

	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 (TRECQ401)</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						
7	Utility Name:					
8	Reporting period: Q4, 2001 June 30 2002					
9						
10	Note: Carry forward Wires-only Data to					
11	Tab "TCALQ401MOF" Column K					
12	<b>J) CORPORATE INCOME TAXES</b>					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1	14,276,000		14,276,000	
16	Other Income	2	300,000	-300,000	0	
17	Expenses					
18	Administration	3	-750,000		-750,000	
19	Distribution	4	-1,000,000		-1,000,000	
20	Operations and Maintenance	5	-4,562,750		-4,562,750	
21	Depreciation and Amortization	6	-3,000,000		-3,000,000	
22	Municipal Property Taxes	7	-400,000		-400,000	
23	Ontario Capital Tax	8	-206,357	2,253	-204,104	
24	Federal LCT	9	-116,061	-1,633	-117,694	
25						
26	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	10	<b>4,540,832</b>	<b>-299,380</b>	<b>4,241,452</b>	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		3,000,000	0	3,000,000	2C
30	Federal Large Corporation Tax		116,061	1,633	117,694	3C
31	Employee benefit plans-accrued, not paid		300,000		300,000	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			<b>3,416,061</b>	<b>1,633</b>	<b>3,417,694</b>	
37	<i>Other Additions: (From T2 S1)</i>					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees		1,000		1,000	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						

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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 (TRECQ401)</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>		1,000	0	1,000	7C
85						
86	<i>Total Additions</i>		3,417,061	1,633	3,418,694	
87						
88	<b>BOOK TO TAX DEDUCTIONS:</b>					
89	Capital cost allowance		-1,000,000		-1,000,000	8C
90	Employee benefit plans-paid amounts		-250,000		-250,000	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred		-3,500,000		-3,500,000	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			-4,750,000	0	-4,750,000	
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 (TRECQ401)</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>		-4,750,000	0	-4,750,000	
136						
137						
138	<b>TAXABLE INCOME</b>		3,207,893	-297,747	2,910,146	
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 (TRECQ401)</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		76,000,000	-1,000,000	75,000,000	
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		202,000,000	-2,000,000	200,000,000	
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		278,000,000	-3,000,000	275,000,000	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked		-1,000	1,000	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>		277,999,000	-2,999,000	275,000,000	
172						
173	<b>ELIGIBLE INVESTMENTS</b>					
174						
175	Bonds, lien notes, interest coupons		100,000	-20,000	80,000	
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>		100,000	-20,000	80,000	
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 (TRECQ401)</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		278,000,000	-3,000,000	275,000,000	
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>		<b>278,000,000</b>	<b>-3,000,000</b>	<b>275,000,000</b>	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions		2,000		2,000	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked		-1,000		-1,000	
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>		<b>278,001,001</b>	<b>-2,999,999</b>	<b>275,001,002</b>	
213						
214	<b>Investment Allowance</b>					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		99,999	-19,993	80,000	
218						
219	<b>Taxable Capital</b>					
220						
221	Net paid-up capital		277,999,000	-2,999,000	275,000,000	
222	Subtract: Investment Allowance		-99,999	19,993	-80,006	
223					0	
224	Taxable Capital		<b>277,899,001</b>	<b>-2,979,007</b>	<b>274,919,994</b>	
225						
226	<b>Capital Tax Calculation</b>					
227						
228	Taxable capital		277,899,001	-2,979,007	274,919,994	16C
229						
230	Deduction from taxable capital up to \$5,000,000		-5,000,000		-5,000,000	17C
231						
232	Net Taxable Capital		<b>272,899,001</b>	<b>-2,979,007</b>	<b>269,919,994</b>	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		92	92	92	
237	Divide days by 365		0.2521	0.2521	0.2521	
238						
239	<b>Ontario Capital Tax</b>		<b>206,357</b>	<b>-2,253</b>	<b>204,104</b>	
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 (TRECQ401)</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		76,000,000	-1,000,000	75,000,000	
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,		202,000,000	-2,000,000	200,000,000	
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		278,000,000	-3,000,000	275,000,000	
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>		278,000,000	-3,000,000	275,000,000	
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 (TRECQ401)</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		278,000,000	-3,000,000	275,000,000	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		278,000,000	-3,000,000	275,000,000	19C
300						
301	Deduct: Capital Deduction \$10,000,000		-10,000,000		-10,000,000	20C
302						
303	<b>Taxable Capital</b>		268,000,000	-3,000,000	265,000,000	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		92	92	92	
308	Divide days by 365		0.2521	0.2521	0.2521	
309						
310	<b>Gross Part I.3 Tax LCT</b>		151,989	-1,701	150,288	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		35,928	-3,335	32,594	
315						
316	<b>Net Part I.3 Tax LCT Payable</b>		116,061	1,633	117,694	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						