capital</b>	=	21,574,621	0	21,574,621	
276						
277	Rate .225%		0.22500%	0.22500%	0.22500%	
278						
279	Days in year		365	365	365	
280	Divide days by 365		1.0000	1.0000	1.0000	
281						
282	<b>Gross Part I.3 Tax LCT</b>	=	48,542.90	0.00	48,542.90	
283						
284	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
285						
286	Less: Federal Surtax = Taxable Income x Surtax Rate	-	25,233	0	25,233	
287						
288	<b>Net Part I.3 Tax LCT Payable</b>	=	23,309	0	23,309	
289	(If surtax is greater than Gross LCT, then zero)					
290						
291	<b>RECAP:</b>					
292	Total Income Taxes	+	826,022	0	826,022	
293	Ontario Capital Tax	+	83,859	0	83,859	
294	Federal Large Corporations Tax	+	23,309	0	23,309	
295						
296	Total income and capital taxes	=	933,191	0	933,191	
297						

	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 (Tax Reserves)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4			Return			
5					Version XX.xx	
6						
7	Utility Name: HALTON HILLS HYDRO INC.					
8	Reporting period: DECEMBER 31, 2003					
9						
10	<b>TAX RESERVES</b>					
11	<b>Opening balance:</b>					
12	Accrued contingent liability				0	
13					0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
22						
23	<b>Ending balances:</b>					
24	Accrued contingent liability				0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33	Insert line above this line				0	
34	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
35						

	A	B	C	D	E	F
1						
2	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	Wires-only	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5			Return			
6					Version XX.xx	
7						
8	Utility Name: HALTON HILLS HYDRO INC.					
9	Reporting period: DECEMBER 31, 2003					
10	Number of days in taxation year:		365	days		
11	Materiality Level:		31,316			
12						
13	<b>Section C: Reconciliation of accounting income to taxable income</b>					
14	<b>Add:</b>					
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	+			0	
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	Book loss on joint ventures or partnerships	+			0	
31	Capital items expensed	+			0	
32	Debt issue expense	+			0	
33	Deemed dividend income	+			0	
34	Dividends credited to investment account	+			0	
35	Financing fees deducted in books	+			0	
36	Gain on settlement of debt	+			0	
37	Interest paid on income debentures	+			0	
38	Recapture of SR&ED expenditures	+			0	
39	Share issue expense	+			0	
40	Write down of capital property	+			0	
41	Amounts received in respect of qualifying environment trust	+			0	
42	Other Additions: (please explain in detail the nature of the item)	+			0	
43	Employee future benefit costs accrued	+	15448		15448	
44	Provision for bad debts	+	52983		52983	
45	Interest & penalties	+	289		289	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53	Total Additions	=	68720	0	68720	
54						
55	<b>Recap of Material Additions:</b>					
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	
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			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			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			Return			
6					Version XX.xx	
82			0	0	0	
83			0	0	0	
84			0	0	0	
85	Provision for bad debts		52983	0	52983	
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						
94	Total Material additions		52983	0	52983	
95	Other additions less than materiality level		15737	0	15737	
96	Total Additions		68720	0	68720	
97						
98	Deduct:					
99	Gain on disposal of assets per I/s	-			0	
100	Dividends not taxable under section 83	-			0	
101	Terminal loss from Schedule 8	-			0	
102	Depreciation in inventory, end of prior year	-			0	
103	Scientific research expenses claimed in year from Form T661	-			0	
104	Bad debt	-	66837		66837	
105	Book income of joint venture or partnership	-			0	
106	Equity in income from subsidiary or affiliates	-			0	
107	Contributions to a qualifying environment trust	-			0	
108	Other income from financial statements	-			0	
109	Other deductions: (Please explain in detail the nature of the item)	-				
110	Employee future benefits paid	-	13548		13548	
111		-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	80385	0	80385	
122						
123	Recap of Material Deductions:					
124			0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129	Bad debt		66837	0	66837	
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	Total Deductions exceed materiality level		66837	0	66837	
146	Other deductions less than materiality level		13548	0	13548	
147	Total Deductions		80385	0	80385	
148						

	A	B	C	D	E	F	G	H	I
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>								
2	<b>Corporate Tax Rates</b>								
3									
4	<b>Income Range</b>		<b>0</b>	<b>200,001</b>	<b>&gt;700,000</b>				
5			<b>to</b>	<b>to</b>					
6		<b>Year</b>	<b>200,000</b>	<b>700,000</b>					
7	<b>Income Tax Rate</b>								
8	<i><b>Current year</b></i>	<i>2003</i>	19.12%	34.12%	38.62%				
9	<b>Capital Tax Rate</b>		0.30%						
10	<b>LCT rate</b>		0.225%						
11	<b>Surtax</b>		1.12%						
12	<b>Ontario Capital Tax Exemption</b>		5,000,000						
13	<b>Federal Large Corporations Tax Exemption</b>		10,000,000						
14									
15	<b>Income Range</b>		<b>0</b>	<b>225,001</b>	<b>&gt;700,000</b>				
16			<b>to</b>	<b>to</b>					
17		<b>Year</b>	<b>225,000</b>	<b>700,000</b>					
18	<b>Income Tax Rate</b>								
19	<i><b>Income Tax Rates used to gross up the deferral account allowance variance</b></i>	<i>2004</i>	18.62%	32.12%	36.62%				
20									
21	<b>Income Range</b>		<b>0</b>	<b>250,001</b>	<b>&gt;700,000</b>				
22			<b>to</b>	<b>to</b>					
23		<b>Year</b>	<b>250,000</b>	<b>700,000</b>					
24	<b>Income Tax Rate</b>								
25	<i><b>Income Tax Rates used to gross up the true up variance</b></i>	<i>2005</i>	18.62%	32.12%	36.62%				

	A	B	C	D	E	F	G
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"					Version XX.xx
2		Filing Requirements related to the "SIMPIL" model					
3		Utility Name: HALTON HILLS HYDRO INC.					
4		Reporting period: DECEMBER 31, 2003					
5							
6		<b>Documents to be submitted to the Board when filing the Initial Estimate Column information:</b>					
7		(Stage 1 filing: normally in January of the reporting period)					
8							
9	1)	REGINFO spreadsheet		<input type="checkbox"/>			
10							
11	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
12							
13	3)	CCA schedule prepared for regulatory purposes		<input type="checkbox"/>			
14							
15	4)	TAX RATES spreadsheet		<input type="checkbox"/>			
16							
17	5)	Checklist		<input type="checkbox"/>			
18							
19	6)	Electronic format of the SIMPIL spreadsheets		<input type="checkbox"/>			
20							
21		<b>Documents to be submitted to the Board when filing the Deferral Account Allowance Column information:</b>					
22		(Stage 2 filing: normally in December of the reporting period)					
23							
24	1)	REGINFO spreadsheet		<input type="checkbox"/>			
25							
26	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
27							
28	3)	Revised CCA schedule prepared for regulatory purposes if changes have been made		<input type="checkbox"/>			
29							
30	4)	TAX RATES spreadsheet		<input type="checkbox"/>			
31							
32	5)	Checklist		<input type="checkbox"/>			
33							
34	6)	Electronic format of the SIMPIL spreadsheets		<input type="checkbox"/>			
35							
36		<b>Documents to be submitted to the Board when filing the Ministry of Finance Column information:</b>					
37		(Stage 3 filing: normally in July of the year following the reporting period)					
38							
39	1)	REGINFO spreadsheet		<input type="checkbox"/>			
40							
41	2)	TAXCALC spreadsheet		<input type="checkbox"/>			
42							
43	3)	TAXREC, TAXREC 2 spreadsheets		<input type="checkbox"/>			
44							
45	4)	TAX RESERVES spreadsheet		<input type="checkbox"/>			
46							
47	5)	BACKGROUND QUESTIONNAIRE spreadsheet		<input type="checkbox"/>			
48							
49	6)	CONTINUITY SCHEDULE OF ACCOUNT # 1562		<input type="checkbox"/>			
50							
51	7)	Financial statements used to prepare tax returns if different from the audited financial statements previously submitted to the Board		<input type="checkbox"/>			
52							
53	8)	TAX RATES worksheet		<input type="checkbox"/>			
54							
55	9)	Checklist		<input type="checkbox"/>			
56							
57	10)	Electronic format of the SIMPIL worksheets		<input type="checkbox"/>			



	A	B	C	D	E	F	G	H
1	<b>SECTION 93 PILs TAX GROSS-UP</b>		<b>"SIMPIL"</b>					
2	<b>QUESTIONNAIRE</b>							
3	Utility Name: HALTON HILLS HYDRO INC.							
4	Reporting period: DECEMBER 31, 2003							Version XX.xx
5								
6	<b>1 Does the company engage in non-regulated activities?</b>							
7	Answer: NO							
8								
9								
10	If the answer to question 1 is "NO", please skip question 2 to 6.							
11	<b>2 Please identify the types of non-wire operations carried on by the LDC.</b>							
12	Answer:							
13								
14								
15								
16	<b>3 Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?</b>							
17	Answer:							
18								
19								
20								
21	<b>4 Please identify the percentage and amount of gross revenues arising from non-wire operations.</b>							
22	Answer:							
23								
24								
25	<b>5 Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.</b>							
26	Answer:							
27								
28								
29	<b>6 Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining</b>							
30	<b>to non-wire operations.</b>							
31	Answer:							
32								
33								
34	<b>7 Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes? (P</b>							
35	Answer: YES		Accounting - 15,448		Tax - 13,548			
36								
37	<b>8 Did the company have any reserve for accounting and tax purposes? (Please identify the amount.)</b>							
38	Answer: NO							
39								
40								
41	<b>OTHER PERTINENT INFORMATION:</b>							
42	<b>9 Did the LDC incur any transition costs?</b>							
43	Answer: YES							
44								
45								
46	If the answer to question 9 is "NO", please skip question 10 and 11.							
47	<b>10 Please identify the amount of transition costs recovery received from consumers during the reporting period.</b>							
48	Answer: 177,899							
49								
50								
51	<b>11 Please identify the amount of transition costs deducted for accounting and tax purposes.</b>							
52	Answer:							
53		Accounting		Tax				
54	Amortization/CCA claimed	113,580		113,580				
55	Other expensed	0		0				
56	Total	113,580		113,580				
57	Transition costs capitalized	0		0				
58	Incurred prior to October 1, 2001 & non-deductible for tax purposes	0		0				

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>														
2	<b>Analysis of Account 1562: Deferred Payment in lieu of Taxes</b>														
3															
4															
5	Utility Name: HALTON HILLS HYDRO INC.														
6	Reporting period: DECEMBER 31, 2003														
7															
8															
9	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
10	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		12/31/2006	Total	
11															
12	Opening balance:	=			0		140,444		24,938		24,938		24,938		0
13	Initial Estimate PILs Rate Adjustment(1)	+/-			954,398		1,145,278								2,099,676
14	Deferral Account Variance PILs Rate Adjustment(2)	+/-			0		0								0
15	Deferral Account Entry (True-up adjustments ) (3)	+/-			(149,011)		(253,863)								(402,874)
16	Carrying charges	+/-			2,863		5,785								8,648
17	PILs collected from customers	-		0	667,806		1,012,706								1,680,512
18															
19	Ending balance:		0		140,444		24,938		24,938		24,938		24,938		24,938
20															
21	<b>Note:</b>														
22	The purposes of this worksheet is to show the movement in Account 1562.														
23	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities														
24															
25	Please identify the accounting method used to account for the PILs recovery.														
26	Answer: Accrual basis														
27															
28															
29															
30	(1) in the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
31	(2) in the Deferral Account Variance Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
32	(3) in the Ministry of Finance Variance Column, under Future True-ups, Part IV of the TAXCALC spreadsheet														
33															

	A	B	C	D	E
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>				<b>Version 2004.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				<b>RRR # 2.1.8</b>
3	<b>Utility Name: HALTON HILLS HYDRO INC.</b>				
4	<b>Reporting period: 2004</b>				
5					
6	<b>Days in reporting period:</b>	366	days		
7	<b>Total days in the calendar year:</b>	366	days		
8					
9	<b>BACKGROUND</b>				
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	- for 2004 only
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	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory Income</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,298	715,298
48	Amount allowed in 2002			715,298	715,298
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	<b>Total Regulatory Income</b>				1,430,596
54					
55	Equity			12,526,484	
56					
57	Return at target ROE			1,237,617	
58					
59	Debt			12,526,484	
60					
61	Deemed interest amount in 100% of MARR			908,170	
62					
63	Phase-in of interest - Year 1 (2001)			302,738	
64	((D43+D47)/D41)*D61				
65	Phase-in of interest - Year 2 (2002)			605,477	
66	((D43+D47+D48)/D41)*D61				
67	Phase-in of interest - Year 3 (2003) and forward			605,477	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
69					
70					
71					

1	A	B	C	D	E	F	G	H	I	J	K	L
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
3	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
4	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
6	RRR # 2.1.8										Version 2004.1	
7			\$						\$		\$	
8	Utility Name: HALTON HILLS HYDRO INC.											
9	Reporting period: 2004											Column
10	Days in reporting period:	366	days									Brought
11	Total days in the calendar year:	366	days									From
12												TAXREC
13	II) CORPORATE INCOME TAXES											
14												
15	Regulatory Net Income REGINFO E53	1	1,430,596						1,077,432		2,508,026	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	1,059,367						753,098		1,812,465	
21	Employee Benefit Plans - Accrued, Not Paid	3							40,768		40,768	
22	Tax reserves - beginning of year	4							0		0	
23	Reserves from financial statements - end of year	4							0		0	
24	Regulatory Adjustments - increase in income	5	151,437						-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")											
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							363,593		363,593	
29	Other Additions (not "Material") "TAXREC 2"	6							5,414		5,414	
30												
31	Deductions: Input positive numbers											
32	Capital Cost Allowance and CEC	7	1,072,272						-515,254		1,587,526	
33	Employee Benefit Plans - Paid Amounts	8							-20,269		20,269	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617						55,617		0	
36	Interest Expense Deemed/ Incurred	11	605,477						-565,466		1,170,943	
37	Tax reserves - end of year	4							0		0	
38	Reserves from financial statements - beginning of year	4							0		0	
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")								0			
43	"Material" Items from "TAXREC" worksheet	12							0		0	
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							-27,699		27,699	
47												
48	TAXABLE INCOME/ (LOSS)		908,034						1,015,797	Before loss C/F	1,923,831	
49												
50	BLENDED INCOME TAX RATE											
51	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%						-2.5600%		36.06%	
52												
53	REGULATORY INCOME TAX		350,683						225,972	Actual	576,655	
54												
55												
56	Miscellaneous Tax Credits	14							0	Actual	0	
57												
58	Total Regulatory Income Tax		350,683						225,972	Actual	576,655	
59												
60												
61	II) CAPITAL TAXES											
62												
63	Ontario											
64	Base	15	25,052,968						9,419,216		34,472,184	
65	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000						-315,157		4,684,843	
66	Taxable Capital		20,052,968						9,104,059		29,787,341	
67												
68	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.0000%		0.3000%	
69												
70	Ontario Capital Tax		60,159						29,203		89,362	
71												
72	Federal Large Corporations Tax											
73	Base	18	25,052,968						7,516,512		32,569,480	
74	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000						35,995,000		45,995,000	
75	Taxable Capital		15,052,968						43,511,512		0	
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)		33,869						-33,869		0	
80	Less: Federal Surtax 1.12% x Taxable Income	21	10,170						-10,170		0	
81												
82	Net LCT		23,699						-44,039		0	
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 2004.1	
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	561,092							Actual 2004	576,655	
89	LCT (proxy tax is grossed-up)	23	37,919							Actual 2004	0	
90	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159							Actual 2004	89,362	
91												
92												
93	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	659,170							Actual 2004	666,017	
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							40,768			
101	Tax reserves deducted in prior year	4							0			
102	Reserves from financial statements-end of year	4							0			
103	Regulatory Adjustments	5							-151,437			
104	Other additions "Material" Items TAXREC	6							0			
105	Other additions "Material" Items TAXREC 2	6							363,593			
106	In Deductions - positive numbers											
107	Employee Benefit Plans - Paid Amounts	8							-20,269			
108	Items Capitalized for Regulatory Purposes	9							0			
109	Regulatory Adjustments	10							55,617			
110	Interest Adjustment for tax purposes (See Below - cell I204)	11							262,773			
111	Tax reserves claimed in current year	4							0			
112	Reserves from F/S beginning of year	4							0			
113	Contributions to deferred income plans	3							0			
114	Contributions to pension plans	3							0			
115	Other deductions "Material" Items TAXREC	12							0			
116	Other deductions "Material" Item TAXREC 2	12							0			
117												
118	Total TRUE-UPS before tax effect	26						=	-45,197			
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							=	-15,819			
123												
124	Less: Miscellaneous Tax Credits	14							0			
125												
126	Total Income Tax on True-ups								-15,819			
127												
128	Income Tax Rate used for gross-up (exclude surtax)								30.75%			
129												
130	TRUE-UP VARIANCE ADJUSTMENT								(22,843)			
131												
132	IV b) Calculation of the Deferral Account Variance caused by changes in legislation											
133												
134	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	908,034			
135												
136	REVISED CORPORATE INCOME TAX RATE							x	31.87%			
137												
138	REVISED REGULATORY INCOME TAX							=	289,390			
139												
140	Less: Revised Miscellaneous Tax Credits							-	0			
141												
142	Total Revised Regulatory Income Tax							=	289,390			
143												
144	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	350,683			
145												
146	Regulatory Income Tax Variance							=	(61,292)			
147												
148	Ontario Capital Tax											
149	Base							=	25,052,968			
150	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	5,000,000			
151	Revised deemed taxable capital							=	20,052,968			
152												
153	Rate - Tab Tax Rates cell C54							x	0.3000%			
154												
155	Revised Ontario Capital Tax							=	60,159			
156	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							-	60,159			
157	Regulatory Ontario Capital Tax Variance							=	0			
158												
159	Federal LCT											
160	Base							=	25,052,968			
161	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
162	Revised Federal LCT							=	(24,947,032)			
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 # 2.1.0										Version 2004.1	
6			\$						\$		\$	
164	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51								0.2000%			
165												
166	Gross Amount								0			
167	Less: Federal surtax							-	0			
168	Revised Net LCT							=	0			
169												
170	Less: Federal LCT reported in the initial estimate column (Cell C82)							-	23,699			
171	Regulatory Federal LCT Variance							=	(23,699)			
172												
173	Actual Income Tax Rate used for gross-up (exclude surtax)								35.00%			
174												
175	Income Tax (grossed-up)							+	(94,296)			
176	LCT (grossed-up)							+	(36,460)			
177	Ontario Capital Tax							+	0			
178												
179	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT							=	(130,756)			
180												
181	TRUE-UP VARIANCE (from cell I130)							+	(22,843)			
182												
183	Total Deferral Account Entry (Positive Entry = Debit)							=	(153,599)			
184	(Deferral Account Variance + True-up Variance)											
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)								908,170			
192	Interest phased-in (Cell C36)								605,477			
193												
194	Variance due to phase-in of debt component of MARR in rates								302,693			
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)								1,170,943			
200	Total deemed interest (REGINFO CELL D61)								908,170			
201												
202	Variance caused by excess debt								262,773			
203												
204	Interest Adjustment for Tax Purposes (carry forward to Cell I110)								262,773			
205												
206	Total Interest Variance								39,920			
207												

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	Wires-only	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: HALTON HILLS HYDRO INC.					
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 :		31,316	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	Y			
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	<b>Section B: Financial statements data:</b>					
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	<b>Income:</b>					
31	Energy Sales	+	30,683,803		30,683,803	
32	Distribution Revenue	+	8,073,276		8,073,276	
33	Other Income	+	1,146,428	104,433	1,041,995	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	30,683,803		30,683,803	
40	Salaries and benefits	-	3,250,453		3,250,453	
41	Material costs	-	1,763,694		1,763,694	
42	Amortization	-	1,814,270		1,814,270	
43	Contract services	-	1,231,776		1,231,776	
44	Ontario Capital Tax	-	80,169		80,169	
45	Property costs	-	491,253		491,253	
46	Other expenses	-	1,133,849	39,050	1,094,799	
47	Communication costs	-	233,744		233,744	
48	Allocated to capital	-	-3,352,915		-3,352,915	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,573,411	65,383	2,508,028	
51	Less: Interest expense for accounting purposes	-	1,170,943		1,170,943	
52	Provision for payments in lieu of income taxes	-	412,562		412,562	
53	<b>Net Income (loss)</b>	=	999,906	65,383	924,523	
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	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	412,562	0	412,562	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
62	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments	+			0	
66	Material addition items from TAXREC 2	+	363,593	0	363,593	
67	Other addition items (not Material) from TAXREC 2	+	26,145	20,731	5,414	
68						
69	Subtotal		2,657,338	22,536	2,634,802	
70						
71	<b>Other Additions: (Please explain the nature of the additions)</b>					
72	Recapture of CCA	+			0	
73	Non-deductible meals and entertainment expense	+			0	
74	Capital items expensed	+			0	
75		+			0	
76		+			0	
77		+			0	
78		+			0	
79	Total Other Additions	=	0	0	0	
80						
81	Total Additions	=	2,657,338	22,536	2,634,802	
82						
83	Recap Material Additions:					
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	Total Other additions > materiality level		0	0	0	
92	Other deductions (less than materiality level)		0	0	0	
93	Total Other Additions		0	0	0	
94						



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	Wires-only	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.1</b>	
95	<b>BOOK TO TAX DEDUCTIONS:</b>					
96	Capital cost allowance	-	1,518,927	3,033	1,515,894	
97	Cumulative eligible capital deduction	-	71,632		71,632	
98	Employee benefit plans-paid amounts	-	20,269		20,269	
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	-	0	0	0	
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	-	69,161	41,462	27,699	
110						
111	Subtotal	=	1,679,989	44,495	1,635,494	
112	Other deductions (Please explain the nature of the deductions)					
113	Charitable donations - tax basis	-			0	
114	Gain on disposal of assets	-			0	
115		-			0	
116		-			0	
117		-			0	
118	Total Other Deductions	=	0	0	0	
119						
120	Total Deductions	=	1,679,989	44,495	1,635,494	
121						
122	<b>Recap Material Deductions:</b>					
123			0	0	0	
124			0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
128	Total Other Deductions exceed materiality level		0	0	0	
129	Other Deductions less than materiality level		0	0	0	
130	Total Other Deductions		0	0	0	
131						
132	<b>TAXABLE INCOME</b>	=	1,967,255	43,424	1,923,831	
133	<b>DEDUCT:</b>					
134	Non-capital loss applied positive number	-			0	
135	Net capital loss applied positive number	-			0	
136	Donations		325,000		325,000	
137	<b>NET TAXABLE INCOME</b>	=	1,642,255	43,424	1,598,831	
138						
139	<b>FROM ACTUAL TAX RETURNS</b>					
140	Net Federal Income Tax (Must agree with tax return)	+	366,099	9,679	356,420	
141	Net Ontario Income Tax (Must agree with tax return)	+	226,214	5,979	220,235	
142	Subtotal	=	592,313	15,658	576,655	
143	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
144	<b>Total Income Tax</b>	=	592,313	15,658	576,655	
145						
146	<b>FROM ACTUAL TAX RETURNS</b>					
147	Net Federal Income Tax Rate (Must agree with tax return)		22.29%		22.29%	
148	Net Ontario Income Tax Rate (Must agree with tax return)		13.77%		13.77%	
149	Blended Income Tax Rate		36.06%		36.06%	
150						
151	<b>Section D: Detailed calculation of Ontario Capital Tax</b>					
152						
153	<b>ONTARIO CAPITAL TAX</b>					
154	(From Ontario CT23)					
155	<b>PAID-UP CAPITAL</b>					
156						
157	Paid-up capital stock	+	16,161,663		16,161,663	
158	Retained earnings (if deficit, deduct)	+/-	2,394,762	27,766	2,367,016	
159	Capital and other surplus excluding	+			0	
160	appraisal surplus	+			0	
161	Loans and advances	+	16,911,276		16,911,276	
162	Bank loans	+			0	
163	Bankers acceptances	+			0	
164	Bonds and debentures payable	+			0	
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	+			0	
170	Share of partnership(s), joint venture(s) paid-up capital	+	18,916		18,916	
171	Sub-total	=	35,486,637	27,766	35,458,871	
172	Subtract:					
173	Amounts deducted for income tax purposes in excess of amounts booked	-	-478,125		-478,125	
174	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
175	<b>Total (Net) Paid-up Capital</b>	=	35,964,762	27,766	35,936,996	
176						
177	<b>ELIGIBLE INVESTMENTS</b>					
178						
179	Bonds, lien notes, interest coupons	+			0	
180	Mortgages due from other corporations	+			0	
181	Shares in other corporations	+	906,070		906,070	
182	Loans and advances to unrelated corporations	+			0	
183	Eligible loans and advances to related corporations	+	865,551		865,551	
184	Share of partnership(s) or joint venture(s) eligible investments	+			0	
185						
186	<b>Total Eligible Investments</b>	=	1,771,621	0	1,771,621	
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 2004.1	
188						
189	<b>TOTAL ASSETS</b>					
190						
191	Total assets per balance sheet	+	43,032,481	138,812	42,893,669	
192	Mortgages or other liabilities deducted from assets	+			0	
193	Share of partnership(s)/ joint venture(s) total assets	+	27,604		27,604	
194	Subtract: Investment in partnership(s)/joint venture(s)	-	40,518		40,518	
195						
196	<b>Total assets as adjusted</b>	=	43,019,567	138,812	42,880,755	
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	-	-478,125		-478,125	
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	<b>Total Assets</b>	=	43,497,692	138,812	43,358,880	
208						
209						
210	<b>Investment Allowance</b>		1,464,812	0	1,468,367	
211						
212	<b>Taxable Capital</b>					
213						
214	Net paid-up capital	+	35,964,762	27,766	35,936,996	
215	Subtract: Investment Allowance	-	1,464,812	0	1,464,812	
216						
217	<b>Taxable Capital</b>	=	34,499,950	27,766	34,472,184	
218						
219	<b>Capital Tax Calculation</b>					
220	Deduction from taxable capital up to maximum of \$5,000,000		4,684,843	0	4,684,843	
221	(Input in tab Tax Rates)					
222	<b>Net Taxable Capital</b>		29,815,107	27,766	29,787,341	
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	<b>Ontario Capital Tax (Must agree with CT23 return)</b>		89,445	83	89,362	
230						
231	<b>Section E: Detailed calculation of Large Corporation Tax</b>					
232						
233	<b>LARGE CORPORATION TAX</b>					
234	(From Federal Schedule 33)					
235	<b>CAPITAL</b>					
236	<b>ADD:</b>					
237	Reserves that have not been deducted in computing income for the year under Part I	+	16,161,663		16,161,663	
238	Capital stock	+	2,394,782	27,766	2,367,016	
239	Retained earnings	+			0	
240	Contributed surplus	+			0	
241	Any other surpluses	+			0	
242	Deferred unrealized foreign exchange gains	+			0	
243	<b>All loans and advances to the corporation</b>	+	16,146,274		16,146,274	
244	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
245	Any dividends declared but not paid	+			0	
246	All other indebtedness outstanding for more than 365 days	+	765,002		765,002	
247						
248	<b>Subtotal</b>	=	35,467,721	27,766	35,439,955	
249						
250	<b>DEDUCT:</b>					
251	Deferred tax debit balance	-			0	
252	Any deficit deducted in computing shareholders' equity	-			0	
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	<b>Subtotal</b>	=	0	0	0	
257						
258	<b>Capital for the year</b>		35,467,721	27,766	35,439,955	
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 2004.1	
260	INVESTMENT ALLOWANCE					
261						
262	Shares in another corporation	+	865,552		865,552	
263	Loan or advance to another corporation	+	1,098,854		1,098,854	
264	Bond, debenture, note, mortgage, or	+			0	
265	similar obligation of another corporation	+	865,551		865,551	
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	+	40,518		40,518	
270						
271	Investment Allowance	=	2,870,475	0	2,870,475	
272						
273						
274	TAXABLE CAPITAL					
275						
276	Capital for the year	=	35,467,721	27,766	35,439,955	
277						
278	Deduct: Investment allowance	-	2,870,475	0	2,870,475	
279						
280	Taxable Capital for taxation year	=	32,597,246	27,766	32,569,480	
281						
282	Deduct: Capital Deduction - maximum of \$50,000,000	-	45,995,000	0	45,995,000	
283	(Input in tab "Tax Rates")					
284	Taxable Capital	=	0	27,766	0	
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)	=	0	56	0	
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)	=	0	56	0	
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	+	592,313	15,658	576,655	
304	Ontario Capital Tax	+	89,445	83	89,362	
305	Federal Large Corporations Tax	+	0	56	0	
306						
307	Total income and capital taxes	=	681,758	15,797	666,017	
308						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	For MoF Column of TAXCALC		<b>Tax</b>		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		<b>Return</b>			
5	<b>RRR # 2.1.8</b>				<b>Version 2004.1</b>	
6						
7	<b>Utility Name: HALTON HILLS HYDRO INC.</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other				0	
60	Other				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
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 2004.1	
7						
8	Utility Name: HALTON HILLS HYDRO INC.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		31,316			
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	+	20,731	20,731	0	
20	Charitable donations	+	325,000		325,000	
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	+			0	
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	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Debt financing expenses	+			0	
45	Non-deductible meals & entertainment expenses	+	5,414		5,414	
46	Provision for bad debts	+	38,593		38,593	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	Total Additions	=	389,738	20,731	369,007	
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	Charitable donations		325,000	0	325,000	
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			0	0	0	
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 2004.1	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87	Provision for bad debts		38,593	0	38,593	
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		363,593	0	363,593	
96	Other additions less than materiality level		26,145	20,731	5,414	
97	Total Additions		389,738	20,731	369,007	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-	44,467	41,462	3,005	
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	-	24,694		24,694	
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	=	69,161	41,462	27,699	
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		69,161	41,462	27,699	
148	Total Deductions		69,161	41,462	27,699	
149						

	A	B	C	D	E	F	G	H	I	J
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"									
2	Corporate Tax Rates					Version 2004.1				
3	Exemptions, Deductions, or Thresholds					RRR # 2.1.8				
4	Utility Name: HALTON HILLS HYDRO INC.									
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	Year	to 200,000		to 700,000				>700,000	
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		0.00%							
15	and Ontario blended		19.12%		34.12%				38.62%	
16	Blended rate		19.12%	0.00%	34.12%				38.62%	
17										
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	Year	to 250,000	to 400,000	to 1,128,000				>1,128,000	
29										
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		Year	to 250,000	to 400,000	to 1,128,000				>1,128,000	
47										
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	4,684,843							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
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		<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>		
2		<b>Filing Requirements related to the "SIMPIL" model</b>		<b>Version 2004.1</b>
3		<b>Utility Name: HALTON HILLS HYDRO INC.</b>		<b>RRR # 2.1.8</b>
4		<b>Reporting period: 2004</b>		
5				
6				
7				
8				
9		<b>Documents to be submitted to the Board when filing the Ministry of Finance Column information:</b>		
10		<b>(Stage 3 filing: normally in July of the year following the reporting period)</b>		
11				
12		<b>Please file 3 copies of each paper document and 1 CD or disk</b>		
13				
14	1)	<b>REGINFO</b>	<input type="checkbox"/>	
15				
16	2)	<b>TAXCALC</b>	<input type="checkbox"/>	
17				
18	3)	<b>TAXREC</b>	<input type="checkbox"/>	
19				
20	4)	<b>Tax Reserves</b>	<input type="checkbox"/>	
21				
22	5)	<b>TAXREC 2</b>	<input type="checkbox"/>	
23				
24	6)	<b>Tax Rates</b>	<input type="checkbox"/>	
25				
26	7)	<b>Checklist</b>	<input type="checkbox"/>	
27				
28	8)	<b>Background Questionnaire</b>	<input type="checkbox"/>	
29				
30	9)	<b>PILs Variance Analysis</b>	<input type="checkbox"/>	
31				
32	10)	<b>Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2005</b>	<input type="checkbox"/>	
33				
34	11)	<b>Electronic Excel format of the SIMPIL worksheets</b>	<input type="checkbox"/>	
35				
36	12)	<b>Notices of assessments, and any re-assessments, for:</b>		
37			2001	<input type="checkbox"/>
38			2002	<input type="checkbox"/>
39			2003	<input type="checkbox"/>
40			2004	<input type="checkbox"/>
41				
42	13)	<b>Schedules or pages from CT23 and T2 tax returns</b>	<input type="checkbox"/>	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	
2		<b>Background Questionnaire</b>	<b>Version 2004.1</b>
3		<b>Utility Name: HALTON HILLS HYDRO INC.</b>	<b>RRR # 2.1.8</b>
4		<b>Reporting period: 2004</b>	
5			
6	1	<b>Does the company engage in non-regulated activities?</b>	
7		<b>Answer: YES</b>	
8			
9			
10		<b>If the answer to question 1 is "NO", please skip questions 2 to 6.</b>	
11			
12	2	<b>Please identify the types of non-wire operations carried on by the LDC.</b>	
13		<b>Answers:</b>	
14		<b>RESIDENTIAL RENTAL PROPERTY</b>	
15		<b>SUBCONTRACTING SERVICES</b>	
16		<b>DISPOSAL OF PORTFOLIO SHARES</b>	
17			
18	3	<b>Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?</b>	
19		<b>Answer: NO</b>	
20			
21			
22			
23	4	<b>Please identify the percentage and amount of gross revenues arising from non-wire operations.</b>	
24		<b>Answer: 0.2 % OF GROSS REVENUE = 104,433</b>	
25			
26			
27	5	<b>Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.</b>	
28		<b>Answer: 0.1 % OF OPERATING EXPENSES = 39,050</b>	
29			
30			
31	6	<b>Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.</b>	
32		<b>Answer:</b>	
33		<b>DEPRECIATION - 0.01 % = 1,805</b>	
34		<b>CCA - 0.2 % = 3,033</b>	
35			
36	7	<b>Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)</b>	
37		<b>Answer: NO</b>	
38			
39			
40	8	<b>Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)</b>	
41		<b>Answer: NO</b>	
42			
43			
44			
45			

	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 Payment in lieu of Taxes												
3	Utility Name: HALTON HILLS HYDRO INC.												Version 2004.1
4	Reporting period: 2004												RRR # 2.1.8
5			Sign Convention: + for increase; - for decrease										
6													
7													
8													
9	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		
10	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		Total
11													
12	Opening balance:	=	0		246,317		528,512		517,232		60,395		0
13	Initial Estimate PILs Rate Adjustment (1)	+/-	246,317		899,961		1,146,278		961,540		899,961		4,154,057
14	True-up Variance Adjustment (2)	+/-			3,472		-149,011		-322,403		-22,843		-490,785
15	Deferral Account Variance Adjustment (3)	+/-			43,705						-130,756		-87,051
16	Adjustments to reported prior years' variances (4)												0
17	Carrying charges	+/-			2,863		4,159		-4,242				2,780
18	PILs collected from customers - Proxv (5)	-	0		-667,806		-1,012,706		-1,091,732				-2,772,244
19													
20	Ending balance: # 1562		246,317		528,512		517,232		60,395		806,757		806,757
21													
22	PILs collected from customers - Reg Assets (6)	-	0		0		0		0		0		0
23													
24	<b>Note:</b>												
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) This should equal the actual kWhs for the period (including net unbilled at period end), multiplied by the PILs proxy rates												
47	from the Q4 2001 and 2002 PILs worksheets for 2002, 2003 and January 1 to March 31, 2004.												
48	In 2004, use the Board-approved 2002 PILs proxy rate for the period April 1 to December 31, 2004 added to the result from												
49	the sentence above for January 1 to March 31, 2004.												
50													
51	(6) Any interim PILs recovery from the Reg Asset decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes												
52	will have to include amounts from 1562 and from 1590.												
53													
54													
55													
56													
57													
58													
59													
60													

	A	B	C	D	E
1	<b>SIMPIL RRR FILING</b>				<b>Version 2005.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				<b>RRR # 2.1.8</b>
3	<b>Utility Name: HALTON HILLS HYDRO INC.</b>			<b>Colour Code</b>	
4	<b>Reporting period: 2005</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
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	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C68 & C77 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory Income</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in Year 1 - 2001			715,262	715,262
48	Amount allowed in Year 2 - 2002			715,262	715,262
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210;				
50	unless authorized by the Minister and the Board)			0	0
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM plan)			715,262	715,262
52	Other adjustments approved by the Board			108,654	108,654
53					0
54	<b>Total Regulatory Income</b>				<b>2,254,440</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,723	
65	((D43+D47)/D41)*D62				
66	Phase-in of interest - Years 2, 3 & 4 (2002, 2003,2004)			605,447	
67	((D43+D47+D48)/D41)*D62 (Due to Bill 210)				
68	Phase-in of interest - Year 3 (2005) and forward			908,170	
69					
70					
71					
72					

	A	B	C	D	E	F	G	H	I	J	K	L
1	SIMPIL RRR FILING	ITEM	Initial Estimate						M of F Filing Variance K-C	M of F Filing Variance Explanation	M of F Filing (June) Version 2005.1	
2	DEFERRAL/VARIANCE ACCOUNTS											
3	TAX CALCULATIONS (TAXCALC)											
4	"Wires-only" business - see Tab TAXREC)											
5	RRR # 2.1.8											
6			\$						\$			
7	Utility Name: HALTON HILLS HYDRO INC.											
8	Reporting period: 2005											
9	Days in reporting period:	365	days									Column Brought
10	Total days in the calendar year:	365	days									From TAXREC
11												
12												
13	I) CORPORATE INCOME TAXES											
14												
15	Regulatory Net Income REGINFO E54	1	2,254,440						211,668		2,466,108	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	1,604,164						279,942		1,884,106	
21	Employee Benefit Plans - Accrued, Not Paid	3	15,448						13,772		29,220	
22	Tax reserves - beginning of year	4							0		0	
23	Reserves from financial statements - end of year	4	52,983						50,554		103,537	
24	Regulatory Adjustments - increase in income	5							0		0	
25	Regulatory Assets - to balance to tax return								0		0	
26	Other Additions (See Tab entitled "TAXREC")											
27	"Material" Items from "TAXREC" worksheet	6							0		0	
28	Other Additions (not "Material") "TAXREC"	6							7,084		7,084	
29	"Material" Items from "TAXREC 2" worksheet	6							325,000		325,000	
30	Other Additions (not "Material") "TAXREC 2"	6							0		0	
31												
32	Deductions: Input positive numbers											
33	Capital Cost Allowance and CEC	7	1,562,567						91,111		1,653,678	
34	Employee Benefit Plans - Paid Amounts	8	13,548						3,172		16,720	
35	Items Capitalized for Regulatory Purposes	9							0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10							0		0	
37	Regulatory Assets - to balance to tax return								0		0	
38	Interest Expense Deemed/ Incurred	11	908,170						280,664		1,188,834	
39	Tax reserves - end of year	4							0		0	
40	Reserves from financial statements - beginning of year	4	66,837						3,163		70,000	
41	Contributions to deferred income plans	3							0		0	
42	Contributions to pension plans	3							0		0	
43	Interest capitalized for accounting but deducted for tax	11							0		0	
44	Other Deductions (See Tab entitled "TAXREC")											
45	CDM 2005 incremental OM&A expenses per 2005 PILs model	12							0		0	
46	"Material" Items from "TAXREC" worksheet	12							0		0	
47	Other Deductions (not "Material") "TAXREC"	12							25,444		25,444	
48	Material Items from "TAXREC 2" worksheet	12							0		0	
49	Other Deductions (not "Material") "TAXREC 2"	12							0		0	
50												
51	TAXABLE INCOME/ (LOSS)		1,375,913						484,466	Before loss C/F	1,860,379	
52												
53	BLENDED INCOME TAX RATE											
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%						-2.3400%	Formula	33.78%	
55												
56	REGULATORY INCOME TAX		496,980						21,356	Actual	518,336	
57												
58												
59	Miscellaneous Tax Credits	14							0	Actual	0	
60												
61	Total Regulatory Income Tax		496,980						21,356	Actual	518,336	
62												
63												
64	II) CAPITAL TAXES											
65												
66	Ontario											
67	Base	15	25,052,968						9,997,986		35,050,954	
68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000						-544,467		6,955,533	
69	Taxable Capital		17,552,968						9,453,519		28,095,421	
70												
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.3000%		0.3000%	
72												
73	Ontario Capital Tax		52,659						31,626		84,285	
74												
75	Federal Large Corporations Tax											
76	Base	18	25,052,968						-25,052,968		0	
77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000						-50,000,000		0	
78	Taxable Capital		0						-75,052,968		0	
79												
80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%						0.0000%		0.1750%	
81												
82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0						0		0	
83	Less: Federal Surtax 1.12% x Taxable Income	21	0						0		0	
84												
85	Net LCT		0						0		0	
86												

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SIMPIL RRR FILING</b>	<b>ITEM</b>	<b>Initial Estimate</b>						<b>M of F Filing Variance K-C</b>	<b>M of F Filing Variance Explanation</b>	<b>M of F Filing (June) Version 2005.1</b>	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>											
3	<b>TAX CALCULATIONS (TAXCALC)</b>											
4	("Wires-only" business - see Tab TAXREC)											
5	<b>RRR # 2.1.8</b>											
6			\$						\$		\$	
87	<b>III) INCLUSION IN RATES</b>											
88												
89	Income Tax Rate used for gross- up		36.12%									
90												
91	Income Tax (proxy tax is grossed-up)	22	777,990							<b>Actual 2005</b>	518,336	
92	LCT (proxy tax is grossed-up)	23	0							<b>Actual 2005</b>	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	52,659							<b>Actual 2005</b>	84,285	
94												
95												
96	<b>Total PILs for Rate Adjustment – MUST AGREE WITH 2005 RAM DECISION</b>	25	830,648							<b>Actual 2005</b>	602,621	
97												
98												
99												
100	<b>IV) FUTURE TRUE-UPS</b>											
101	<b>IV a) Calculation of the True-up Variance</b>								<b>DR/(CR)</b>			
102	<b>In Additions:</b>											
103	Employee Benefit Plans - Accrued, Not Paid	3							13,772			
104	Tax reserves deducted in prior year	4							0			
105	Reserves from financial statements-end of year	4							50,554			
106	Regulatory Adjustments	5							0			
107	Other additions "Material" Items TAXREC	6							0			
108	Other additions "Material" Items TAXREC 2	6							325,000			
109	<b>In Deductions - positive numbers</b>											
110	Employee Benefit Plans - Paid Amounts	8							3,172			
111	Items Capitalized for Regulatory Purposes	9							0			
112	Regulatory Adjustments	10							0			
113	Interest Adjustment for tax purposes (See Below - cell I207)	11							280,664			
114	Tax reserves claimed in current year	4							0			
115	Reserves from F/S beginning of year	4							3,163			
116	Contributions to deferred income plans	3							0			
117	Contributions to pension plans	3							0			
118	Other deductions "Material" Items TAXREC	12							0			
119	Other deductions "Material" Item TAXREC 2	12							0			
120												
121	Total TRUE-UPS before tax effect	26						=	102,327			
122												
123	Income Tax Rate from 2005 Utility's tax return							x	33.78%			
124												
125	Income Tax Effect on True-up adjustments							=	34,566			
126												
127	Less: Miscellaneous Tax Credits	14							0			
128												
129	Total Income Tax on True-ups								34,566			
130												
131	Income Tax Rate used for gross-up								32.66%			
132												
133	<b>TRUE-UP VARIANCE ADJUSTMENT</b>								51,331			
134												
135	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>											
136												
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,375,913			
138												
139	REVISED CORPORATE INCOME TAX RATE							x	33.78%			
140												
141	REVISED REGULATORY INCOME TAX							=	464,783			
142												
143	Less: Revised Miscellaneous Tax Credits							-	0			
144												
145	Total Revised Regulatory Income Tax							=	464,783			
146												
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C61)							-	496,980			
148												
149	Regulatory Income Tax Variance							=	(32,196)			
150												
151	<b>Ontario Capital Tax</b>											
152	Base							=	25,052,968			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	7,500,000			
154	Revised deemed taxable capital							=	17,552,968			
155												
156	Rate - Tab Tax Rates cell C54							x	0.3000%			
157												
158	Revised Ontario Capital Tax							=	52,659			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C73)							-	52,659			
160	Regulatory Ontario Capital Tax Variance							=	0			

[illegible]



	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	Wires-only	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2005.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: HALTON HILLS HYDRO INC.					
8	Reporting period: 2005					
9	Taxation Year's start date:		Jan 1/05			
10	Taxation Year's end date:		Dec 31/05			
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		31,316	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	Y			
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	<b>Section B: Financial statement data:</b>					
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	<b>Income:</b>					
31	Energy Sales	+	36,847,936		36,847,936	
32	Distribution Revenue	+	8,883,939		8,883,939	
33	Other Income	+	1,116,930	47,698	1,069,232	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	36,847,936		36,847,936	
40	Salaries & benefits	-	3,489,322	3,500	3,485,822	
41	Material costs	-	1,514,086		1,514,086	
42	Contract services	-	2,704,632		2,704,632	
43	Amortization (links to C61 below)	-	1,884,106		1,884,106	
44	Ontario Capital Tax	-	68,445		68,445	
45	CDM Expenses for 2005	-	55,108		55,108	
46	Property costs	-	517,652	4,317	513,335	
47	Other expenses	-	698,660		698,660	
48	Communications costs	-	260,991		260,991	
49	Recovery of regulatory assets	-	1,004,331		1,004,331	
50	Allocated to capital	-	-4,702,453		-4,702,453	
51		-			0	
52						
53	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,505,989	39,881	2,466,108	
54	Less: Interest expense for accounting purposes	-	1,188,834		1,188,834	
55	Provision for payments in lieu of income taxes	-	646,313	10,285	636,028	
56	<b>Net Income (loss)</b>	=	670,842	29,596	641,246	
57	(The Net income (loss) in the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
58						
59	<b>Section C: Reconciliation of accounting income to taxable income</b>					
60	<b>From T2 Schedule 1</b>					
61	<b>BOOK TO TAX ADDITIONS:</b>					
62	Provision for income tax	+	646,313	10,285	636,028	
63	Federal large corporations tax	+			0	
64	Depreciation & Amortization	+	1,884,106	0	1,884,106	
65	Employee benefit plans accrued, not paid	+	29,220	0	29,220	
66	Tax reserves - beginning of year	+	0	0	0	
67	Reserves from financial statements- end of year	+	103,537	0	103,537	
68	Regulatory adjustments	+			0	
69	Regulatory Assets changes	+			0	
70	Material addition items from TAXREC 2	+	325,000	0	325,000	
71	Other addition items (not Material) from TAXREC 2	+	0	0	0	
72						
73	<b>Subtotal</b>		2,988,176	10,285	2,977,891	
74						
75	<b>Other Additions: (Please explain the nature of the additions)</b>					
76	Recapture of CCA	+			0	
77	Non-deductible meals and entertainment expense	+	5,787		5,787	
78	Capital items expensed	+			0	
79	Charitable donations	+			0	
80	Capital tax accrued in income statement	+			0	
81	Book loss of joint venture	+	1,297		1,297	
82		+			0	
83	<b>Total Other Additions</b>	=	7,084	0	7,084	
84						
85	<b>Total Additions</b>	=	2,995,260	10,285	2,984,975	
86						
87	<b>Recap Material Additions:</b>					
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			0	0	0	
95	<b>Total Other additions &gt;materiality level</b>		0	0	0	
96	<b>Other deductions (less than materiality level)</b>		7,084	0	7,084	
97	<b>Total Other Additions</b>		7,084	0	7,084	
98						

	A	B	C	D	E	F
1	<b>SIMPL RRR FILING</b>	LINE	M of F	Non-wires	Wires-only	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 QEB Act)		Tax	(positive numbers)	Return	
4	<b>RRR # 2.1.8</b>		Return			
5					Version 2005.1	
99	<b>BOOK TO TAX DEDUCTIONS:</b>					
100	Capital cost allowance	-	1,587,060		1,587,060	
101	Cumulative eligible capital deduction	-	66,618		66,618	
102	Employee benefit plans-paid amounts	-	16,720		16,720	
103	Items capitalized for regulatory purposes	-			0	
104	Regulatory adjustments:	-			0	
105	CCA	-			0	
106	other deductions	-			0	
107	Regulatory Assets changes	-			0	
108	Tax reserves - end of year	-	0	0	0	
109	Reserves from financial statements- beginning of year	-	70,000	0	70,000	
110	Contributions to deferred income plans	-			0	
111	Contributions to pension plans	-			0	
112	Interest capitalized for accounting deducted for tax	-			0	
113	Material deduction items from TAXREC 2	-	0	0	0	
114	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
115						
116	Subtotal	=	1,740,398	0	1,740,398	
117	Other deductions (Please explain the nature of the deductions)	-			0	
118	Charitable donations - tax basis	-			0	
119	Gain on disposal of assets	-	25,444		25,444	
120		-			0	
121	Capital tax per CT23	-			0	
122		-			0	
123	Total Other Deductions	=	25,444	0	25,444	
124						
125	Total Deductions	=	1,765,842	0	1,765,842	
126						
127	Recap Material Deductions:					
128				0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133	Total Other Deductions exceed materiality level		0	0	0	
134	Other Deductions less than materiality level		25,444	0	25,444	
135	Total Other Deductions		25,444	0	25,444	
136						
137	TAXABLE INCOME	=	1,900,260	39,881	1,860,379	
138	DEDUCT:					
139	Non-capital loss applied positive number	-			0	
140	Net capital loss applied positive number	-			0	
141	Charitable donations		325,000		325,000	
142	NET TAXABLE INCOME	=	1,575,260	39,881	1,535,379	
143						
144	<b>FROM ACTUAL TAX RETURNS</b>					
145	Net Federal Income Tax (Must agree with tax return)	+	321,448	8,318	313,130	
146	Net Ontario Income Tax (Must agree with tax return)	+	210,536	5,330	205,206	
147	Subtotal	=	531,984	13,648	518,336	
148	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
149	Total Income Tax	=	531,984	13,648	518,336	
150						
151	<b>APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS</b>					
152	Net Federal Income Tax Rate (Must agree with tax status)		20.41%		20.41%	
153	Net Ontario Income Tax Rate (Must agree with tax status)		13.37%		13.37%	
154	Blended Income Tax Rate		33.78%		33.78%	
155						
156	<b>Section D: Detailed calculation of Ontario Capital Tax</b>					
157						
158	<b>ONTARIO CAPITAL TAX</b>					
159	(From Ontario CT23)					
160	<b>PAID-UP CAPITAL</b>					
161						
162	Paid-up capital stock	+	16,161,663		16,161,663	
163	Retained earnings (if deficit, deduct)	+/-	3,065,624		3,065,624	
164	Capital and other surplus excluding appraisal surplus	+			0	
165	Loans and advances	+	16,525,106		16,525,106	
166	Bank loans	+			0	
167	Bankers acceptances	+			0	
168	Bonds and debentures payable	+			0	
169	Mortgages payable	+			0	
170	Lien notes payable	+			0	
171	Deferred credits	+			0	
172	Contingent, investment, inventory and similar reserves	+			0	
173	Other reserves not allowed as deductions	+			0	
174	Share of partnership(s), joint venture(s) paid-up capital	+	18,000		18,000	
175	Sub-total	=	35,770,393	0	35,770,393	
176						
177	Subtract:					
178	Amounts deducted for income tax purposes in excess of amounts booked	-	-694,903		-694,903	
179	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
180	<b>Total (Net) Paid-up Capital</b>	=	36,465,296	0	36,465,296	

	A	B	C	D	E	F
1	SIMPIL RRR FILING	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	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
181						
182	ELIGIBLE INVESTMENTS					
183						
184	Bonds, lien notes, interest coupons	+			0	
185	Mortgages due from other corporations	+			0	
186	Shares in other corporations	+	904,773		904,773	
187	Loans and advances to unrelated corporations	+			0	
188	Eligible loans and advances to related corporations	+	865,551		865,551	
189	Share of partnership(s) or joint venture(s) eligible investments	+	4,000		4,000	
190						
191	Total Eligible Investments	=	1,774,324	0	1,774,324	
192						
193						
194	TOTAL ASSETS					
195						
196	Total assets per balance sheet	+	45,090,868		45,090,868	
197	Mortgages or other liabilities deducted from assets	+			0	
198	Share of partnership(s)/ joint venture(s) total assets	+			0	
199	Subtract: Investment in partnership(s)/joint venture(s)	-	39,221		39,221	
200						
201	Total assets as adjusted	=	45,051,647	0	45,051,647	
202						
203	Add: (if deducted from assets)					
204	Contingent, investment, inventory and similar reserves	+			0	
205	Other reserves not allowed as deductions	+			0	
206	Subtract:				0	
207	Amounts deducted for income tax purposes in excess of amounts booked	-	-694,903		-694,903	
208	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
209	Subtract: Appraisal surplus if booked	-			0	
210	Add or subtract: Other adjustments	+/-			0	
211						
212	Total Assets	=	45,746,550	0	45,746,550	
213						
214						
215	Investment Allowance		1,414,342	0	1,414,342	
216						
217	Taxable Capital					
218						
219	Net paid-up capital	+	36,465,296	0	36,465,296	
220	Subtract: Investment Allowance	-	1,414,342	0	1,414,342	
221						
222	Taxable Capital	=	35,050,954	0	35,050,954	
223						
224	Capital Tax Calculation					
225	Deduction from taxable capital up to maximum of \$7,5000,000		6,955,533	0	6,955,533	
226	(Input in tab Tax Rates)					
227	Net Taxable Capital		28,095,421	0	28,095,421	
228						
229	Rate		0.3000%	0.3000%	0.3000%	
230						
231	Days in taxation year		365	365	365	
232	Divide days by 365		1.00	1.00	1.00	
233						
234	Ontario Capital Tax (as calculated)		84,286	0	84,286	
235						
236	Ontario Capital Tax (Must agree with CT23 return)		84,285	0	84,285	
237						
238	Section E: Detailed calculation of Large Corporations Tax					
239						
240	LARGE CORPORATIONS TAX		*** NOT APPLICABLE FOR HHH GROUP***			
241	(From Federal Schedule 33)					
242	CAPITAL					
243	ADD:					
244	Reserves that have not been deducted in computing income for the year under Part I	+			0	
245	Capital stock	+			0	
246	Retained earnings	+			0	
247	Contributed surplus	+			0	
248	Any other surpluses	+			0	
249	Deferred unrealized foreign exchange gains	+			0	
250	All loans and advances to the corporation	+			0	
251	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
252	Any dividends declared but not paid	+			0	
253	All other indebtedness outstanding for more than 365 days	+			0	
254						
255	Subtotal	=	0	0	0	

	A	B	C	D	E	F
1	SIMPIL RRR FILING	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	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
256						
257	DEDUCT:					
258	Deferred tax debit balance	-			0	
259	Any deficit deducted in computing shareholders' equity	-			0	
260	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
261	Deferred unrealized foreign exchange losses	-			0	
262						
263	Subtotal	=	0	0	0	
264						
265	Capital for the year		0	0	0	
266						
267	INVESTMENT ALLOWANCE					
268						
269	Shares in another corporation	+			0	
270	Loan or advance to another corporation	+			0	
271	Bond, debenture, note, mortgage, or	+			0	
272	similar obligation of another corporation	+			0	
273	Long term debt of financial institution	+			0	
274	Dividend receivable from another corporation	+			0	
275	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
276	Interest in a partnership	+			0	
277						
278	Investment Allowance	=	0	0	0	
279						
280						
281	TAXABLE CAPITAL					
282						
283	Capital for the year	=	0	0	0	
284						
285	Deduct: Investment allowance	-	0	0	0	
286						
287	Taxable Capital for taxation year	=	0	0	0	
288						
289	Deduct: Capital Deduction - maximum of \$50,000,000	-	0	0	0	
290	(Input in tab Tax Rates)					
291	Taxable Capital	=	0	0	0	
292						
293	Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005		0.17500%	0.17500%	0.17500%	
294						
295	Days in year		365	365	365	
296	Divide days by 365		1.0000	1.0000	1.0000	
297						
298	Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	0	0	
299						
300	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
301						
302	Less: Federal Surtax = Actual Surtax from tax return	-			0	
303						
304	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	0	0	0	
305	(If surtax is greater than Gross LCT, then zero)					
306						
307	Section F: Income and Capital Taxes					
308						
309	RECAP FROM ABOVE:					
310	Total Income Taxes	+	531,984	13,648	518,336	
311	Ontario Capital Tax	+	84,285	0	84,285	
312	Federal Large Corporations Tax	+	0	0	0	
313						
314	Total income and capital taxes	=	616,269	13,648	602,621	
315						

	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	Wires-only	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax	(positive numbers)	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>RRR # 2.1.8</b>				<b>Version 2005.1</b>	
6						
7	<b>Utility Name: HALTON HILLS HYDRO INC.</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		70,000		70,000	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		70,000	0	70,000	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		103,537		103,537	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other				0	
60	Other				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		103,537	0	103,537	
64						

	A	B	C	D	E	F
1						
2	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	Wires-only	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
5	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2005.1</b>	
7						
8	<b>Utility Name: HALTON HILLS HYDRO INC.</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		31,316			
12						
13	<b>Section C: Reconciliation of accounting income to taxable income</b>					
14	<b>Add:</b>					
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	+			0	
20	Charitable donations	+	325,000		325,000	
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	+			0	
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	S.12(1)(x)	+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	<b>Total Additions</b>	=	325,000	0	325,000	
55						
56	<b>Recap of Material Additions:</b>					
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62	Charitable donations		325,000	0	325,000	
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			0	0	0	
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	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	Wires-only	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
5	<b>RRR # 2.1.8</b>		Return			
6					Version 2005.1	
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		325,000	0	325,000	
96	Other additions less than materiality level		0	0	0	
97	Total Additions		325,000	0	325,000	
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	SEC 20(1) (e)	-			0	
113	Capital gains adjustment	-			0	
114	Equipment	-			0	
115		-			0	
116	s.13(7.4)	-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	0	0	0	
122						
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	SIMPIL RRR FILING									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: HALTON HILLS HYDRO INC.									
5	Reporting period: 2005									
6										
7										
8	Table 1									
9	Rates Used in 2005 RAM PILs Applications									
10	Income Range		0		400,001					
11	RAM 2005		to		to	>1,128,000				
12		Year	400,000		1,128,000					
13	Income Tax Rate									
14	Proxy Tax Year	2005								
15	Federal (Includes surtax)		13.12%		17.75%	22.12%				
16	Ontario		5.50%		9.75%	14.00%				
17	Blended rate		18.62%	0.00%	27.50%	36.12%				
18	Capital Tax Rate		0.300%		Input in C18					
19	LCT rate		0.175%		Input in C19					
20	Surtax		1.12%		Input in C20					
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000		Input in C21					
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000		Input in C22					
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25	Table 2									
26	Expected Rates and Exemptions for 2005									
27	Income Range		0	300,001	400,001					
28	Expected Rates 2005		to	to	to	>1,128,000				
29		Year	300,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2005								
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%		Input in C36					
37	LCT rate		0.175%		Input in C37					
38	Surtax		1.12%		Input in C38					
39	Ontario Capital Tax Exemption ***	MAX \$7.5MM	7,500,000		Input in C39					
40	Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000		Input in C40					
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 2005 Tax Returns									
45	Income Range		0	300,001	400,001					
46			to	to	to	>1,128,000				
47		Year	300,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%	20.41%				
51	Ontario		5.50%	5.50%	9.75%	13.37%				
52	Blended rate		18.62%	27.62%	31.87%	33.78%				
53										
54	Capital Tax Rate		0.300%		Input in C54					
55	LCT rate		0.175%		Input in C55					
56	Surtax		1.12%		Input in C56					
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	6,955,533		Input in C57					
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000		Input in C58					
59	* Include copies of the actual tax returns - Ontario CT23, federal T2. Please see the Checklist.									
60										
61										
62										
63										
64										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SIMPIL RRR FILING														
2	Analysis of Account 1562:		Deferred Payments in lieu of Taxes												
3	Utility Name: HALTON HILLS HYDRO INC.													Version 2005.1	
4	Reporting period: 2005			Sign Convention: + for increase; - for decrease										RRR # 2.1.8	
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		246,317		528,512		608,095		292,630		54,577		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	246,317		899,961		1,146,278		961,540		847,977		276,883		4,378,956
13	True-up Variance Adjustment Q4, 2001 (2)	+/-											0		0
14	True-up Variance Adjustment (3)	+/-			3,472		-149,011		-322,403		-22,843		51,331		-439,454
15	Deferral Account Variance Adjustment Q4, 2001 (4)														0
16	Deferral Account Variance Adjustment (5)	+/-			43,705						-130,756		-47,812		-134,863
17	Adjustments to reported prior years' variances (6)	+/-					90,863		141,372						232,235
18	Carrying charges (7)	+/-			2,863		4,159		-4,242		11,951		-1,553		13,178
19	PILs collected from customers - Proxv (8)	-	0		-667,806		-1,012,706		-1,091,732		-944,382		-402,932		-4,119,558
20															
21	Ending balance: # 1562		246,317		528,512		608,095		292,630		54,577		-69,506		-69,506

**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: METHOD 3**

- (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. Per APH entries began October 1, 2001.
- (ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.
- (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 - In 2006, the prorated 2005 PILs tax proxy will be used for the period from January 1, 2006 to April 30, 2006.
- (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I182, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed 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 I182, 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, 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. Input negative number for collections.
- (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
- In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
- In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- In 2006, 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 January 1 to April 30, 2006.

	A	B	C	D	E
1		<b>SIMPIL RRR FILING</b>			
2		<b>Filing Requirements related to the SIMPIL model</b>	<b>Number</b>		<b>Version 2005.1</b>
3		<b>Utility Name: HALTON HILLS HYDRO INC.</b>	<b>of Copies</b>		<b>RRR # 2.1.8</b>
4		<b>Reporting period: 2005</b>			
5					
6		<b>Name of person to contact about this SIMPIL filing: =====&gt;</b>			
7		<b>Contact Telephone Number: =====&gt;</b>			
8		<b>Contact Email Address: =====&gt;</b>			
9					
10		<b>Documents to be submitted to the Board when filing the Ministry of Finance Column information:</b>			
11		<b>(Normally in July of the year following the reporting period)</b>			
12					
13		<b>Please file 2 sets of copies of the SIMPIL worksheets and 1 CD or disk</b>			
14					
15	1)	<b>REGINFO</b>	<b>2</b>	<b>Y</b>	
16					
17	2)	<b>TAXCALC</b>	<b>2</b>	<b>Y</b>	
18					
19	3)	<b>TAXREC</b>	<b>2</b>	<b>Y</b>	
20					
21	4)	<b>Tax Reserves</b>	<b>2</b>	<b>Y</b>	
22					
23	5)	<b>TAXREC 2</b>	<b>2</b>	<b>Y</b>	
24					
25	6)	<b>Tax Rates</b>	<b>2</b>	<b>Y</b>	
26					
27	7)	<b>PILs 1562 Calculation</b>	<b>2</b>	<b>Y</b>	
28					
29	8)	<b>Checklist</b>	<b>2</b>	<b>Y</b>	
30					
31					
32	9)	<b>Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2006 (See 12, 13)</b>	<b>2</b>	<b>N/A</b>	
33					
34	10)	<b>Electronic Excel format of the SIMPIL worksheets on disk or CD</b>	<b>1</b>	<b>Y</b>	
35					
36	11)	<b>Notices of Assessments, Re-assessments, Statement of Adjustments for:</b>			
37		<b>2001</b>	<b>1</b>	<b>Y</b>	
38		<b>2002</b>	<b>1</b>	<b>Y</b>	
39		<b>2003</b>	<b>1</b>	<b>Y</b>	
40		<b>2004</b>	<b>1</b>	<b>Y</b>	
41		<b>2005</b>	<b>1</b>	<b>O/S</b>	
42					
43	12)	<b>Federal T2 tax return and schedules (with dollar amounts) 2005</b>	<b>1</b>	<b>Y</b>	
44					
45	13)	<b>Ontario CT23 tax return and schedules 2005</b>	<b>1</b>	<b>Y</b>	
46					
47		<b>NOTE: These are the tax returns that were sent to the Ontario Ministry of Finance,</b>			
48		<b>not the NIL tax returns sent to the Canada Revenue Agency.</b>			
49					
50					
51					
52					