

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 – INCOME TAXES

PROVISION FOR INCOME TAXES

Year ended December 31 (millions of dollars)

	2001	2000	1999
Current			
Canada	307	246	177
Foreign	46	34	109
	353	280	286
Future			
Canada	63	58	(99)
Foreign	57	33	(9)
	120	91	(108)
	473	371	178

GEOGRAPHIC COMPONENTS OF INCOME

Year ended December 31 (millions of dollars)

	2001	2000	1999
Canada	910	897	473
Foreign	300	203	257
Income from continuing operations before income taxes	1,210	1,100	730

RECONCILIATION OF INCOME TAX EXPENSE

Year ended December 31 (millions of dollars)

	2001	2000	1999
Income from continuing operations before income taxes	1,210	1,100	730
Income from regulated operations not subject to tax currently	(130)	(245)	(336)
	1,080	855	394
Federal and provincial statutory tax rate	42.1%	44.6%	44.6%
Expected income tax expense	455	381	176
Non-deductible expenses	3	3	15
Net difference between the federal and provincial statutory tax rate and rate of foreign authorities	(13)	(8)	(33)
Large corporations tax	31	32	32
Change in valuation allowance	–	(8)	–
Adjustment to future tax assets and liabilities for enacted changes in tax laws and rates	–	(28)	–
Other	(3)	(1)	(12)
Actual income tax expense	473	371	178