

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
26th Floor, Box 2319  
Toronto, ON M4P 1E4

March 12, 2010

Dear Ms. Walli

**Re: PowerStream Inc.–Barrie  
(Licence: Barrie Hydro Distribution Inc. ED-2002-0534)  
Account 1562 Deferred PILs EB-2008-0381  
Response to Board Staff Interrogatories**

Please find enclosed two (2) paper copies. This document has been filed on the Board's web portal in PDF format. The document, along with the SIMPILs models have been sent by email.

If you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

*(Original signed by Tom Barrett)*

Tom Barrett  
Manager, Rate Applications

## **INDEX**

### **DESCRIPTION**

Responses to Board Staff Interrogatories

#### **Schedules**

1. Account 1562 Deferred PILs Continuity Schedule
2. 2001 SIMPIL Model Revised March 12, 2010
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7. OEB Accounting Procedures Handbook FAQ April 2003
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**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** a proceeding  
commenced by the Ontario Energy Board on its  
own motion to determine the accuracy of the final  
account balances with respect to account 1562  
Deferred PILs (for the period October 1, 2001 to  
April 30, 2006) for certain 2008 and 2009  
distribution rate applications before the Board.

**BOARD STAFF INTERROGATORIES: BARRIE HYDRO DISTRIBUTION INC.**

**Barrie Hydro Inc. (Barrie)**

**BH1. Re: Issue #2:** What is the adjusted balance of deferred PILs in account 1562 that Barrie is now requesting for disposition as at February 28, 2010?

**Response:**

Barrie is requesting to dispose of a credit of \$248,777 in account 1562 as at December 31, 2009 plus interest at the prescribed rate accrued to the date of when disposition commences.

**BH2.** Please provide the PILs continuity schedule that supports this amount.

**Response:**

Please see Schedule 1. The original entries have been replaced by the revised amounts and interest recalculated.

**BH3.** Barrie has submitted SIMPIL and other models in evidence. If Barrie now has a new set of models other than those already filed that supports this requested amount, please file the active Excel versions in evidence.

**Response:**

Barrie is filing updated Board approved SIMPILs models as described herein.

As discussed in BH12 and BH13, Barrie is filing an updated 2001 SIMPILs model. This corrects the tax rate used for the gross up and incorporates tax credits from filed or amended tax returns. See Schedule 2.

As discussed in BH12, Barrie is filing an updated 2003 SIMPILs model. This incorporates tax credits from filed or amended tax returns. See Schedule 3.

As discussed in BH12, Barrie is filing an updated 2004 SIMPILs model. This incorporates tax credits from filed or amended tax returns. See Schedule 4.

As discussed in BH12, Barrie is filing an updated 2005 SIMPILs model. This incorporates tax credits from filed or amended tax returns. See Schedule 5.

**BH4.** Prior to the August 2009 non-transcribed meeting with parties, Board staff provided Barrie with completed SIMPIL models for Barrie for the years 2001 through 2005 and a summary or PILs continuity schedule of the variances produced from these models.

Please file these active Excel models on the public record. Please explain why and where Barrie disagrees with staff's interpretations of the SIMPIL methodology as displayed in these models.

**Response:**

In 2009, Board staff created a new SIMPILs model and transferred data from the original SIMPILs models filed by Barrie into the new model. Barrie received these files in emails from Board staff. The emails referred to these as "Draft Staff PILs Models" and stated:

*"The draft PILs models prepared by Board staff are not evidence and are for discussion purposes only. The models reflect the assumptions made by staff and have not been reviewed or endorsed by the Board. Staff may revise it's the position on any of these matters when the full evidentiary record has been received and reviewed."*

In light of the Board's decision on December 18, 2009 in this proceeding, Barrie submits that these new staff models are not relevant and it is not prepared to file these.

The decision states on page 5, last paragraph: "The Board agrees that the appropriate approach is a review of the account in terms of whether the distributors applied the methodology appropriately as the methodology existed at the time. The Board finds that it would be inappropriate to now change the methodology which was used in the past."

The Board approved SIMPILs models are a significant part of the methodology that existed at the time. Accordingly, it is suggested that the appropriate way to proceed is for Board staff to address the Board approved models filed by Barrie. It appears to Barrie that Board staff has done this in their other interrogatories.

Barrie notes that the Staff Models differ from the Board approved SIMPILs models with respect to the tax rates that are used for the true-up variance adjustment and the deferral account variance adjustment.

The Board approved SIMPILs models filed by Barrie use the actual tax rates for the year that correspond to the "Regulatory Taxable Income" in the "Initial Estimate" column of the TAXCALC sheet. These are the same rates that were presented in the Board Staff IR#2 and confirmed as correct by Barrie in the April 30, 2009 responses. See Schedule 6.

Barrie's treatment is consistent with the operation of the Board approved SIMPIL models and the Accounting Procedures Handbook ("APH") Frequently Asked Questions ("FAQs") April 2003 (see Schedule 7) which on page 2 states:

*"Please note that if there is no change in tax legislation affecting the utility industry, the Deferral Account Allowance Column will be the same as the Initial Estimate Column and the Deferral Account Variance will be zero".*

The staff models use other tax rates for calculating the true-up variance adjustment and the deferral account variance adjustment. This results in a deferral account variance that is not \$0 when there has been no change in tax legislation and is not compliant with the methodology outlined in the April 2003 FAQ. Accordingly these staff models do not represent the methodology that existed at the time and further consideration is not helpful to this proceeding.



**BH5. Re: Issue #1:** Should the stand-alone principle be applied when determining the allocation of the following tax attributes for federal and Ontario tax purposes: business limits; capital thresholds and deductions (exemptions); and eligibility for the small business deduction? That is, should the regulated distributor (licensed utility) use 100% of the tax attributes when calculating the regulatory PILs and SIMPIL true-up entitlements?

a) Please explain with reference to Barrie's PILs tax evidence.

**Response:**

- a) In the setting of the PILs proxy in Barrie's rates for the 2002 to 2005 rate years, 100% of the Ontario Capital Tax (OCT) and large Corporations Tax (LCT) exemptions were allocated to Barrie Hydro. The level of regulatory taxable income was such that the small business deduction was not applicable.

In the actual tax returns, the majority (99% or more) of the OCT and LCT exemptions were allocated to Barrie Hydro. The difference was minor and did not result in the SIMPILs model creating any adjustments to the balance in account 1562.

In Barrie's case the regulatory taxable income was at a level where the small business deduction did not apply in any of the years under review.

Barrie considers this a rate setting matter and not an issue for account 1562. The SIMPILs model provided by the Board used the allocation approved in setting rates, when calculating the 1562 deferral account adjustment for tax changes and made no adjustments for the actual allocation. The model indicates that this was the methodology at the time.

**BH6. Re: Issue #3:** One Example: Ontario Capital Tax (OCT) and Large Corporation Tax (LCT) were meant to be trued up if there was a capital tax rate or threshold deduction change after the Board's decision and during the intervening period until the next decision.

a) Does Barrie believe that Ontario Capital Tax and Large Corporation Tax should be trued up for income tax purposes in the SIMPIL methodology? That is, should the difference between the accrual for accounting purposes and the deduction from the actual tax returns be included in the list of items on which the income tax SIMPIL true-up variance is calculated? Please explain.

**Response:**

- a) No, Barrie believes that differences between accrual for accounting and actual amounts of OCT and LCT should not be trued up. The accrual for accounting amounts for OCT and LCT are not used in setting the PILs in rates or in determining actual taxable income or taxes payable.

**BH7. Re: Issue #4:** On May 27, 2009 in answer to staff interrogatories (IR) #6 and #9 shown below, Barrie responded as follows:

IR#6: Please confirm that there is no adjustment for changes in regulatory assets in the fourth quarter 2001 SIMPIL reconciliation. Please explain the assumptions that Barrie made for its 2001 tax returns that resulted in no addition or deduction for regulatory assets in SIMPIL.

Response: “Barrie Hydro (“BH”) did use the regulatory assets in the Ministry filing of our tax returns. BH determined regulatory asset/liabilities should not be included in the PILs filing, due to the fact that these are not considered when setting the PILs Proxy and only represent a timing difference of when income tax is paid.”

IR#9: Please confirm that there are no adjustments for changes in regulatory assets in the 2002 SIMPIL reconciliation. Please explain the assumptions that Barrie made for its 2002 tax returns that resulted in no addition or deduction for regulatory assets in SIMPIL.

Response: There are no adjustments for changes in our regulatory assets for 2002, as discussed in [IR] BH6. It was felt that the write off of our regulatory asset is only a timing issue and should not be part of the PILs submission.

In its SIMPIL evidence, EnWin has included the movement in regulatory assets to calculate the balance in 1562 to be recovered from or refunded to ratepayers. The variance is material to the total amount applied for recovery.

**a)** Does Barrie believe that EnWin should include the movement in regulatory assets in the determination of the PILs balance in 1562 to be recovered from or refunded to ratepayers? Please explain.

**Response:**

- a)** This is a complex issue and the circumstances of each individual situation need to be considered. Barrie has dealt with this issue in the context of its own situation and believes that it has treated this appropriately. Barrie is not familiar with ENWIN's circumstances and is unable to comment on their treatment.

**BH8. Re: Issue #5:** Barrie calculated the amount recovered from customers as the billed amount. Barrie used the PILs “rate slivers” from the PILs application filing models to calculate the amount that represents billed to customers and submitted Sch\_10\_BH39 in evidence on May 27, 2009.

- a) Does Barrie believe that this method is the best method to use? Please explain.
- b) Please provide a table that shows how Barrie calculated the rate slivers used in Sch\_10\_BH39 with reference to the applications that support this rate component.

**Response:**

- a) Barrie feels that this is the most accurate way to determine the PILs amount billed to customers. The approved rate models identify the amounts added to rates representing the PILs portion of revenue requirement. Barrie was able to apply these adders to the billed quantities to determine the amount of PILs billed to customers.

The following table shows PILs “rate slivers” taken from the approved 2002 RAM, 2004 RAM and 2005 RAM, that were used to calculate the amount that represents billed to customers and submitted Sch\_10\_BH39 in evidence on May 27, 2009.

**Table 1: PILs “Rate Slivers” from Approved Rate Adjustment Models (RAM)**

Customer Class	per	2001		2002		2004		2005	
		Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
Residential	kWh	0.7976	0.000455	2.5883	0.001477	-	0.005169	-	0.0046
GS<50 kW	kWh	0.8128	0.000666	2.6375	0.002162	-	0.003231	-	0.0029
GS>50 kW	kW	22.4794	0.046927	72.9457	0.152277	-	0.521666	-	0.4531
Large Use	kW	34.9140	0.044284	113.2962	0.143702	-	-	-	-
Street Lighting	kW	0.0181	0.042843	0.0588	0.139026	-	0.503342	-	0.4185

GS = General Service

2001 and 2002 taken from approved 2002 RAM (EB-2002-0020) sheets 6 and 7

2004 taken from approved 2004 RAM (EB-2004-0011) sheet 7

2005 taken from approved 2005 RAM (EB-2005-0006) sheet 4

**BH9. Re: Issue #6:** Barrie responded to staff's IR #40 on May 27, 2009 as follows.

*IR# 40: Please describe how Barrie extracted the PILs amounts from unbilled revenue during the period 2001 through December 31, 2006.*

*Response: Distribution rates containing PILS commenced March 1, 2002. The amounts shown in the continuity schedule are PILS collected on actual billed amounts, no true up for unbilled was performed on a monthly basis. You will note that the continuity schedule shows amounts collected from customers in May & June 2006, these amounts are calculated on consumption prior to May 1, 2006 which was not actually billed to the customer until May and June. In effect these two months are the "catch up" for unbilled at April 30, 2006.*

- a) Does Barrie believe that this is the only method to deal with unbilled revenue for purposes of the SIMPIL calculations? Are there other alternatives that could also be considered? Please explain.
- b) If the information is not available by an applicant to calculate unbilled revenue as at April 30, 2006, how does Barrie believe this should be treated?

**Response:**

- a) There are many ways to estimate and accrue unbilled amounts, requiring varying degrees of effort and with varying degrees of accuracy. Barrie's processes were to prepare an unbilled entry only at year end. Accordingly Barrie continued to record actual PILs amounts billed for the period up to April 30, 2006 in the subsequent months and book this into account 1562.
- b) Barrie believes that the approach it has taken is a reasonable alternative to calculating an unbilled revenue amount as at April 30, 2006.

**BH10. Re: Issue # 7:** If a regulated distributor has a service company or parent company that provides services to the LDC, and the service company or parent charges the distribution utility for labour including all overhead burdens, does Barrie believe that the change in the post-employment benefit liability should be reflected in the distributor's PILs reconciliations? Please explain.

**Response:**

This situation does not apply to Barrie. Barrie has no comment.

**BH11. Re: Issue #8:** The materiality threshold incorporated into the SIMPIL models can produce perverse results. In Halton Hills' evidence in its 2004 SIMPIL TAXREC2, the accounting bad debt expense was added back, and because it was above the materiality threshold it generated a tax provision on the amount. However, the deduction for the tax deductible bad debt expense was below the materiality threshold and was ignored in the true-up calculations. The net amount between the accounting number and the actual tax deductible amount should be considered in the calculation.

The original intent of the materiality threshold was to reduce the number of reconciling items that the applicant would have to submit evidence to defend.

**a)** If evidence on non-material items, other than for policy matters, is not required to be filed in this proceeding, should the materiality threshold be retained in the model given that errors like those identified above are created? Please explain.

**b)** If Barrie believes that the materiality threshold should be retained in the model, how should the materiality threshold be applied to determine which amounts should be trued up to avoid the situation described above? Please explain.

**Response:**

- a)** Barrie agrees that as a practical matter only material items should be considered.
- b)** Barrie feels that issues, like the one identified above, could be resolved by requiring directly related items to be considered together when determining materiality.

**BH12. Re: Issue #9: Correct tax rates.**

a) What income tax rate should be used for true-up calculations and how should this rate be determined?

b) Should Investment Tax Credits, like apprenticeship training, be considered in the determination of the taxes and the tax rate(s) for the SIMPIL true-up calculations? Please explain.

c) EnWin incurred losses for income tax purposes in 2001 and 2002 and utilized tax loss carry-forwards in 2003, 2004 and 2005 to reduce taxable income to zero.

How would Barrie determine the appropriate income tax rate to use in the true-up calculations when there is no taxable income?

**Response:**

a) Barrie considers the appropriate income tax rates to be the legislated Federal and Ontario tax rates for the year corresponding to the amounts used in the PILs calculation approved in setting rates with the sole purpose of adjusting for changes in tax rates for the year that occurred after the setting of rates. The Board approved SIMPILs models filed by Barrie operated in this manner and represented the methodology at the time. This is discussed in BH4 above.

b) On revisiting the SIMPILs model and instructions, Barrie concludes that these tax credits were meant to be included on the TAXCALC sheet under "IV b) Calculation of the Deferral Account Variance caused by changes in legislation" on the "Less: Revised Miscellaneous Tax Credits" line. Barrie is filing updated SIMPILs models for 2001, 2003, 2004 and 2005 to reflect this. There were no miscellaneous tax credits in the 2002 tax returns. In the 2005 SIMPILs we have included a true-up amount for the SR&ED tax credits in 2004 and 2005 that were added back in arriving at taxable income in 2005 and 2006 respectively.

c) As stated in (a) above and BH4, Barrie believes that the 1562 PILs methodology was to use the legislated rates corresponding to the amounts and rates in the tax calculation used in setting rates.

A loss occurs when revenues, received from customers, are inadequate to cover costs and no return on investment is received. It would be inappropriate to further reduce the LDC's revenue by treating this as a "tax rate change" in the SIMPILs model, which it is not. Similarly if an LDC "over earned" and this put it into a higher tax rate, it would not be appropriate to recover additional PILs from rate payers in this situation.



**BH13.** In Barrie's 2001 SIMPIL model submitted in May 2009, the 2001 tax rate should be 40.62% less 1.12%, or 39.50%, for the true-up calculations on TAXCALC based on the methodology. Please explain why this rate was not used. Please provide a corrected model.

**Response:**

This was a clerical error.

Please see Schedule 2 for the corrected SIMPILs model for 2001.

**BH14.** In Barrie's 2003 SIMPIL model submitted in May 2009, the 2002 proxy does not agree with the 2002 decision and supporting application model. The tax rate should be 38.62% for 2002 proxy and 36.62% (less 1.12%) for the true-up calculations in 2003. Please explain why this rate was not used. Please file a corrected SIMPIL model.

**Response:**

This was a locked model from the Board. The rates used were driven by the model and not by the inputs made by Barrie. Barrie relied upon the Board model in booking its entries to account 1562. This model was filed in 2004 and Barrie was not advised of any issues with the model at that time. Barrie is unable to make the requested change to the locked Board approved 2003 SIMPIL model.

**BH15. Re: Issue #10:** Barrie has included the 2001 PILs proxy (positive number) in the account 1562 continuity schedule in each period until it was removed from rates. As well, Barrie has shown the amount collected (negative number) from customers by using the 2001 proxy “rate slivers” for the same time period as the proxy remained in rates.

**Re: Issue #11:** For 2002 RRR, Barrie filed the 2001 SIMPIL model. In that document there was a true-up amount of \$136,041 [evidence filed May 27, 2009] which Barrie showed in the continuity schedule in the 2002 column.

The true-up amount of \$136,041 appears only once in the 2002 column. It does not appear in the 2003 column; and no proration of this amount appears in the 2004 column up to the date the 2001 proxy was removed from rates.

a) Does Barrie consider this treatment to be inconsistent? Please explain.

**Response:**

a) Barrie considers this treatment to be consistent with the methodology that existed at the time as explained below.

**Re: Issue #10:**

Barrie considers it appropriate to compare the PILs approved in rates to the PILs billed to customers for purposes of determining the variance that is recorded in account 1562. This is the methodology that existed and was followed for each year.

Please see Schedule 8 which contains the “PILS Variance Analysis” page from the 2004 and 2005 SIMPILs models and Schedule 7 for the April 2003 Ontario Energy Board Accounting Procedures Handbook Frequently Asked Questions (FAQ). The FAQ indicates what amounts are to be booked into account 1562. Entry one is a monthly entry for 1/12<sup>th</sup> of the Board approved PILS amount. Entry 3 is to record the amount of PILs billed to customers. The “PILS Variance Analysis” page from the 2004 and 2005 SIMPILs models clearly indicates that both the 2001 and 2002 PILs amounts are to be debited to account 1562 for the period where these are included in rates.

**Re: Issue #11:**

Barrie understands the PILs methodology to require the SIMPIL model true up to the actual tax return to be done once for each tax year. This is based in part on the fact that utilities were only asked to file the 2003 SIMPILs model and that model did not ask for a true-up to the 2001 tax return.

**BH16. Re: Issue #12:** In the 2005 SIMPIL model continuity schedule, Barrie has shown prorated amounts for the PILs proxy and the amount collected for the period January 1 to April 30, 2006. It has also shown the true-up items of \$157,780 from the 2005 tax year SIMPIL RRR filing in the 2006 column. There are no true-up items shown that relate specifically to the 2006 four-month stub period.

**a)** Does Barrie believe that its disclosure reflects the correct interpretation of the SIMPIL methodology? Please explain.

**Response:**

**a)** Please see the response to BH15 above. Barrie's treatment is consistent with the guidance in the April 2003 FAQ (Schedule 7) in regards to the recording of the PILs proxy versus PILs billed variance.

Barrie understands that the adjustment resulting from the completion of the 2005 SIMPILs model is booked in 2006 when the tax returns for 2005 have been filed and the SIMPILS model is completed. That is why the 2005 SIMPILs adjustments are shown in the 2006 column.

No SIMPILs model was ever issued for 2006 and there is no tax return that covers this four month period. The methodology did not provide for a true-up for this period.

**BH17. Re: Issue #13:** Financing fees are included in the all-in cost of debt by Enbridge, Union Gas and Hydro One when they file rate applications. Barrie has shown the amortization of financing fees in its SIMPIL evidence.

**a)** Does Barrie consider the amortization of financing fees as shown in its evidence to be interest expense? Please explain.

**b)** Should this cost be included in interest expense for the purpose of the interest claw-back calculations? Please explain.

**Response:**

**a)** Yes, Barrie considers this to be interest expense.

**b)** This expense is related to the long term debt, specifically the EDFIN debentures. As such it should be included in interest expense for purposes of the interest claw-back calculation. This amount has no impact on the results of this calculation for Barrie; the adjustment remains \$0.

**BH18: Re: Issue #13:** In Halton Hills' evidence filed on January 8, 2010, the Board's maximum deemed interest, which should have been used in the variance calculation under the established methodology, was replaced with Halton Hills' actual interest expense in the 2003, 2004 and 2005 SIMPIL models. In so doing, Halton Hills eliminated the established methodology for truing up excess interest above the deemed amount.

a) What is Barrie's understanding of the Board's established methodology regarding the excess interest claw-back and has Halton Hills followed that guidance?

**Response:**

a) Barrie's understanding of this issue, which was considered during the 2006 rate setting process and discussed in the "2006 *Electricity Distribution Rate Handbook Report Of The Board 2005 May 11 RP-2004-0188*" and the "2006 *Electricity Distribution Rate Handbook*", is that the excess interest claw-back calculation was designed to capture situations where utilities were gaining tax savings through excessive leveraging or paying excessive interest rates on shareholder or affiliate debt.

Barrie believes this is a complex situation that has not been fully addressed in the Board guidance and methodology and requires careful consideration of the facts in each case. There are many circumstances that could lead to actual interest expense exceeding the deemed interest expense in rates that was used to calculate the PILs allowance.

A factor to consider is that the deemed interest used in the interest claw-back calculation is based on 1999 rate base. A growth in rate base, from an increasing numbers of customers and additional assets to connect them, at the prescribed debt – equity ratio would lead to additional borrowing. This may cause the utility's actual interest expense to exceed the deemed, despite having the Board prescribed debt–equity ratio and affiliate debt at the Board prescribed rate of interest.

Another factor to be considered is what should be included in the interest expense used in the interest claw-back calculation. For example it would be inappropriate to compare interest expense on regulatory liabilities with deemed interest as the deemed interest does not take regulatory liabilities into consideration.

Barrie is not familiar with Halton Hills' circumstances and is unable to comment on their treatment.

**BH19. Re: Issue #16:** Barrie changed its evidence and recalculated interest carrying charges which are shown on the 2005 SIMPIL model continuity schedule.

- a) How did Barrie recalculate the interest after the principal balances were modified?
- b) Does Barrie believe that this is the correct method? Please explain.
- c) Can Barrie suggest another method? Please explain.

**Response:**

- a) Barrie prepared a monthly continuity schedule of account 1562, in an Excel spreadsheet, revised the principal balances at the point in time that the original entry was booked and recalculated interest from that point onwards.
- b) Barrie feels that this is the appropriate method for corrections to its errors in the original filings. For changes which arise where the utility's reasonable interpretation is different than what is decided in this proceeding, this may not be appropriate.
- c) For the types of changes referred to in the second part of point (b) above, interest from the time of the decision to the time of disposal may be more appropriate in the circumstances.

**BH20. Re: Issue #18:** The Large Corporation Tax (LCT) was repealed with effect from January 1, 2006. Barrie received \$54,578 for its 2005 LCT PILs proxy as shown in the 2005 SIMPIL model (TAXCALC cell C92). In its PILs continuity schedule Barrie has not shown an entry for the repeal of the LCT during the January 1 to April 30, 2006 period.

- a) Does Barrie consider this to be the correct treatment in accordance with the Board's *FAQ July 2007*? Please explain.
- b) Does Barrie consider that because of the date of issuance of the FAQ in July 2007, the guidance should not apply to the 2006 stub period? Please explain.
- c) Expressed another way, how important is the sequence of the Board's guidance in determining how and when to apply that guidance in this proceeding? Please elaborate.
- d) Does Barrie believe that there is a regulatory hierarchy in the Board's various decisions, handbooks, FAQs, guidelines and instructions? Please elaborate.

**Response:**

- a) Barrie has booked the amount of the LCT in rates for the period January 1, 2006 to April 30, 2006 into account 1562. This entry, in the amount of \$18,193 credit and dated June 30, 2007, is shown in the continuity schedule filed in the responses to Board Staff IRs filed April 30, 2009 under Schedule 11.
- b) Barrie has followed this guidance as discussed in (a) above.
- c) Barrie is unable to offer a conclusive answer to this question. Barrie however notes that subsequent changes that retroactively apply to previously reported financial periods are detrimental to the stability and financial viability of this sector and could result in higher interest costs which would impact rates.
- d) The relevance of a hierarchy is not entirely apparent. The Board's Scoping Decision noted as follows (at p. 6):

*'Board direction in the form of letters from the Board Secretary, the Accounting Procedures Handbook and the associated FAQ, and the SIMPIL models all provided direction to distributors. The Board finds that it would be inappropriate to review those changes now, or the methodology itself, with a view to making retrospective changes. While those instruments were not the result of a rates proceeding, they were all sanctioned by the Board and formed the directions under which distributors were expected to operate.'*

As a result, all of these instruments are binding on the Board for the purposes of this proceeding.



**BH21: Re: Issues #: 14, 15, 17, 19, 20, 21, 22.**

Should Barrie wish to provide its comments to assist the Board with these issues, please do so with reference to each issue number.

**Response:**

The issues are shown in italics below. Barrie's comments are in regular font.

*14) Should the final balances in account 1562 that will be approved for disposition be transferred to account 1590 Recovery of Regulatory Asset Balances or account 1595?*

Barrie considers account 1595 to be the appropriate account as it expects 1590 to be cleared as part of its 2010 rate application.

*15) Should the disposition of account 1562 be final in this proceeding? How and if at all should subsequent reassessments be handled in the future?*

Barrie submits that the disposition of account 1562 should be declared final in this proceeding and the Board should allow any changes affecting the SIMPILs adjustments arising from subsequent reassessments to be recorded in account 1592. Distributors may have tax years that have not yet been audited, are under appeal or a waiver has been signed holding open a tax year for designated issues. If a policy of not allowing subsequent reassessments to be recorded in account 1592 is adopted, it may result in discrimination in the treatment of distributors depending on where they are in the tax authority's auditing cycle, the status of distributor's appeal process and potential tax authority policy rulings.

*17) Should the final tax items in the original, amended, assessed or reassessed tax returns be used for the purposes of calculating true-up calculations?*

The most recent tax information at the time of filing should be used, which could be the original, amended, assessed or re-assessed tax returns. Please see comments on point 15 above regarding changes subsequent to filing and clearing of account 1562.

*19) How should the final balance in account 1562 be allocated to the customer classes for rate recovery?*

This should be allocated on the same basis as PILs are allocated – based on the revenue requirement allocation to customer classes. For practical purposes and based on when these variances arose, this could be based on the approved 2006 revenue requirement allocation.

*20) Over what time period should the final balance in account 1562 be disposed by rate rider?*

This should be from one to three years depending on the size of the amounts and the rate impact.

*21) Should interest carrying charges be forecast to a future date of disposition? If so, what date? What interest rate(s) should be used?*

Yes, interest charges should be forecast to the date of disposition in a similar manner has been used in disposition of other variance and deferral accounts.

*22) What billing determinant(s) should be used to recover the final amount in account 1562? That is, by the fixed and variable charges, fixed charge only, or variable charge only?*

For much of the period in question, PILs were collected through the variable charge only. Barrie feels that it would be appropriate to use this as the basis for recovery.

## **Schedule 1**

### **ACCOUNT 1562 DEFERRED PILS CONTINUITY SCHEDULE**

**Account 1562  
Deferred PILs**

**Barrie Hydro**  
EB-2008-0381  
Filed March 12, 2010  
**Schedule 1**

<i>Account Number:</i>		<i>1562</i>	<i>1562 Sub-Account</i>			
		<i>Defered PILs</i>		<i>Deferred PILs Interest</i>		Total
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>		<i>Balance</i>	
31-Oct-01	PILs monthly accrual	376,608	376,608	-	-	
30-Nov-01	PILs monthly accrual	376,608	753,216			
	Interest on previous mths balance	-	-	2,197	2,197	
31-Dec-01	PILs monthly accrual	376,609	1,129,825	-	-	
	Interest on previous mths balance	-	-	4,394	6,591	1,136,416
31-Jan-02	PILs montly accrual	305,524	1,435,349			
	Recovery of Pils from Customers	-	1,435,349			
	Interest on previous mths balance			6,591	13,181	
28-Feb-02	PILs montly accrual	305,524	1,740,873			
	Recovery of Pils from Customers	-	1,740,873			
	Interest on previous mths balance			8,373	21,554	
31-Mar-02	PILs montly accrual	305,524	2,046,397			
	Recovery of Pils from Customers	(165,731)	1,880,666			
	Interest on previous mths balance			10,155	31,709	
30-Apr-02	PILs montly accrual	305,524	2,186,190			
	Recovery of Pils from Customers	(426,564)	1,759,626			
	Interest on previous mths balance			10,971	42,680	
31-May-02	PILs montly accrual	305,524	2,065,150			
	Recovery of Pils from Customers	(227,684)	1,837,466			
	Interest on previous mths balance			10,264	52,944	
30-Jun-02	PILs montly accrual	305,524	2,142,990			
	Recovery of Pils from Customers	(335,706)	1,807,284			
	Interest on previous mths balance			10,719	63,663	
	2001 SIMPILs adjustment	148,996	1,956,280			
31-Jul-02	PILs montly accrual	305,524	2,261,804			
	Recovery of Pils from Customers	(429,417)	1,832,387			
	Interest on previous mths balance			11,412	75,074	
31-Aug-02	PILs montly accrual	305,524	2,137,911			
	Recovery of Pils from Customers	(383,882)	1,754,029			
	Interest on previous mths balance			10,689	85,763	
30-Sep-02	PILs montly accrual	305,524	2,059,553			
	Recovery of Pils from Customers	(387,374)	1,672,179			

**Account 1562  
Deferred PILs**

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<i>Account Number:</i>		<i>1562</i>		<i>1562 Sub-Account</i>		
		<i>Defered PILs</i>		<i>Deferred PILs Interest</i>		Total
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>		<i>Balance</i>	
	Interest on previous mths balance			10,232	95,995	
31-Oct-02	PILs montly accrual	305,524	1,977,703			
	Recovery of Pils from Customers	(461,814)	1,515,889			
	Interest on previous mths balance			9,754	105,750	
30-Nov-02	PILs montly accrual	305,524	1,821,413			
	Recovery of Pils from Customers	(381,201)	1,440,212			
	Interest on previous mths balance			8,843	114,592	
31-Dec-02	PILs montly accrual	305,521	1,745,733			
	Recovery of Pils from Customers	(247,012)	1,498,721			
	Interest on previous mths balance			8,401	122,994	1,621,715
31-Jan-03	PILs montly accrual	399,676	1,898,397			
	Recovery of Pils from Customers	(507,354)	1,391,043			
	Interest on previous mths balance			8,743	131,736	
28-Feb-03	PILs montly accrual	399,676	1,790,719			
	Recovery of Pils from Customers	(468,296)	1,322,423			
	Interest on previous mths balance			8,114	139,850	
31-Mar-03	PILs montly accrual	399,676	1,722,099			
	Recovery of Pils from Customers	(469,149)	1,252,950			
	Interest on previous mths balance			7,714	147,565	
30-Apr-03	PILs montly accrual	399,676	1,652,626			
	Recovery of Pils from Customers	(417,457)	1,235,169			
	Interest on previous mths balance			7,309	154,873	
31-May-03	PILs montly accrual	399,676	1,634,845			
	Recovery of Pils from Customers	(438,491)	1,196,354			
	Interest on previous mths balance			7,205	162,079	
30-Jun-03	PILs montly accrual	399,676	1,596,030			
	Recovery of Pils from Customers	(416,381)	1,179,649			
	Interest on previous mths balance			6,979	169,057	
	2002 SIMPILs adjustment	122,608	1,302,257			
31-Jul-03	PILs montly accrual	399,676	1,701,933			
	Recovery of Pils from Customers	(437,876)	1,264,057			
	Interest on previous mths balance			6,881	175,939	

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		<i>Defered PILs</i>		<i>Deferred PILs Interest</i>		Total
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>		<i>Balance</i>	
31-Aug-03	PILs montly accrual	399,676	1,663,733			
	Recovery of Pils from Customers	(384,680)	1,279,053			
	Interest on previous mths balance			7,374	183,312	
30-Sep-03	PILs montly accrual	399,676	1,678,729			
	Recovery of Pils from Customers	(424,061)	1,254,668			
	Interest on previous mths balance			7,461	190,773	
30-Oct-03	PILs montly accrual	399,676	1,654,344			
	Recovery of Pils from Customers	(453,911)	1,200,433			
	Interest on previous mths balance			7,319	198,092	
31-Nov-03	PILs montly accrual	399,676	1,600,109			
	Recovery of Pils from Customers	(373,186)	1,226,923			
	Interest on previous mths balance			7,003	205,095	
31-Dec-03	PILs montly accrual	399,676	1,626,599			
	Recovery of Pils from Customers	(433,161)	1,193,438			
	Interest on previous mths balance			7,157	212,252	1,405,690
31-Jan-04	PILs montly accrual	329,062	1,522,500			
	Recovery of Pils from Customers	(412,163)	1,110,337			60,140
	Interest on previous mths balance			6,962	219,214	
28-Feb-04	PILs montly accrual	329,062	1,439,399			
	Recovery of Pils from Customers	(419,019)	1,020,380			
	Interest on previous mths balance			6,477	225,691	
31-Mar-04	PILs montly accrual	329,062	1,349,442			
	Recovery of Pils from Customers	(554,978)	794,464			
	Interest on previous mths balance			5,952	231,643	
30-Apr-04	PILs montly accrual	329,062	1,123,526			
	Recovery of Pils from Customers	(390,172)	733,354			
	Interest on previous mths balance			4,634	236,277	
31-May-04	PILs montly accrual	329,062	1,062,416			
	Recovery of Pils from Customers	(354,228)	708,188			
	Interest on previous mths balance			4,278	240,555	
30-Jun-04	PILs montly accrual	329,062	1,037,250			
	Recovery of Pils from Customers	(337,369)	699,881			

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<i>Account Number:</i>		<i>1562</i>	<i>1562 Sub-Account</i>			
		<i>Defered PILs</i>		<i>Deferred PILs Interest</i>		Total
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>		<i>Balance</i>	
	2003 SIMPILs adjustment	101,657	801,538			
	Interest on previous mths balance			4,131	244,686	
31-Jul-04	PILs montly accrual	329,062	1,130,600			
	Recovery of Pils from Customers	(308,735)	821,865			
	Interest on previous mths balance			4,676	249,362	
31-Aug-04	PILs montly accrual	329,062	1,150,927			
	Recovery of Pils from Customers	(357,661)	793,266			
	Interest on previous mths balance			4,794	254,156	
30-Sep-04	PILs montly accrual	329,062	1,122,328			
	Recovery of Pils from Customers	(331,873)	790,455			
	Interest on previous mths balance			4,627	258,783	
31-Oct-04	PILs montly accrual	329,062	1,119,517			
	Recovery of Pils from Customers	(346,564)	772,953			
	Interest on previous mths balance			4,611	263,394	
30-Nov-04	PILs montly accrual	329,062	1,102,015			
	Recovery of Pils from Customers	(332,576)	769,439			
	Interest on previous mths balance			4,509	267,903	
31-Dec-04	PILs montly accrual	329,062	1,098,501			
	Recovery of Pils from Customers	(340,210)	758,291			
	Interest on previous mths balance			4,488	272,392	1,030,683
31-Jan-05	PILs montly accrual	305,524	1,063,815			
	Recovery of Pils from Customers	(324,529)	739,286			
	Interest on previous mths balance			4,423	276,815	
28-Feb-05	PILs montly accrual	305,524	1,044,810			
	Recovery of Pils from Customers	(470,269)	574,541			
	Interest on previous mths balance			4,313	281,128	
31-Mar-05	PILs montly accrual	305,524	880,065			
	Recovery of Pils from Customers	(387,976)	492,089			
	Interest on previous mths balance			3,351	284,479	
30-Apr-05	PILs montly accrual	310,179	802,268			
	Recovery of Pils from Customers	(352,728)	449,540			
	Interest on previous mths balance			2,871	287,350	

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Account Number:		1562		1562 Sub-Account		
		Defered PILs				
Date:	Description:	Adjustment	Balance	Deferred PILs Interest	Balance	Total
31-May-05	PILs montly accrual	310,179	759,719			
	Recovery of Pils from Customers	(295,403)	464,316			
	Interest on previous mths balance			2,622	289,972	
30-Jun-05	PILs montly accrual	310,179	774,495			
	Recovery of Pils from Customers	(297,214)	477,281			
	2004 SIMPILs adjustment	-	477,281			
	Interest on previous mths balance			2,709	292,680	
31-Jul-05	PILs montly accrual	310,179	787,460			
	Recovery of Pils from Customers	(289,668)	497,792			
	2004 SIMPILs adjustment	(555,483)	(57,691)			
	Interest on previous mths balance			2,784	295,465	
31-Aug-05	PILs montly accrual	310,179	252,488			
	Recovery of Pils from Customers	(451,440)	(198,952)			
	Interest on previous mths balance			2,178	297,643	
30-Sep-05	PILs montly accrual	310,179	111,227			
	Recovery of Pils from Customers	(320,652)	(209,425)			
	Interest on previous mths balance			(1,161)	296,483	
31-Oct-05	PILs montly accrual	310,179	100,754			
	Recovery of Pils from Customers	(301,090)	(200,336)			
	Interest on previous mths balance			(1,222)	295,261	
30-Nov-05	PILs montly accrual	310,179	109,843			
	Recovery of Pils from Customers	(301,588)	(191,745)			
	Interest on previous mths balance			(1,169)	294,092	
31-Dec-05	PILs montly accrual	310,179	118,434			
	Recovery of Pils from Customers	(309,988)	(191,554)			
	Interest on previous mths balance			(1,119)	292,974	101,420
31-Jan-06	PILs montly accrual	310,179	118,625			
	Recovery of Pils from Customers	(364,672)	(246,047)			
	Interest on previous mths balance			(1,117)	291,856	
28-Feb-06	PILs montly accrual	310,179	64,132			
	Recovery of Pils from Customers	(337,749)	(273,617)			
	Interest on previous mths balance			(1,435)	290,421	



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<i>Account Number:</i>		<i>1562</i>		<i>1562 Sub-Account</i>		
		<i>Defered PILs</i>				
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>	<i>Deferred PILs Interest</i>	<i>Balance</i>	Total
31-Mar-06	PILs montly accrual	310,179	36,562			
	Recovery of Pils from Customers	(374,451)	(337,889)			
	Interest on previous mths balance			(1,596)	288,825	
30-Apr-06	PILs montly accrual	310,179	(27,710)			
	Recovery of Pils from Customers	(254,514)	(282,224)			
	Interest on previous mths balance			(1,971)	286,854	
31-May-06	PILs montly accrual	-	(282,224)			
	Recovery of Pils from Customers	(313,839)	(596,063)			
	Interest on previous mths balance			(976)	285,878	
30-Jun-06	PILs montly accrual	-	(596,063)			
	Recovery of Pils from Customers	(27,493)	(623,556)			
	True-up Variance	-	(623,556)			
	Interest on previous mths balance			(2,061)	283,817	
31-Jul-06	PILs montly accrual	-	(623,556)			
	Recovery of Pils from Customers	-	(623,556)			
	2004 SIMPILs adjustment	167,859	(455,697)			
	Interest on previous mths balance			(2,156)	281,660	
31-Aug-06	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	279,917	
30-Sep-06	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	278,174	
31-Oct-06	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	276,431	
30-Nov-06	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	274,688	
31-Dec-06	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	272,945	(182,752)

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<i>Account Number:</i>		<i>1562</i>	<i>1562 Sub-Account</i>			
		<i>Defered PILs</i>		<i>Deferred</i>		
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>	<i>PILs Interest</i>	<i>Balance</i>	Total
31-Jan-07	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	271,202	
28-Feb-07	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	269,459	
31-Mar-07	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	267,716	
30-Apr-07	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	265,973	
31-May-07	PILs montly accrual	-	(455,697)			
	Recovery of Pils from Customers	-	(455,697)			
	Interest on previous mths balance			(1,743)	264,230	
30-Jun-07	PILs montly accrual	-	(455,697)			
	LCT adjustment	(18,193)	(473,890)			
	Interest on previous mths balance			(1,743)	262,487	
31-Jul-07	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(1,813)	260,674	
31-Aug-07	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(1,813)	258,861	
30-Sep-07	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(1,813)	257,049	
31-Oct-07	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(1,813)	255,236	
30-Nov-07	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			

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<i>Account Number:</i>		<i>1562</i>		<i>1562 Sub-Account</i>		
		<i>Defered PILs</i>		<i>Deferred PILs Interest</i>		Total
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>		<i>Balance</i>	
	Interest on previous mths balance			(2,030)	253,206	
31-Dec-07	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(2,030)	251,177	(222,713)
31-Jan-08	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(2,030)	249,147	
29-Feb-08	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(2,030)	247,117	
31-Mar-08	PILs montly accrual	-	(473,890)			Total
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(2,030)	245,087	(228,803)
30-Apr-08	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(2,030)	243,057	
31-May-08	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(1,611)	241,446	
30-Jun-08	PILs montly accrual	-	(473,890)			Total
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(1,611)	239,835	(234,055)
31-Jul-08	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(1,611)	238,224	
31-Aug-08	PILs montly accrual	-	(473,890)			
	Recovery of Pils from Customers	-	(473,890)			
	Interest on previous mths balance			(1,323)	236,901	
30-Sep-08	PILs montly accrual	-	(473,890)			Total
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(1,323)	235,578	(238,312)
31-Oct-08	PILs montly accrual	-	(473,890)			

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<i>Account Number:</i>		<i>1562</i>	<i>1562 Sub-Account</i>			
		<i>Defered PILs</i>		<i>Deferred PILs Interest</i>		
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>		<i>Balance</i>	Total
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(1,323)	234,255	
30-Nov-08	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(1,323)	232,932	
31-Dec-08	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			Total
	Interest on previous mths balance			(1,323)	231,609	(242,281)
31-Jan-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(1,323)	230,286	
28-Feb-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(968)	229,318	
31-Mar-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(968)	228,351	
30-Apr-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(968)	227,383	
31-May-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(395)	226,988	
30-Jun-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(395)	226,593	
31-Jul-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(395)	226,199	
31-Aug-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(217)	225,981	

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<i>Account Number:</i>		<i>1562</i>	<i>1562 Sub-Account</i>			
		<i>Defered PILs</i>		<i>Deferred</i>		
<i>Date:</i>	<i>Description:</i>	<i>Adjustment</i>	<i>Balance</i>	<i>PILs Interest</i>	<i>Balance</i>	Total
30-Sep-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(217)	225,764	
31-Oct-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(217)	225,547	
30-Nov-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			
	Interest on previous mths balance			(217)	225,330	
31-Dec-09	PILs montly accrual	-	(473,890)			
	LCT adjustment	-	(473,890)			Total
	Interest on previous mths balance			(217)	225,113	(248,777)

## **Schedule 2**

**2001 SIMPIL MODEL REVISED MARCH 12, 2010**

	A	B	C	D	E
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>				<b>Version 2004.2</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				<b>RRR # 2.1.8</b>
3	<b>Utility Name: Barrie Hydro Distribution Inc.</b>				
4	<b>Reporting period: Dec. 31, 2001 Revised March 12, 2010</b>				
5					
6	<b>Days in reporting period:</b>	92	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	yes	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	no	
16					
17	Is the utility a non-profit corporation?		Y/N	no	
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	yes	
20	shared among the corporate group?	LCT	Y/N	no	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99%	
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</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			108,021,367	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			8,961,453	
42					
43	1999 return from RUD Sheet #7			3,237,888	3,237,888
44					
45	Total Incremental revenue			5,723,565	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			1,907,855	1,907,855
48	Amount allowed in 2002			1,907,855	1,907,855
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>				7,053,598
54					
55	Equity			48,609,615	
56					
57	Return at target ROE			4,802,630	
58					
59	Debt			59,411,752	
60					
61	Deemed interest amount in 100% of MARR			4,158,823	
62					
63	Phase-in of interest - Year 1 (2001)			2,388,032	
64	$((D43+D47)/D41)*D61$				
65	Phase-in of interest - Year 2 (2002)			3,273,427	
66	$((D43+D47+D48)/D41)*D61$				
67	Phase-in of interest - Year 3 (2003) and forward			3,273,427	
68	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
69					
70					
71					

	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>RRR # 2.1.8</b>										<b>Version 2004.2</b>	
6			\$						\$		\$	
7	<b>Utility Name: Barrie Hydro Distribution Inc.</b>											
8	<b>Reporting period: Dec. 31, 2001 Revised March 12, 2010</b>											<b>Column</b>
9	<b>Days in reporting period:</b>	92	days									<b>Brought</b>
10	<b>Total days in the calendar year:</b>	365	days									<b>From</b>
11												<b>TAXREC</b>
12												
13	<b>II) CORPORATE INCOME TAXES</b>											
14												
15	Regulatory Net Income REGINFO E53	1	1,286,436						-4,146,843		-2,860,407	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	<b>Additions:</b>											
20	Depreciation & Amortization	2	1,322,677						223,564		1,546,241	
21	Employee Benefit Plans - Accrued, Not Paid	3							231,845		231,845	
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	0						0		0	
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Items from "TAXREC" worksheet	6							0		0	
27	Other Additions (not "Material") "TAXREC"	6							-5,129		-5,129	
28	"Material Items from "TAXREC 2" worksheet	6							0		0	
29	Other Additions (not "Material") "TAXREC 2"	6							0		0	
30												
31	<b>Deductions: Input positive numbers</b>											
32	Capital Cost Allowance and CEC	7	539,545						995,046		1,534,591	
33	Employee Benefit Plans - Paid Amounts	8							0		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0						0		0	
36	Interest Expense Deemed/ Incurred	11	597,008						-270,271		326,737	
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")											
43	"Material" Items from "TAXREC" worksheet	12							0		0	
44	Other Deductions (not "Material") "TAXREC"	12							83,338		83,338	
45	Material Items from "TAXREC 2" worksheet	12							0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12							0		0	
47												
48	TAXABLE INCOME/ (LOSS)		1,472,560						(2,888,450)	Before loss C/F	(3,032,116)	
49												
50	BLENDING INCOME TAX RATE											
51	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%						0.0000%		40.62%	
52												
53	REGULATORY INCOME TAX		598,154						-598,154	Actual	0	
54												
55												
56	Miscellaneous Tax Credits	14							0	Actual	0	
57												
58	<b>Total Regulatory Income Tax</b>		598,154						-598,154	Actual	0	
59												
60												
61	<b>III) CAPITAL TAXES</b>											
62												
63	<b>Ontario</b>											
64	Base	15	108,021,367						7,176,391		115,197,758	
65	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000						-14,155		4,985,845	
66	Taxable Capital		103,021,367						7,162,236		110,211,913	
67												
68	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.0000%		0.3000%	
69												
70	Ontario Capital Tax		77,901						5,437		83,338	
71												
72	<b>Federal Large Corporations Tax</b>											
73	Base	18	108,021,367						6,851,534		114,872,901	
74	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000						0		10,000,000	
75	Taxable Capital		98,021,367						6,851,534		104,872,901	
76												
77	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%						0.0000%		0.2250%	
78												
79	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		55,590						3,886		59,476	
80	Less: Federal Surtax 1.12% x Taxable Income	21	16,493						-16,493		0	
81												
82	Net LCT		39,098						-12,607		59,476	
83												



	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>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2004.2</b>	
6			\$						\$		\$	
84	<b>III) INCLUSION IN RATES</b>											
85												
86	Income Tax Rate used for gross- up (exclude surtax)		39.50%									
87												
88	Income Tax (proxy tax is grossed-up)	22	988,684							<b>Actual 2004</b>	0	
89	LCT (proxy tax is grossed-up)	23	64,624							<b>Actual 2004</b>	59,476	
90	Ontario Capital Tax (no gross-up since it is deductible)	24	77,901							<b>Actual 2004</b>	83,338	
91												
92												
93	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	1,131,209							<b>Actual 2004</b>	142,814	
94	<b>RAM DECISION</b>											
95												
96												
97	<b>IV) FUTURE TRUE-UPS</b>											
98	<b>IV a) Calculation of the True-up Variance</b>								<b>DR/(CR)</b>			
99	<b>In Additions:</b>											
100	Employee Benefit Plans - Accrued, Not Paid	3							231,845			
101	Tax reserves deducted in prior year	4							0			
102	Reserves from financial statements-end of year	4							0			
103	Regulatory Adjustments	5							0			
104	Other additions "Material" Items TAXREC	6							0			
105	Other additions "Material" Items TAXREC 2	6							0			
106	<b>In Deductions - positive numbers</b>											
107	Employee Benefit Plans - Paid Amounts	8							0			
108	Items Capitalized for Regulatory Purposes	9							0			
109	Regulatory Adjustments	10							0			
110	Interest Adjustment for tax purposes (See Below - cell I204)	11							0			
111	Tax reserves claimed in current year	4							0			
112	Reserves from F/S beginning of year	4							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						=	231,845			
119												
120	Income Tax Rate (excluding surtax) from 2004 Utility's tax return							x	39.50%			
121												
122	Income Tax Effect on True-up adjustments							=	91,579			
123												
124	Less: Miscellaneous Tax Credits	14							0			
125												
126	Total Income Tax on True-ups								91,579			
127												
128	Income Tax Rate used for gross-up (exclude surtax)								39.50%			
129												
130	<b>TRUE-UP VARIANCE ADJUSTMENT</b>								151,370			
131												
132	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>											
133												
134	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,472,560			
135												
136	REVISED CORPORATE INCOME TAX RATE							x	40.62%			
137												
138	REVISED REGULATORY INCOME TAX							=	598,154			
139												
140	Less: Revised Miscellaneous Tax Credits							-	1,436			
141												
142	Total Revised Regulatory Income Tax							=	596,718			
143												
144	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	598,154			
145												
146	Regulatory Income Tax Variance							=	(1,436)			
147												
148	<b>Ontario Capital Tax</b>											
149	Base							=	108,021,367			
150	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	5,000,000			
151	Revised deemed taxable capital							=	103,021,367			
152												
153	Rate - Tab Tax Rates cell C54							x	0.3000%			
154												
155	Revised Ontario Capital Tax							=	77,901			
156	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							-	77,901			
157	Regulatory Ontario Capital Tax Variance							=	(0)			
158												
159	<b>Federal LCT</b>											
160	Base							=	108,021,367			
161	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	10,000,000			
162	Revised Federal LCT							=	98,021,367			
163												

	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>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2004.2</b>	
6			\$						\$		\$	
164	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51								0.2250%			
165												
166	Gross Amount								55,590			
167	Less: Federal surtax							-	16,493			
168	Revised Net LCT							=	39,097			
169												
170	Less: Federal LCT reported in the initial estimate column (Cell C82)							-	39,098			
171	Regulatory Federal LCT Variance							=	(0)			
172												
173	Actual Income Tax Rate used for gross-up (exclude surtax)								39.50%			
174												
175	Income Tax (grossed-up)							+	(2,374)			
176	LCT (grossed-up)							+	(0)			
177	Ontario Capital Tax							+	(0)			
178												
179	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>							=	(2,374)			
180												
181	<b>TRUE-UP VARIANCE (from cell I130)</b>							+	151,370			
182												
183	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>							=	148,996			
184	<i>(Deferral Account Variance + True-up Variance)</i>											
185												
186												
187												
188	<b>V) INTEREST PORTION OF TRUE-UP</b>											
189	<b>Variance Caused By Phase-in of Deemed Debt</b>											
190												
191	Total deemed interest (REGINFO)								4,158,823			
192	Interest phased-in (Cell C36)								597,008			
193												
194	Variance due to phase-in of debt component of MARR in rates								3,561,815			
195	according to the Board's decision											
196												
197	<b>Other Interest Variances (i.e. Borrowing Levels</b>											
198	<b>Above Deemed Debt per Rate Handbook)</b>											
199	Interest deducted on MoF filing (Cell K36+K41)								326,737			
200	Total deemed interest (REGINFO CELL D61)								4,158,823			
201												
202	Variance caused by excess debt								0			
203												
204	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>								0			
205												
206	<b>Total Interest Variance</b>								3,561,815			
207												

	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	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.2</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Barrie Hydro Distribution Inc.					
8	Reporting period: Dec. 31, 2001 Revised March 12, 2010					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:	92	days			
12	Please enter the Materiality Level :	121,524	< - enter materiality level			
13	(0.25% x Rate Base x CER)	Y/N				
14	(0.25% x Net Assets)	Y/N				
15	Or other measure (please provide the basis of the amount)	Y/N				
16	Does the utility carry on non-wires related operation?	Y/N				
17	(Please complete the questionnaire in the Background questionnaire worksheet.)					
18						
19	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
20						
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	+	0		0	
32	Distribution Revenue	+	26,927,311		26,927,311	
33	Other Income	+	313,000		313,000	
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	-	25,441,377		25,441,377	
40	Administration	-	1,059,378		1,059,378	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	2,053,722		2,053,722	
43	Amortization	-	1,546,241		1,546,241	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	-2,860,407	0	-2,860,407	
51	Less: Interest expense for accounting purposes	-	326,737		326,737	
52	Provision for payments in lieu of income taxes	-	190,000		190,000	
53	<b>Net Income (loss)</b>	=	-3,377,144	0	-3,377,144	
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	+	190,000	0	190,000	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,546,241	0	1,546,241	
62	Employee benefit plans-accrued, not paid	+	231,845	0	231,845	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments	+	0	0	0	
66	Material addition items from TAXREC 2	+	0	0	0	
67	Other addition items (not Material) from TAXREC 2	+	0	0	0	
68						
69	<b>Subtotal</b>		1,968,086	0	1,968,086	
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	+	1,671	6,800	-5,129	
74	Capital items expensed	+			0	
75		+			0	
76		+			0	
77		+			0	
78		+			0	
79	<b>Total Other Additions</b>	=	1,671	6,800	-5,129	
80						
81	<b>Total Additions</b>	=	1,969,757	6,800	1,962,957	
82						
83	<b>Recap Material Additions:</b>					
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	<b>Total Other additions &gt;materiality level</b>		0	0	0	
92	Other deductions (less than materiality level)		1,671	6,800	-5,129	
93	<b>Total Other Additions</b>		1,671	6,800	-5,129	
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 2004.2</b>	
95	<b>BOOK TO TAX DEDUCTIONS:</b>					
96	Capital cost allowance	-	1,534,235		1,534,235	
97	Cumulative eligible capital deduction	-	356		356	
98	Employee benefit plans-paid amounts	-	0		0	
99	Items capitalized for regulatory purposes	-			0	
100	Regulatory adjustments :	-			0	
101	CCA	-			0	
102	other deductions	-	0	0	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	0	0	
108	Material deduction items from TAXREC 2	-	0	0	0	
109	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
110						
111	Subtotal	=	1,534,591	0	1,534,591	
112	Other deductions (Please explain the nature of the deductions)					
113	Charitable donations - tax basis	-	0	0	0	
114	Gain on disposal of assets	-			0	
115	Capital Tax	-	83,338		83,338	
116					0	
117		-			0	
118	Total Other Deductions	=	83,338	0	83,338	
119						
120	Total Deductions	=	1,617,929	0	1,617,929	
121						
122	Recap Material Deductions:					
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		83,338	0	83,338	
130	Total Other Deductions		83,338	0	83,338	
131						
132	<b>TAXABLE INCOME</b>	=	-3,025,316	6,800	-3,032,116	
133	<b>DEDUCT:</b>					
134	Non-capital loss applied positive number	-			0	
135	Net capital loss applied positive number	-			0	
136					0	
137	<b>NET TAXABLE INCOME</b>	=	(3,025,316)	6,800	(3,032,116)	
138						
139	<b>FROM ACTUAL TAX RETURNS</b>					
140	Net Federal Income Tax (Must agree with tax return)	+	0		0	
141	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
142	Subtotal	=	0	0	0	
143	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
144	<b>Total Income Tax</b>	=	0	0	0	
145						
146	<b>FROM ACTUAL TAX RETURNS</b>					
147	Net Federal Income Tax Rate (Must agree with tax return)		28.12%		28.12%	
148	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
149	Blended Income Tax Rate		40.62%		40.62%	
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	+	81,491,374		81,491,374	
158	Retained earnings (if deficit, deduct)	+/-	-2,558,449		-2,558,449	
159	Capital and other surplus excluding	+			0	
160	appraisal surplus	+			0	
161	Loans and advances	+	6,148,254		6,148,254	
162	Bank loans	+	30,400,000		30,400,000	
163	Bankers acceptances	+			0	
164	Bonds and debentures payable	+	0		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	+	-114,973		-114,973	
170	Share of partnership(s), joint venture(s) paid-up capital	+			0	
171	Sub-total	=	115,366,206	0	115,366,206	
172	Subtract:					
173	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
174	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
175	<b>Total (Net) Paid-up Capital</b>	=	115,366,206	0	115,366,206	
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	+	122,670		122,670	
182	Loans and advances to unrelated corporations	+	67,892		67,892	
183	Eligible loans and advances to related corporations	+			0	
184	Share of partnership(s) or joint venture(s) eligible investments	+			0	

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
185						
186	Total Eligible Investments	=	190,562	0	190,562	
187						

	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	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.2</b>	
188						
189	<b>TOTAL ASSETS</b>					
190						
191	Total assets per balance sheet	+	130,626,347		130,626,347	
192	Mortgages or other liabilities deducted from assets	+			0	
193	Share of partnership(s)/ joint venture(s) total assets	+			0	
194	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
195						
196	<b>Total assets as adjusted</b>	=	130,626,347	0	130,626,347	
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	-	114,974		114,974	
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>	=	130,511,373	0	130,511,373	
208						
209						
210	<b>Investment Allowance</b>		168,448	0	168,448	
211						
212	<b>Taxable Capital</b>					
213						
214	Net paid-up capital	+	115,366,206	0	115,366,206	
215	Subtract: Investment Allowance	-	168,448	0	168,448	
216						
217	<b>Taxable Capital</b>	=	115,197,758	0	115,197,758	
218						
219	<b>Capital Tax Calculation</b>					
220	Deduction from taxable capital up to maximum of \$5,000,000		4,985,845	0	4,985,845	
221	(Input in tab Tax Rates)					
222	<b>Net Taxable Capital</b>		110,211,913	0	110,211,913	
223						
224	<b>Rate</b>		0.3000%	0.3000%	0.3000%	
225						
226	Days in taxation year		92	92	92	
227	Divide days by 365		0.25	0.25	0.25	
228						
229	<b>Ontario Capital Tax (Must agree with CT23 return)</b>		83,338	0	83,338	
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	+			0	
238	Capital stock	+	81,491,374		81,491,374	
239	Retained earnings	+	0		0	
240	Contributed surplus	+			0	
241	Any other surpluses	+			0	
242	Deferred unrealized foreign exchange gains	+			0	
243	All loans and advances to the corporation	+	5,662,646		5,662,646	
244	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	30,400,000		30,400,000	
245	Any dividends declared but not paid	+			0	
246	All other indebtedness outstanding for more than 365 days	+			0	
247						
248	<b>Subtotal</b>	=	117,554,020	0	117,554,020	
249						
250	<b>DEDUCT:</b>					
251	Deferred tax debit balance	-			0	
252	Any deficit deducted in computing shareholders' equity	-	2,558,449		2,558,449	
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>	=	2,558,449	0	2,558,449	
257						
258	<b>Capital for the year</b>		114,995,571	0	114,995,571	
259						

	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	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.2</b>	
260	<b>INVESTMENT ALLOWANCE</b>					
261						
262	Shares in another corporation	+	122,670		122,670	
263	Loan or advance to another corporation	+			0	
264	Bond, debenture, note, mortgage, or	+			0	
265	similar obligation of another corporation	+			0	
266	Long term debt of financial institution	+			0	
267	Dividend receivable from another corporation	+			0	
268	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
269	Interest in a partnership	+			0	
270						
271	<b>Investment Allowance</b>	=	122,670	0	122,670	
272						
273						
274	<b>TAXABLE CAPITAL</b>					
275						
276	Capital for the year	=	114,995,571	0	114,995,571	
277						
278	Deduct: Investment allowance	-	122,670	0	122,670	
279						
280	Taxable Capital for taxation year	=	114,872,901	0	114,872,901	
281						
282	Deduct: Capital Deduction - maximum of \$50,000,000	-	10,000,000	0	10,000,000	
283	(Input in tab 'Tax Rates')					
284	<b>Taxable Capital</b>	=	104,872,901	0	104,872,901	
285						
286	Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.22500%	0.22500%	0.22500%	
287						
288	Days in year		92	92	92	
289	Divide days by 366		0.2521	0.2521	0.2521	
290						
291	<b>Gross Part I.3 Tax LCT (Must agree with tax return)</b>	=	59,476	0	59,476	
292						
293	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
294						
295	Less: Federal Surtax = <b>Actual Surtax from tax return</b>	-	0		0	
296						
297	<b>Net Part I.3 Tax - LCT Payable (Must agree with tax return)</b>	=	59,476	0	59,476	
298	(If surtax is greater than Gross LCT, then zero)					
299						
300	<b>Section F: Income and Capital Taxes</b>					
301						
302	<b>RECAP FROM ABOVE:</b>					
303	Total Income Taxes	+	0	0	0	
304	Ontario Capital Tax	+	83,338	0	83,338	
305	Federal Large Corporations Tax	+	59,476	0	59,476	
306						
307	<b>Total income and capital taxes</b>	=	142,814	0	142,814	
308						

	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 and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>RRR # 2.1.8</b>				<b>Version 2004.2</b>	
6						
7	<b>Utility Name: Barrie Hydro Distribution Inc.</b>					
8	<b>Reporting period: Dec. 31, 2001 Revised March 12, 2010</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		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</b> (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		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</b> (carry forward to the TAXREC worksheet)		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		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				0	
49					0	
50	<b>Total</b> (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		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</b> (carry forward to the TAXREC worksheet)		0	0	0	
64						



	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	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2004.2</b>	
7						
8	<b>Utility Name: Barrie Hydro Distribution Inc.</b>					
9	<b>Reporting period: Dec. 31, 2001 Revised March 12, 2010</b>					
10	<b>Number of days in taxation year:</b>		92			
11	<b>Materiality Level:</b>		121,524			
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		0	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+	0		0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+			0	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+			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	Amortization of deferred financing costs	+	0		0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	<b>Total Additions</b>	=	0	0	0	
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			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	
82			0	0	0	

	A	B	C	D	E	F
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RRR # 2.1.8		Return			
6					Version 2004.2	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		0	0	0	
97	Total Additions		0	0	0	
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	Ont Cap Tax	-	0	0	0	
113	employee future benefit expense	-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	0	0	0	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145			0	0	0	
146	Total Deductions exceed materiality level		0	0	0	
147	Other deductions less than materiality level		0	0	0	
148	Total Deductions		0	0	0	
149						

	A	B	C	D	E	F	G	H	I	J
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPL"</b>									
2	<b>Corporate Tax Rates</b>					<b>Version 2004.2</b>				
3	<b>Exemptions, Deductions, or Thresholds</b>					<b>RRR # 2.1.8</b>				
4	Utility Name: Barrie Hydro Distribution Inc.									
5	Reporting period: Dec. 31, 2001 Revised March 12, 2010									
6										
7	<b>Table 1</b>									
8	<b>Rates Used in 2002 RAM PILs Applications</b>									
9	Income Range		0		200,001					
10	RAM 2002		to		to					>700,000
11		Year	200,000		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%		40.62%			
16	Blended rate		19.12%	0.00%	34.12%		40.62%			
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	<b>Table 2</b>									
26	<b>Expected Rates and Exemptions for 2004</b>									
27	Income Range		0	250,001	400,001					
28	Expected Rates 2004		to	to	to					>1,128,000
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
33	Ontario		5.50%	5.50%	9.75%		14.00%			
34	Blended rate		18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate		0.300%							
37	LCT rate		0.200%							
38	Surtax		1.12%							
39	Ontario Capital Tax Exemption ***	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	<b>Table 3</b>									
44	<b>Input Information from Utility's Actual 2004 Tax Returns</b>									
45	Income Range		0	250,001	400,001					
46			to	to	to					>1,128,000
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
51	Ontario		5.50%	5.50%	9.75%		14.00%			
52	Blended rate		18.62%	27.62%	31.87%		36.12%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,969,248							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	10,000,000							
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 2004.2</b>
3		<b>Utility Name: Barrie Hydro Distribution Inc.</b>		<b>RRR # 2.1.8</b>
4		<b>Reporting period: Dec. 31, 2001 Revised March 12, 2010</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>	<b>Yes</b>	
15				
16	2)	<b>TAXCALC</b>	<b>Yes</b>	
17				
18	3)	<b>TAXREC</b>	<b>Yes</b>	
19				
20	4)	<b>Tax Reserves</b>	<b>Yes</b>	
21				
22	5)	<b>TAXREC 2</b>	<b>Yes</b>	
23				
24	6)	<b>Tax Rates</b>	<b>Yes</b>	
25				
26	7)	<b>Checklist</b>	<b>Yes</b>	
27				
28	8)	<b>Background Questionnaire</b>	<b>Yes</b>	
29				
30	9)	<b>PILs Variance Analysis</b>	<b>Yes</b>	
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>	<b>N/A</b>	
33				
34	11)	<b>Electronic Excel format of the SIMPIL worksheets</b>	<b>Yes</b>	
35				
36	12)	<b>Notices of assessments, and any re-assessments, for:</b>		
37		<b>2001</b>	<b>Yes</b>	
38		<b>2002</b>	<b>Yes</b>	
39		<b>2003</b>	<b>Yes</b>	
40		<b>2004</b>	<b>Yes</b>	
41				
42	13)	<b>Schedules or pages from CT23 and T2 tax returns</b>	<b>Yes</b>	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		<b>SECTION 93 PILs TAX GROSS-UP</b>	
2		<b>"SIMPIL"</b>	
3		<b>Background Questionnaire</b>	<b>Version 2004.2</b>
4		<b>Utility Name: Barrie Hydro Distribution Inc.</b>	<b>RRR # 2.1.8</b>
5		<b>Reporting period: Dec. 31, 2001 Revised March 12, 2010</b>	
6	1	<b>Does the company engage in non-regulated activities?</b>	
7		<b>Answer:</b>	
8		No	
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>Answer:</b>	
14			
15			
16			
17	3	<b>Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?</b>	
18		<b>Answer:</b>	
19			
20			
21			
22	4	<b>Please identify the percentage and amount of gross revenues arising from non-wire operations.</b>	
23		<b>Answer:</b>	
24			
25			
26	5	<b>Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.</b>	
27		<b>Answer:</b>	
28			
29			
30	6	<b>Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.</b>	
31		<b>Answer:</b>	
32			
33			
34			
35	7	<b>Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)</b>	
36		<b>Answer: Yes - a total recovery of \$72,739 was included</b>	
37			
38			
39	8	<b>Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)</b>	
40		<b>Answer: Only for Allowance for doubtful accounts used in schedule 1 - tax and</b>	
41		<b>accounting adjustments were the same.</b>	
42			
43			
44			

	A	B	C	D	E	F	G	H	I	J	K	N	O
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>												
2	<b>Analysis of Account 1562: Deferred Payments in lieu of Taxes</b>												
3	<b>Utility Name: Barrie Hydro Distribution Inc.</b>												<b>Version 2004.2</b>
4	<b>Reporting period: Dec. 31, 2001 Revised March 12, 2010</b>												<b>RRR # 2.1.8</b>
5	<b>Sign Convention: + for increase; - for decrease</b>												
6													
7													
8													
9	<b>Year start:</b>		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		
10	<b>Year end:</b>		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		<b>Total</b>
11													
12	<b>Opening balance:</b>	=	0		1,136,416		1,285,412		1,285,412		1,285,412		0
13	<b>Initial Estimate PILs Rate Adjustment (1)</b>	+/-	1,129,825										1,129,825
14	<b>True-up Variance Adjustment (2)</b>	+/-			151,370								151,370
15	<b>Deferral Account Variance Adjustment (3)</b>	+/-			-2,374								-2,374
16	<b>Adjustments to reported prior years' variances (4)</b>												0
17	<b>Carrying charges</b>	+/-	6,591										6,591
18	<b>PILs collected from customers - Proxy (5)</b>	-	0										0
19													
20	<b>Ending balance: # 1562</b>		1,136,416		1,285,412		1,285,412		1,285,412		1,285,412		1,285,412
21													
22	<b>PILs collected from customers - Reg Assets (6)</b>	-	0		0		0		0		0		0
23													
24	<b>Note:</b>												

### **Schedule 3**

**2003 SIMPIL MODEL REVISED MARCH 12, 2010**

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>			<b>Version XX.xx</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>			
3	<b>Barrie Hydro Distribution Inc.</b>			
4	<b>12/31/2003 Revised March 12, 2010</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 group?		Y/N	Y
21	Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet.			
22				
23	Accounting Year End		Date	31-Dec
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)			108,021,367
31				
32	Common Equity Ratio (CER)			45.00%
33				
34	1-CER			55.00%
35				
36	Target Return On Equity			9.88%
37				
38	Debt rate			7.00%
39				
40	Market Adjusted Revenue Requirement			8,961,453
41				
42	1999 return from RUD Sheet #7			3,237,888
43				
44	Total Incremental revenue			5,723,565
45	Input Board-approved dollar amounts phased-in			
46				
47	Amount allowed in 2001, Year 1			1,907,855
48	Amount allowed in 2002, Year 2			1,907,855
49	Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)			0
50				
51	Equity			48,609,615
52				
53	Return at target ROE			4,802,630
54				
55	Debt			59,411,752
56				
57	Deemed interest amount in EBIT			4,158,823
58				
59	Phase-in of interest - Year 1 (2001)			2,388,032
60	$((D38+D43)/D36)*D54$			
61	Phase-in of interest - Year 2 (2002)			3,273,427
62	$((D38+D43+D44)/D36)*D54$			
63	Phase-in of interest - Year 3 (2003) and forward			3,273,427
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	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	<b>ITEM</b>	<b>Initial Estimate</b>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>								Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance	Variance	
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											Version XX.xx	
6			\$						\$		\$	
7	<b>Barrie Hydro Distribution Inc.</b>											
8	<b>12/31/2003 Revised March 12, 2010</b>											Column
9	<b>Days in reporting period:</b>	365	days									Brought
10	<b>Total days in the calendar year:</b>	365	days									From
11												TAXREC
12												
13												
14	<b>II) CORPORATE INCOME TAXES</b>											
15	Regulatory Net Income	1	7,053,598						3,720,436		10,774,034	
16												
17	<b>BOOK TO TAX ADJUSTMENTS</b>											
18												
19	<b>Additions:</b>											
20	Depreciation & Amortization	2	5,290,709						1,059,966		6,350,675	
21	Employee Benefit Plans - Accrued, Not Paid	3	0						260,400		260,400	
22	Tax reserves deducted in prior year	4	0						863,486		863,486	
23	Reserves from financial statements-end of year	4	0						282,855		282,855	
24	Regulatory Adjustments	5	84,299						-84,299		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						5,033		5,033	
28	"Material" Items from "TAXREC 2" worksheet	6	0						0		0	
29	Other Additions (not "Material") "TAXREC 2"	6	0						155,367		155,367	
30												
31	<b>Deductions:</b>											
32	Capital Cost Allowance and CEC	7	4,135,294						2,637,727		6,773,021	
33	Employee Benefit Plans - Paid Amounts	8	0						0		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments	10	12,645						-12,645		0	
36	Interest Expense Deemed/ Incurred	11	3,273,427						138,912		3,412,339	
37	Tax reserves claimed in current year	4	0						282,855		282,855	
38	Reserves from F/S beginning of year	4	0						863,486		863,486	
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						191,360		191,360	
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						42,266		42,266	
45	Material Items from "TAXREC 2" worksheet	12	0						0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12	0						30,117		30,117	
47												
48	<b>REGULATORY TAXABLE INCOME/ (LOSSES)</b>		5,007,240						10,437,322		7,096,406	
49												
50	<b>CORPORATE INCOME TAX RATE</b>											
51	Deemed %	13	36.62%						0.0000%		36.62%	
52												
53	<b>REGULATORY INCOME TAX</b>		1,833,651						765,053		2,598,704	
54	Taxable Income x Rate											
55												
56	Miscellaneous Tax Credits	14	0						0		0	
57												
58	<b>Total Regulatory Income Tax</b>		1,833,651						765,053		2,598,704	
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	108,021,367						19,084,269		127,105,636	
67	Less: Exemption	16	5,000,000						-20,065		4,979,935	
68	Deemed Taxable Capital		103,021,367						19,064,204		122,125,701	
69												
70	Rate (.3%)	17	0.3000%						0.0000%		0.3000%	
71												
72	Net Amount (Taxable Capital x Rate)		309,064						57,313		366,377	
73												
74	<b>Federal (LCT)</b>											
75	Base	18	108,021,367						14,213,055		122,234,422	
76	Less: Exemption	19	10,000,000						-138,000		9,862,000	
77	Deemed Taxable Capital		98,021,367						14,075,055		112,372,422	
78												
79	Rate (.225%)	20	0.2250%						0.0000%		0.2250%	
80												
81	Gross Amount (Taxable Capital x Rate)		220,548						32,290		252,838	
82	Less: Federal Surtax	21	56,081						23,399		79,480	
83												
84	<b>Net LCT</b>		164,467						55,689		173,358	
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 Estimate</b>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>								Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
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)		35.50%									
89												
90	Income Tax (grossed-up)	22	2,842,870									
91	LCT (grossed-up)	23	254,988									
92	Ontario Capital Tax	24	309,064									
93												
94												
95	<b>Total S. 93 PILs Rate Adjustment</b>	25	3,406,922									
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							260,400			
103	Tax reserves deducted in prior year	4							863,486			
104	Reserves from financial statements-end of year	4							282,855			
105	Regulatory Adjustments	5							-84,299			
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							0			
110	Items Capitalized for Regulatory Purposes	9							0			
111	Regulatory Adjustments	10							-12,645			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11							0			
113	Tax reserves claimed in current year	4							282,855			
114	Reserves from F/S beginning of year	4							863,486			
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							0			
119												
120	Total TRUE-UPS before tax effect	26						=	188,746			
121												
122	Income Tax Rate (excluding surtax)							x	35.50%			
123												
124	Income Tax Effect on True-up adjustments							=	67,005			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								67,005			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								35.50%			
131												
132	<b>TRUE-UP VARIANCE</b>								103,883			
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)							=	5,007,240			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	36.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	1,833,651			
141												
142	Less: Revised Miscellaneous Tax Credits							-	1,436			
143												
144	Total Revised Regulatory Income Tax							=	1,832,215			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	1,833,651			
147												
148	Regulatory Income Tax Variance							=	(1,436)			
149												
150	Ontario Capital Tax											
151	Base							=	108,021,367			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	103,021,367			
154												
155	Rate (as a result of legislative changes)							x	0.3000%			
156												
157	Revised Ontario Capital Tax							=	309,064			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)							-	309,064			
159	Regulatory Ontario Capital Tax Variance							=	0			
160												
161	Federal LCT											
162	Base							=	108,021,367			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	98,021,367			
165												

	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>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											<b>Version XX.xx</b>	
6			\$						\$		\$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								220,548			
169	Less: Federal surtax							-	56,081			
170	Revised Net LCT							=	164,467			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	164,467			
173	Regulatory Federal LCT Variance							=	0			
174												
175	Income Tax Rate used for gross-up (exclude surtax)								35.50%			
176												
177	Income Tax (grossed-up)							+	(2,226)			
178	LCT (grossed-up)							+	0			
179	Ontario Capital Tax							+	0			
180												
181	<b>DEFERRAL ACCOUNT VARIANCE</b>							=	(2,226)			
182												
183	<b>TRUE-UP VARIANCE (from cell I132)</b>							+	103,883			
184												
185	<b>Deferral Account Entry (Positive Entry = Debit)</b>							=	101,657			
186	(Deferral Account Variance + True-up Variance)											
187	To be included as deferral account in rate application)											
188												
189												
190	<b>V) INTEREST PORTION OF TRUE-UP</b>											
191	<b>Variance Caused By Phase-in of Deemed Debt</b>											
192												
193	Total deemed interest (REGINFO)								4,158,823			
194	Interest phased-in (Cell C36)								3,273,427			
195												
196	Variance due to phase-in of debt structure								885,396			
197	according to Rate Handbook											
198												
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>											
200	<b>Above Deemed Debt per Rate Handbook)</b>											
201	Interest deducted on MoF filing (Cell K36+K41)								3,603,699			
202	Total deemed interest (REGINFO CELL D57)								4,158,823			
203												
204	Variance caused by excess debt								0			
205												
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>								0			
207												
208	<b>Total Interest Variance</b>								885,396			
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	Barrie Hydro Distribution Inc.					
8	12/31/2003 Revised March 12, 2010					
9	Taxation Year's start date:		1-Jan-04			
10	Taxation Year's end date:		31-Dec-04			
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		121,524	< - 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-wire related operation?	Y/N	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	Distribution Revenue	+	25,489,357		25,489,357	
32	Other Income	+	78,622,554		78,622,554	
33	Miscellaneous income	+	1,596,710		1,596,710	
34		+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Expenses:					
39	Cost of energy purchased	-	78,622,554		78,622,554	
40	Administration	-	4,907,533		4,907,533	
41	Customer billing and collecting	-			0	
42	Amortization	-	6,350,675		6,350,675	
43	Operations and maintenance	-	4,687,654		4,687,654	
44	Ontario Capital Tax	-	366,171		366,171	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	10,774,034	0	10,774,034	
51	Less: Interest expense for accounting purposes	-	3,412,339		3,412,339	
52	Provision for payments in lieu of income taxes	-	848,656		848,656	
53	Net Income (loss)	=	6,513,039	0	6,513,039	
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	+	848,656	0	848,656	
60	Depreciation & Amortization	+	6,350,675	0	6,350,675	
61	Employee benefit plans-accrued, not paid	+	260,400	0	260,400	
62	Tax reserves deducted in prior year	+	863,486	0	863,486	
63	Reserves from financial statements- end of year	+	282,855		282,855	
64	Regulatory adjustments	+	0		0	
65	Material addition items from TAXREC 2	+	0	0	0	
66	Other addition items (not Material) from TAXREC 2	+	155,367	0	155,367	
67						
68	Subtotal		8,761,439	0	8,761,439	
69						
70	Other Additions: (Please explain the nature of the additions)					
71	Recapture of CCA	+			0	
72	Non-deductible meals and entertainment expense	+	5,033		5,033	
73	Capital items expensed	+			0	
74		+			0	
75		+			0	
76		+			0	
77		+			0	
78	Total Other Additions	=	5,033	0	5,033	
79						
80	Total Additions	=	8,766,472	0	8,766,472	
81						
82	Recap Material Additions:					
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)		5,033	0	5,033	
92	Total Other Additions		5,033	0	5,033	
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	-	6,771,730		6,771,730	
96	Cumulative eligible capital deduction	-	1,291		1,291	
97	Employee benefit plans-paid amounts	-			0	
98	Items capitalized for regulatory purposes	-	1,143,244	1,143,244	0	
99	Regulatory adjustments :	-			0	
100	CCA	-			0	
101	other deductions	-			0	
102	Tax reserves claimed in current year	-	282,855	0	282,855	
103	Reserves from F/S- beginning of year	-	863,486		863,486	
104	Contributions to deferred income plans	-			0	
105	Contributions to pension plans	-			0	
106	Interest capitalized for accounting deducted for tax	-	191,360		191,360	
107	Material deduction items from TAXREC 2	-	0	0	0	
108	Other deduction items (not Material) from TAXREC 2	-	30,117	0	30,117	
109						
110	Subtotal	=	9,284,083	1,143,244	8,140,839	
111	Other deductions (Please explain the nature of the deductions)					
112	Charitable donations - tax basis	-	42,266		42,266	
113	Gain on disposal of assets	-			0	
114		-			0	
115		-			0	
116		-			0	
117	Total Other Deductions	=	42,266	0	42,266	
118						
119	Total Deductions	=	9,326,349	1,143,244	8,183,105	
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		42,266	0	42,266	
129	Total Other Deductions		42,266	0	42,266	
130						
131	TAXABLE INCOME	=	5,953,162	-1,143,244	7,096,406	
132	DEDUCT:					
133	Non-capital loss applied	-	3224740		3224740	
134	Net capital loss applied	-			0	
135	NET TAXABLE INCOME	=	2,728,422	(1,143,244)	3,871,666	
136						
137	Net Federal Income Tax	+	658,132		658,132	
138	Net Ontario Income Tax	+	307,679		307,679	
139	Subtotal	=	965,811	0	965,811	
140	Less: Miscellaneous tax credits	-			0	
141	Total Income Tax	=	965,811	0	965,811	
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	+	61,491,374		61,491,374	
150	Retained earnings (if deficit, deduct)	+/-	7,369,077		7,369,077	
151	Capital and other surplus excluding	+			0	
152	appraisal surplus	+			0	
153	Loans and advances	+	29,224,733		29,224,733	
154	Bank loans	+			0	
155	Bankers acceptances	+			0	
156	Bonds and debentures payable	+	25,000,000		25,000,000	
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	+			0	
163	Sub-total	=	123,085,184	0	123,085,184	
164	Subtract:					
165	Amounts deducted for income tax purposes in excess of amounts booked	-	-4,677,621		-4,677,621	
166	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
167	Total (Net) Paid-up Capital	=	127,762,805	0	127,762,805	
168						
169	ELIGIBLE INVESTMENTS					
170						
171	Bonds, lien notes, interest coupons	+			0	
172	Mortgages due from other corporations	+			0	
173	Shares in other corporations	+	71,784		71,784	
174	Loans and advances to unrelated corporations	+	632,237		632,237	
175	Eligible loans and advances to related corporations	+	44,954		44,954	
176	Share of partnership(s) or joint venture(s) eligible investments	+			0	
177						
178	Total Eligible Investments	=	748,975	0	748,975	
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					<b>Version XX.xx</b>	
180						
181	<b>TOTAL ASSETS</b>					
182						
183	Total assets per balance sheet	+	140,933,508		140,933,508	
184	Mortgages or other liabilities deducted from assets	+			0	
185	Share of partnership(s)/ joint venture(s) total assets	+			0	
186	Subtract: Investment in partnership(s)/joint venture(s)	-	-4,677,621		-4,677,621	
187						
188	<b>Total assets as adjusted</b>	=	145,611,129	0	145,611,129	
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>	=	145,611,129	0	145,611,129	
200						
201						
202	<b>Investment Allowance</b>		657,169	0	657,169	
203						
204	<b>Taxable Capital</b>					
205						
206	Net paid-up capital	+	127,762,805	0	127,762,805	
207	Subtract: Investment Allowance	-	657,169	0	657,169	
208						
209	Taxable Capital	=	127,105,636	0	127,105,636	
210						
211	<b>Capital Tax Calculation</b>					
212	Deduction from taxable capital up to \$5,000,000		4,979,935		4,979,935	
213						
214	Net Taxable Capital		122,125,701	0	122,125,701	
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>		366,377	0	366,377	
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	+	61,491,374	0	61,491,374	
230	Retained earnings	+	7,369,077		7,369,077	
231	Contributed surplus	+			0	
232	Any other surpluses	+			0	
233	Deferred unrealized foreign exchange gains	+			0	
234	All loans and advances to the corporation	+	28,445,755		28,445,755	
235	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	25,000,000		25,000,000	
236	Any dividends declared but not paid	+			0	
237	All other indebtedness outstanding for more than 365 days	+			0	
238						
239	Subtotal	=	122,306,206	0	122,306,206	
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	Subtotal	=	0	0	0	
248						
249	<b>Capital for the year</b>		122,306,206	0	122,306,206	
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	+	71,784		71,784	
254	Loan or advance to another corporation	+			0	
255	Bond, debenture, note, mortgage, or	+			0	
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	+			0	
261						
262	<b>Investment Allowance</b>	=	71,784	0	71,784	
263						
264						
265	<b>TAXABLE CAPITAL</b>					
266						
267	Capital for the year	=	122,306,206	0	122,306,206	
268						
269	Deduct: Investment allowance	-	71,784	0	71,784	
270						
271	Taxable Capital for taxation year	=	122,234,422	0	122,234,422	
272						
273	Deduct: Capital Deduction \$10,000,000	-	9,862,000	0	9,862,000	
274						
275	<b>Taxable Capital</b>	=	112,372,422	0	112,372,422	
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>	=	252,837.95	0.00	252,837.95	
283						
284	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
285						
286	Less: Federal Surtax = Taxable Income x Surtax Rate	-	30,558	0	43,363	
287						
288	<b>Net Part I.3 Tax LCT Payable</b>	=	222,280	0	209,475	
289	(If surtax is greater than Gross LCT, then zero)					
290						
291	RECAP:					
292	Total Income Taxes	+	965,811	0	965,811	
293	Ontario Capital Tax	+	366,377	0	366,377	
294	Federal Large Corporations Tax	+	222,280	0	209,475	
295						
296	Total income and capital taxes	=	1,554,468	0	1,541,663	
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>Barrie Hydro Distribution Inc.</b>					
8	<b>12/31/2003 Revised March 12, 2010</b>					
9						
10	<b><u>TAX RESERVES</u></b>					
11	<b><u>Opening balance:</u></b>					
12	Accrued contingent liability		863,486		863,486	
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>		863,486	0	863,486	
22						
23	<b><u>Ending balances:</u></b>					
24	Accrued contingent liability		282,855		282,855	
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>		282,855	0	282,855	
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>Barrie Hydro Distribution Inc.</b>					
9	<b>12/31/2003 Revised March 12, 2010</b>					
10	<b>Number of days in taxation year:</b>		365	days		
11	<b>Materiality Level:</b>		121,524			
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	+	35759		35759	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+	23590		23590	
21	Taxable capital gains	+	318		318	
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		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	+	95700		95700	
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	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
43		+			0	
44		+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53	<b>Total Additions</b>	=	155367	0	155367	
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	<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>	
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		155367	0	155367	
96	Total Additions		155367	0	155367	
97						
98	Deduct:					
99	Gain on disposal of assets per f/s	-	30117		30117	
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		-			0	
111		-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	30117	0	30117	
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		30117	0	30117	
147	Total Deductions		30117	0	30117	
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	<b>Current year</b>	2002	19.12%	34.12%	36.62%				
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	<b>Income Tax Rates used to gross up the deferral account allowance variance</b>	2003	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	<b>Income Tax Rates used to gross up the true up variance</b>	2004	18.62%	32.12%	36.62%				

	A	B	C	D	E	F	G
1		<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>					<b>Version XX.xx</b>
2		<b>Filing Requirements related to the "SIMPIL" model</b>					
3		<b>Barrie Hydro Distribution Inc.</b>					
4		<b>12/31/2003 Revised March 12, 2010</b>					
5							
6		<b>Documents to be submitted to the Board when filing the Initial Estimate Column information:</b>					
7		<b>(Stage 1 filing: normally in January of the reporting period)</b>					
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		<b>(Stage 2 filing: normally in December of the reporting period)</b>					
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		<b>(Stage 3 filing: normally in July of the year following the reporting period)</b>					
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	I	J	K
1		<b>SECTION 93 PILs TAX GROSS-UP</b>	<b>"SIMPIL"</b>								
2		<b>QUESTIONNAIRE</b>									
3		Barrie Hydro Distribution Inc.									
4		12/31/2003 Revised March 12, 2010						Version XX.xx			
5											
6		<b>1 Does the company engage in non-regulated activities?</b>									
7		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 to non-wire operations.</b>									
30		Answer:									
31											
32											
33											
34		<b>7 Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes?</b>									
35		(Please identify the amount.)									
36		Yes - 260,400 is the amount of the expenditure.									
37											
38		<b>8 Did the company have any reserve for accounting and tax purposes? (Please identify the amount.)</b>									
39		Yes - there was 282,855 in reserves									
40											
41											
42		<b>OTHER PERTINENT INFORMATION:</b>									
43		<b>9 Did the LDC incur any transition costs?</b>									
44		Yes									
45											
46											
47		If the answer to question 9 is "NO", please skip question 10 and 11.									
48		<b>10 Please identify the amount of transition costs recovery received from consumers during the reporting period.</b>									
49		Answer:									
50		Transition costs recovered from consumers is \$91,895									
51											
52		<b>11 Please identify the amount of transition costs deducted for accounting and tax purposes.</b>									
53		Answer:									
54			Accounting		Tax						
55		Amortization/CCA claimed	251,793		245,068						
56		Other expensed	0		0						
57		Total	251,793		245,068						
58		Transition costs capitalized	0		0						
59		Incurring 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:</b>	<b>Deferred Payment in lieu of Taxes</b>													
3															
4															
5	<b>Barrie Hydro Distribution Inc.</b>														
6	<b>12/31/2003 Revised March 12, 2010</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		Total
11															
12	<b>Opening balance:</b>	=			1,136,416		1,621,715		1,405,690		1,507,347		1,507,347		0
13	<b>Initial Estimate PILs Rate Adjustment(1)</b>	+/-	1,129,825		3,666,285		4,796,110		0						9,592,220
14	<b>Deferral Account Variance PILs Rate Adjustment(2)</b>	+/-			151,370		0		(2,226)						149,144
15	<b>Deferral Account Entry (True-up adjustments ) (3)</b>	+/-	0		(2,374)		122,608		103,883						224,117
16	<b>Carrying charges</b>	+/-	6,591		116,404		89,260		0						212,255
17	<b>PILs collected from customers</b>	-			3,446,386		5,224,003		0						8,670,389
18															
19	<b>Ending balance:</b>		1,136,416		1,621,715		1,405,690		1,507,347		1,507,347		1,507,347		1,507,347
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:</b>														
27	Method #3														
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															

## **Schedule 4**

**2004 SIMPIL MODEL REVISED MARCH 12, 2010**

	A	B	C	D	E
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>				<b>Version 2004.2</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				<b>RRR # 2.1.8</b>
3	<b>Utility Name: Barrie Hydro Distribution Inc.</b>				
4	<b>Reporting period: Dec. 31, 2004 Revised March 12, 2010</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	yes	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	no	
16					
17	Is the utility a non-profit corporation?		Y/N	no	
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	yes	
20	shared among the corporate group?	LCT	Y/N	no	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99%	
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</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			108,021,367	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			8,961,453	
42					
43	1999 return from RUD Sheet #7			3,237,888	3,237,888
44					
45	Total Incremental revenue			5,723,565	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			1,907,855	1,907,855
48	Amount allowed in 2002			1,907,855	1,907,855
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>				<b>7,053,598</b>
54					
55	Equity			48,609,615	
56					
57	Return at target ROE			4,802,630	
58					
59	Debt			59,411,752	
60					
61	Deemed interest amount in 100% of MARR			4,158,823	
62					
63	Phase-in of interest - Year 1 (2001)			2,388,032	
64	((D43+D47)/D41)*D61				
65	Phase-in of interest - Year 2 (2002)			3,273,427	
66	((D43+D47+D48)/D41)*D61				
67	Phase-in of interest - Year 3 (2003) and forward			3,273,427	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
69					
70					
71					



	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>RRR # 2.1.8</b>										<b>Version 2004.2</b>	
6			<b>\$</b>						<b>\$</b>		<b>\$</b>	
7	<b>Utility Name: Barrie Hydro Distribution Inc.</b>											
8	<b>Reporting period: Dec. 31, 2004 Revised March 12, 2010</b>										<b>Column</b>	
9	<b>Days in reporting period:</b>	366	days								<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	366	days								<b>From</b>	
11											<b>TAXREC</b>	
12												
13	<b>II) CORPORATE INCOME TAXES</b>											
14												
15	Regulatory Net Income REGINFO E53	1	7,053,598						4,394,248		11,447,846	
16												
17	<b>BOOK TO TAX ADJUSTMENTS</b>											
18												
19	<b>Additions:</b>											
20	Depreciation & Amortization	2	5,290,709						1,618,524		6,909,233	
21	Employee Benefit Plans - Accrued, Not Paid	3							0		0	
22	Tax reserves - beginning of year	4							282,855		282,855	
23	Reserves from financial statements - end of year	4							212,897		212,897	
24	Regulatory Adjustments - increase in income	5	84,299						-84,299		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							0		0	
29	Other Additions (not "Material") "TAXREC 2"	6							151,615		151,615	
30												
31	<b>Deductions: Input positive numbers</b>											
32	Capital Cost Allowance and CEC	7	4,135,294						2,638,497		6,773,791	
33	Employee Benefit Plans - Paid Amounts	8							72,739		72,739	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments - deduction for tax purposes in Item 5	10	12,645						-12,645		0	
36	Interest Expense Deemed/ Incurred	11	3,273,427						11,995		3,285,422	
37	Tax reserves - end of year	4							212,897		212,897	
38	Reserves from financial statements - beginning of year	4							282,855		282,855	
39	Contributions to deferred income plans	3							0		0	
40	Contributions to pension plans	3							0		0	
41	Interest capitalized for accounting but deducted for tax	11							0		0	
42	Other Deductions (See Tab entitled "TAXREC")											
43	"Material" Items from "TAXREC" worksheet	12							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							0		0	
47												
48	<b>TAXABLE INCOME/ (LOSS)</b>		5,007,240						9,782,178	<b>Before loss C/F</b>	8,376,742	
49												
50	<b>BLENDED INCOME TAX RATE</b>											
51	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%						-2.5000%		36.12%	
52												
53	<b>REGULATORY INCOME TAX</b>		1,933,796						1,446,568	<b>Actual</b>	3,380,364	
54												
55												
56	Miscellaneous Tax Credits	14							0	<b>Actual</b>	0	
57												
58	<b>Total Regulatory Income Tax</b>		1,933,796						1,446,568	<b>Actual</b>	3,380,364	
59												
60												
61	<b>II) CAPITAL TAXES</b>											
62												
63	<b>Ontario</b>											
64	Base	15	108,021,367						25,283,563		133,304,930	
65	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000						-30,752		4,969,248	
66	Taxable Capital		103,021,367						25,252,811		128,335,682	
67												
68	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.0000%		0.3000%	
69												
70	Ontario Capital Tax		309,064						75,943		385,007	
71												
72	<b>Federal Large Corporations Tax</b>											
73	Base	18	108,021,367						17,774,018		125,795,385	
74	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000						40,000,000		50,000,000	
75	Taxable Capital		98,021,367						57,774,018		75,795,385	
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)		220,548						-68,957		151,591	
80	Less: Federal Surtax 1.12% x Taxable Income	21	56,081						50,285		106,366	
81												
82	Net LCT		164,467						-18,672		45,225	
83												

	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>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2004.2</b>	
6			\$						\$		\$	
84	<b>III) INCLUSION IN RATES</b>											
85												
86	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
87												
88	Income Tax (proxy tax is grossed-up)	22	3,094,074							<b>Actual 2004</b>	3,380,364	
89	LCT (proxy tax is grossed-up)	23	263,147							<b>Actual 2004</b>	45,225	
90	Ontario Capital Tax (no gross-up since it is deductible)	24	309,064							<b>Actual 2004</b>	385,007	
91												
92												
93	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	3,666,285							<b>Actual 2004</b>	3,810,596	
94	<b>RAM DECISION</b>											
95												
96												
97	<b>IV) FUTURE TRUE-UPS</b>											
98	<b>IV a) Calculation of the True-up Variance</b>								<b>DR/(CR)</b>			
99	<b>In Additions:</b>											
100	Employee Benefit Plans - Accrued, Not Paid	3							0			
101	Tax reserves deducted in prior year	4							282,855			
102	Reserves from financial statements-end of year	4							212,897			
103	Regulatory Adjustments	5							-84,299			
104	Other additions "Material" Items TAXREC	6							0			
105	Other additions "Material" Items TAXREC 2	6							0			
106	<b>In Deductions - positive numbers</b>											
107	Employee Benefit Plans - Paid Amounts	8							72,739			
108	Items Capitalized for Regulatory Purposes	9							0			
109	Regulatory Adjustments	10							-12,645			
110	Interest Adjustment for tax purposes (See Below - cell I204)	11							0			
111	Tax reserves claimed in current year	4							212,897			
112	Reserves from F/S beginning of year	4							282,855			
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						=	-144,393			
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							=	-50,538			
123												
124	Less: Miscellaneous Tax Credits	14							0			
125												
126	Total Income Tax on True-ups								-50,538			
127												
128	Income Tax Rate used for gross-up (exclude surtax)								35.00%			
129												
130	<b>TRUE-UP VARIANCE ADJUSTMENT</b>								(77,750)			
131												
132	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>											
133												
134	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	5,007,240			
135												
136	REVISED CORPORATE INCOME TAX RATE							x	36.12%			
137												
138	REVISED REGULATORY INCOME TAX							=	1,808,615			
139												
140	Less: Revised Miscellaneous Tax Credits							-	80,840			
141												
142	Total Revised Regulatory Income Tax							=	1,727,775			
143												
144	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	1,933,796			
145												
146	Regulatory Income Tax Variance							=	(206,021)			
147												
148	<b>Ontario Capital Tax</b>											
149	Base							=	108,021,367			
150	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	5,000,000			
151	Revised deemed taxable capital							=	103,021,367			
152												
153	Rate - Tab Tax Rates cell C54							x	0.3000%			
154												
155	Revised Ontario Capital Tax							=	309,064			
156	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							-	309,064			
157	Regulatory Ontario Capital Tax Variance							=	0			
158												
159	<b>Federal LCT</b>											
160	Base							=	108,021,367			
161	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
162	Revised Federal LCT							=	58,021,367			
163												

	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>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2004.2</b>	
6			\$						\$		\$	
164	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51								0.2000%			
165												
166	Gross Amount								116,043			
167	Less: Federal surtax							-	56,081			
168	Revised Net LCT							=	59,962			
169												
170	Less: Federal LCT reported in the initial estimate column (Cell C82)							-	164,467			
171	Regulatory Federal LCT Variance							=	(104,505)			
172												
173	Actual Income Tax Rate used for gross-up (exclude surtax)								35.00%			
174												
175	Income Tax (grossed-up)							+	(316,955)			
176	LCT (grossed-up)							+	(160,777)			
177	Ontario Capital Tax							+	0			
178												
179	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>							=	(477,733)			
180												
181	<b>TRUE-UP VARIANCE (from cell I130)</b>							+	(77,750)			
182												
183	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>							=	(555,483)			
184	<i>(Deferral Account Variance + True-up Variance)</i>											
185												
186												
187												
188	<b>V) INTEREST PORTION OF TRUE-UP</b>											
189	<b>Variance Caused By Phase-in of Deemed Debt</b>											
190												
191	Total deemed interest (REGINFO)								4,158,823			
192	Interest phased-in (Cell C36)								3,273,427			
193												
194	Variance due to phase-in of debt component of MARR in rates								885,395			
195	according to the Board's decision											
196												
197	<b>Other Interest Variances (i.e. Borrowing Levels</b>											
198	<b>Above Deemed Debt per Rate Handbook)</b>											
199	Interest deducted on MoF filing (Cell K36+K41)								3,285,422			
200	Total deemed interest (REGINFO CELL D61)								4,158,823			
201												
202	Variance caused by excess debt								0			
203												
204	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>								0			
205												
206	<b>Total Interest Variance</b>								885,395			
207												

	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	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.2</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Barrie Hydro Distribution Inc.					
8	Reporting period: Dec. 31, 2004 Revised March 12, 2010					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
13	Please enter the Materiality Level :		121,524	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	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 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	+	97,782,637		97,782,637	
32	Distribution Revenue	+	25,423,671		25,423,671	
33	Other Income	+	3,342,153		3,342,153	
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	-	97,782,637		97,782,637	
40	Administration	-	6,304,717		6,304,717	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	4,104,028		4,104,028	
43	Amortization	-	6,909,233		6,909,233	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	11,447,846	0	11,447,846	
51	Less: Interest expense for accounting purposes	-	3,285,422		3,285,422	
52	Provision for payments in lieu of income taxes	-	3,900,000		3,900,000	
53	<b>Net Income (loss)</b>	=	4,262,424	0	4,262,424	
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	+	3,900,000	0	3,900,000	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	6,909,233	0	6,909,233	
62	Employee benefit plans-accrued, not paid	+			0	
63	Tax reserves - beginning of year	+	282,855	0	282,855	
64	Reserves from financial statements- end of year	+	212,897	0	212,897	
65	Regulatory adjustments	+	2,429,847	2,429,847	0	
66	Material addition items from TAXREC 2	+	0	0	0	
67	Other addition items (not Material) from TAXREC 2	+	151,615	0	151,615	
68						
69	<b>Subtotal</b>		13,886,447	2,429,847	11,456,600	
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	+	6,800	6,800	0	
74	Capital items expensed	+			0	
75		+			0	
76		+			0	
77		+			0	
78		+			0	
79	<b>Total Other Additions</b>	=	6,800	6,800	0	
80						
81	<b>Total Additions</b>	=	13,893,247	2,436,647	11,456,600	
82						
83	<b>Recap Material Additions:</b>					
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	<b>Total Other additions &gt;materiality level</b>		0	0	0	
92	Other deductions (less than materiality level)		6,800	6,800	0	
93	<b>Total Other Additions</b>		6,800	6,800	0	
94						

A	B	C	D	E	F
1 SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2 TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3 (for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4 RRR # 2.1.8		Return			
5				Version 2004.2	
95 BOOK TO TAX DEDUCTIONS:					
96 Capital cost allowance	-	6,772,590		6,772,590	
97 Cumulative eligible capital deduction	-	1,201		1,201	
98 Employee benefit plans-paid amounts	-	72,739		72,739	
99 Items capitalized for regulatory purposes	-			0	
100 Regulatory adjustments :	-			0	
101 CCA	-			0	
102 other deductions	-	708,001	708,001	0	
103 Tax reserves - end of year	-	212,897	0	212,897	
104 Reserves from financial statements- beginning of year	-	282,855	0	282,855	
105 Contributions to deferred income plans	-			0	
106 Contributions to pension plans	-			0	
107 Interest capitalized for accounting deducted for tax	-	191,360	191,360	0	
108 Material deduction items from TAXREC 2	-	0	0	0	
109 Other deduction items (not Material) from TAXREC 2	-	382,505	382,505	0	
110					
111 Subtotal	=	8,624,148	1,281,866	7,342,282	
112 Other deductions (Please explain the nature of the deductions)					
113 Charitable donations - tax basis	-	34,551	34,551	0	
114 Gain on disposal of assets	-			0	
115	-			0	
116	-			0	
117	-			0	
118 Total Other Deductions	=	34,551	34,551	0	
119					
120 Total Deductions	=	8,658,699	1,316,417	7,342,282	
121					
122 Recap Material Deductions:					
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		34,551	34,551	0	
130 Total Other Deductions		34,551	34,551	0	
131					
132 TAXABLE INCOME	=	9,496,972	1,120,230	8,376,742	
133 DEDUCT:					
134 Non-capital loss applied positive number	-			0	
135 Net capital loss applied positive number	-			0	
136				0	
137 NET TAXABLE INCOME	=	9,496,972	1,120,230	8,376,742	
138					
139 FROM ACTUAL TAX RETURNS					
140 Net Federal Income Tax (Must agree with tax return)	+	2,070,115		2,070,115	
141 Net Ontario Income Tax (Must agree with tax return)	+	1,310,249		1,310,249	
142 Subtotal	=	3,380,364	0	3,380,364	
143 Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
144 Total Income Tax	=	3,380,364	0	3,380,364	
145					
146 FROM ACTUAL TAX RETURNS					
147 Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
148 Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
149 Blended Income Tax Rate		36.12%		36.12%	
150					
151 Section D: Detailed calculation of Ontario Capital Tax					
152					
153 ONTARIO CAPITAL TAX					
154 (From Ontario CT23)					
155 PAID-UP CAPITAL					
156					
157 Paid-up capital stock	+	61,491,374		61,491,374	
158 Retained earnings (if deficit, deduct)	+/-	10,531,502		10,531,502	
159 Capital and other surplus excluding	+			0	
160 appraisal surplus	+			0	
161 Loans and advances	+	29,691,732		29,691,732	
162 Bank loans	+			0	
163 Bankers acceptances	+			0	
164 Bonds and debentures payable	+	25,000,000		25,000,000	
165 Mortgages payable	+			0	
166 Lien notes payable	+			0	
167 Deferred credits	+			0	
168 Contingent, investment, inventory and similar reserves	+			0	
169 Other reserves not allowed as deductions	+	6,674,872		6,674,872	
170 Share of partnership(s), joint venture(s) paid-up capital	+			0	
171 Sub-total	=	133,389,480	0	133,389,480	
172 Subtract:					
173 Amounts deducted for income tax purposes in excess of amounts booked	-			0	
174 Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
175 Total (Net) Paid-up Capital	=	133,389,480	0	133,389,480	
176					
177 ELIGIBLE INVESTMENTS					
178					
179 Bonds, lien notes, interest coupons	+			0	
180 Mortgages due from other corporations	+			0	
181 Shares in other corporations	+	71,785		71,785	
182 Loans and advances to unrelated corporations	+	22,532		22,532	
183 Eligible loans and advances to related corporations	+			0	

	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	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.2</b>	
184	Share of partnership(s) or joint venture(s) eligible investments	+			0	
185						
186	<b>Total Eligible Investments</b>	=	94,317	0	94,317	
187						

	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	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.2</b>	
188						
189	<b>TOTAL ASSETS</b>					
190						
191	Total assets per balance sheet	+	148,799,049		148,799,049	
192	Mortgages or other liabilities deducted from assets	+			0	
193	Share of partnership(s)/ joint venture(s) total assets	+			0	
194	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
195						
196	<b>Total assets as adjusted</b>	=	148,799,049	0	148,799,049	
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	-			0	
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>	=	148,799,049	0	148,799,049	
208						
209						
210	<b>Investment Allowance</b>		84,550	0	84,550	
211						
212	<b>Taxable Capital</b>					
213						
214	Net paid-up capital	+	133,389,480	0	133,389,480	
215	Subtract: Investment Allowance	-	84,550	0	84,550	
216						
217	Taxable Capital	=	133,304,930	0	133,304,930	
218						
219	<b>Capital Tax Calculation</b>					
220	Deduction from taxable capital up to maximum of \$5,000,000		4,969,248	0	4,969,248	
221	(Input in tab Tax Rates)					
222	Net Taxable Capital		128,335,682	0	128,335,682	
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>		385,007	0	385,007	
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	ADD:					
237	Reserves that have not been deducted in computing income for the year under Part I	+			0	
238	Capital stock	+	61,491,374		61,491,374	
239	Retained earnings	+	10,531,502		10,531,502	
240	Contributed surplus	+			0	
241	Any other surpluses	+			0	
242	Deferred unrealized foreign exchange gains	+			0	
243	All loans and advances to the corporation	+	28,844,294		28,844,294	
244	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	25,000,000		25,000,000	
245	Any dividends declared but not paid	+			0	
246	All other indebtedness outstanding for more than 365 days	+			0	
247						
248	Subtotal	=	125,867,170	0	125,867,170	
249						
250	DEDUCT:					
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	Subtotal	=	0	0	0	
257						
258	<b>Capital for the year</b>		125,867,170	0	125,867,170	
259						

	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	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2004.2</b>	
260	<b>INVESTMENT ALLOWANCE</b>					
261						
262	Shares in another corporation	+	71,785		71,785	
263	Loan or advance to another corporation	+			0	
264	Bond, debenture, note, mortgage, or	+			0	
265	similar obligation of another corporation	+			0	
266	Long term debt of financial institution	+			0	
267	Dividend receivable from another corporation	+			0	
268	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
269	Interest in a partnership	+			0	
270						
271	<b>Investment Allowance</b>	=	71,785	0	71,785	
272						
273						
274	<b>TAXABLE CAPITAL</b>					
275						
276	Capital for the year	=	125,867,170	0	125,867,170	
277						
278	Deduct: Investment allowance	-	71,785	0	71,785	
279						
280	Taxable Capital for taxation year	=	125,795,385	0	125,795,385	
281						
282	Deduct: Capital Deduction - maximum of \$50,000,000	-	50,000,000	0	50,000,000	
283	(Input in tab 'Tax Rates')					
284	<b>Taxable Capital</b>	=	75,795,385	0	75,795,385	
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	<b>Gross Part I.3 Tax LCT (Must agree with tax return)</b>	=	151,591	0	151,591	
292						
293	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
294						
295	Less: Federal Surtax = <b>Actual Surtax from tax return</b>	-	106,366		106,366	
296						
297	<b>Net Part I.3 Tax - LCT Payable (Must agree with tax return)</b>	=	45,225	0	45,225	
298	(If surtax is greater than Gross LCT, then zero)					
299						
300	<b>Section F: Income and Capital Taxes</b>					
301						
302	<b>RECAP FROM ABOVE:</b>					
303	Total Income Taxes	+	3,380,364	0	3,380,364	
304	Ontario Capital Tax	+	385,007	0	385,007	
305	Federal Large Corporations Tax	+	45,225	0	45,225	
306						
307	<b>Total income and capital taxes</b>	=	3,810,596	0	3,810,596	
308						



	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 and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>RRR # 2.1.8</b>				<b>Version 2004.2</b>	
6						
7	<b>Utility Name: Barrie Hydro Distribution Inc.</b>					
8	<b>Reporting period: Dec. 31, 2004 Revised March 12, 2010</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)		282,855		282,855	
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>		282,855	0	282,855	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		212,897		212,897	
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>		212,897	0	212,897	
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		282,855		282,855	
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>		282,855	0	282,855	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		212,897		212,897	
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>		212,897	0	212,897	
64						

	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	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2004.2</b>	
7						
8	<b>Utility Name: Barrie Hydro Distribution Inc.</b>					
9	<b>Reporting period: Dec. 31, 2004 Revised March 12, 2010</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		121,524			
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	+	16,212		16,212	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+	34,551		34,551	
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	+	95,700		95,700	
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	Amortization of deferred financing costs	+	5,152		5,152	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	<b>Total Additions</b>	=	151,615	0	151,615	
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			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	<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	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2004.2</b>	
82			0	0	0	

	A	B	C	D	E	F
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	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2004.2</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			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		151,615	0	151,615	
97	Total Additions		151,615	0	151,615	
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	Ont Cap Tax	-	382,505	382,505	0	
113	employee future benefit expense	-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	382,505	382,505	0	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145			0	0	0	
146	Total Deductions exceed materiality level		0	0	0	
147	Other deductions less than materiality level		382,505	382,505	0	
148	Total Deductions		382,505	382,505	0	
149						

	A	B	C	D	E	F	G	H	I	J
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>									
2	Corporate Tax Rates					Version 2004.2				
3	Exemptions, Deductions, or Thresholds					RRR # 2.1.8				
4	Utility Name: Barrie Hydro Distribution Inc.									
5	Reporting period: Dec. 31, 2004 Revised March 12, 2010									
6										
7	Table 1									
8	<b>Rates Used in 2002 RAM PILs Applications</b>									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		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	<b>**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing</b>									
24										
25	Table 2									
26	<b>Expected Rates and Exemptions for 2004</b>									
27	Income Range		0	250,001	400,001					
28	Expected Rates 2004		to	to	to					
29		Year	250,000	400,000	1,128,000		>1,128,000			
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
33	Ontario		5.50%	5.50%	9.75%		14.00%			
34	Blended rate		18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate		0.300%							
37	LCT rate		0.200%							
38	Surtax		1.12%							
39	Ontario Capital Tax Exemption ***	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000							
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
42										
43	Table 3									
44	<b>Input Information from Utility's Actual 2004 Tax Returns</b>									
45	Income Range		0	250,001	400,001					
46			to	to	to		>1,128,000			
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
51	Ontario		5.50%	5.50%	9.75%		14.00%			
52	Blended rate		18.62%	27.62%	31.87%		36.12%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,969,248							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
59	<b>* Include copies of the actual tax return allocation calculations in your submission:</b>									
60	<b>Ontario CT23 page 11; federal T2 Schedule 36</b>									
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 2004.2</b>
3		<b>Utility Name: Barrie Hydro Distribution Inc.</b>		<b>RRR # 2.1.8</b>
4		<b>Reporting period: Dec. 31, 2004 Revised March 12, 2010</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>	<b>Yes</b>	
15				
16	2)	<b>TAXCALC</b>	<b>Yes</b>	
17				
18	3)	<b>TAXREC</b>	<b>Yes</b>	
19				
20	4)	<b>Tax Reserves</b>	<b>Yes</b>	
21				
22	5)	<b>TAXREC 2</b>	<b>Yes</b>	
23				
24	6)	<b>Tax Rates</b>	<b>Yes</b>	
25				
26	7)	<b>Checklist</b>	<b>Yes</b>	
27				
28	8)	<b>Background Questionnaire</b>	<b>Yes</b>	
29				
30	9)	<b>PILs Variance Analysis</b>	<b>Yes</b>	
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>	<b>N/A</b>	
33				
34	11)	<b>Electronic Excel format of the SIMPIL worksheets</b>	<b>Yes</b>	
35				
36	12)	<b>Notices of assessments, and any re-assessments, for:</b>		
37		<b>2001</b>	<b>Yes</b>	
38		<b>2002</b>	<b>Yes</b>	
39		<b>2003</b>	<b>Yes</b>	
40		<b>2004</b>	<b>Yes</b>	
41				
42	13)	<b>Schedules or pages from CT23 and T2 tax returns</b>	<b>Yes</b>	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		<b>SECTION 93 PILs TAX GROSS-UP</b>	
2		<b>"SIMPIL"</b>	
3		<b>Background Questionnaire</b>	<b>Version 2004.2</b>
4		<b>Utility Name: Barrie Hydro Distribution Inc.</b>	<b>RRR # 2.1.8</b>
5		<b>Reporting period: Dec. 31, 2004 Revised March 12, 2010</b>	
6	1	<b>Does the company engage in non-regulated activities?</b>	
7		<b>Answer:</b>	
8		No	
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>Answer:</b>	
14			
15			
16			
17	3	<b>Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?</b>	
18		<b>Answer:</b>	
19			
20			
21			
22	4	<b>Please identify the percentage and amount of gross revenues arising from non-wire operations.</b>	
23		<b>Answer:</b>	
24			
25			
26	5	<b>Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.</b>	
27		<b>Answer:</b>	
28			
29			
30	6	<b>Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.</b>	
31		<b>Answer:</b>	
32			
33			
34			
35	7	<b>Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)</b>	
36		<b>Answer: Yes - a total recovery of \$72,739 was included</b>	
37			
38			
39	8	<b>Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)</b>	
40		<b>Answer: Only for Allowance for doubtful accounts used in schedule 1 - tax and accounting adjustments were the same.</b>	
41			
42			
43			
44			

	A	B	C	D	E	F	G	H	I	J	K	N	O
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>												
2	<b>Analysis of Account 1562: Deferred Payments in lieu of Taxes</b>												
3	<b>Utility Name: Barrie Hydro Distribution Inc.</b>												<b>Version 2004.2</b>
4	<b>Reporting period: Dec. 31, 2004 Revised March 12, 2010</b>												<b>RRR # 2.1.8</b>
5	<b>Sign Convention: + for increase; - for decrease</b>												
6													
7													
8													
9	<b>Year start:</b>		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		
10	<b>Year end:</b>		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		<b>Total</b>
11													
12	<b>Opening balance:</b>	=	0		1,136,416		1,621,715		1,405,690		1,030,683		0
13	<b>Initial Estimate PILs Rate Adjustment (1)</b>	+/-	1,129,825		3,666,285		4,796,110		3,948,741				13,540,961
14	<b>True-up Variance Adjustment (2)</b>	+/-			151,370		122,608		103,883		-77,750		300,111
15	<b>Deferral Account Variance Adjustment (3)</b>	+/-			-2,374		0		-2,226		-477,733		-482,333
16	<b>Adjustments to reported prior years' variances (4)</b>												0
17	<b>Carrying charges</b>	+/-	6,591		116,404		89,260		60,143				272,398
18	<b>PILs collected from customers - Proxy (5)</b>	-	0		-3,446,386		-5,224,003		-4,485,548				-13,155,937
19													
20	<b>Ending balance: # 1562</b>		1,136,416		1,621,715		1,405,690		1,030,683		475,200		475,200
21													
22	<b>PILs collected from customers - Reg Assets (6)</b>	-	0		0		0		0		0		0
23													



## **Schedule 5**

**2005 SIMPIL MODEL REVISED MARCH 12, 2010**

	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>Barrie Hydro Distribution Inc.</b>			Colour Code	
4	<b>Reporting period: 2005 revised March 12, 2010</b>			Input Cell	
5				Formula in Cell	
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	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99%	
22	Cells C68 & C77 in the TAXCALC spreadsheet.	LCT		99%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			108,021,367	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			8,961,453	
42					
43	1999 return from RUD Sheet #7			3,237,888	3,237,888
44					
45	Total Incremental revenue			5,723,565	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in Year 1 - 2001			1,907,855	1,907,855
48	Amount allowed in Year 2 - 2002			1,907,855	1,907,855
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210;				
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in Year 3 - 2005; <b>no gross-up</b> ; (with approved CDM plan)			1,907,855	1,907,855
52	Other adjustments approved by the Board				0
53	<i>Permanent changes in the base rate</i>			304,913	304,913
54	<b>Total Regulatory Income</b>				<b>9,266,366</b>
55					
56	Equity			48,609,615	
57					
58	Return at target ROE			4,802,630	
59					
60	Debt			59,411,752	
61					
62	Deemed interest amount in 100% of MARR			4,158,823	
63					
64	Phase-in of interest - Year 1 (2001)			2,388,032	
65	$((D43+D47)/D41)*D62$				
66	Phase-in of interest - Years 2, 3 & 4 (2002, 2003, 2004)			3,273,427	
67	$((D43+D47+D48)/D41)*D62$ (Due to Bill 210)				
68	Phase-in of interest - Year 3 (2005) and forward			4,158,823	

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SIMPIL RRR FILING</b>	<b>ITEM</b>	<b>Initial</b>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2005.1</b>	
6			\$						\$		\$	
7	<b>Barrie Hydro Distribution Inc.</b>											
8	<b>Reporting period: 2005 revised March 12, 2010</b>										<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days								<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days								<b>From</b>	
11											<b>TAXREC</b>	
12												
13	<b>I) CORPORATE INCOME TAXES</b>											
14												
15	Regulatory Net Income REGINFO E54	1	9,266,366						4,765,589		14,031,955	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	<b>Additions:</b>											
20	Depreciation & Amortization	2	5,290,709						1,954,469		7,245,178	
21	Employee Benefit Plans - Accrued, Not Paid	3							200,004		200,004	
22	Tax reserves - beginning of year	4							212,897		212,897	
23	Reserves from financial statements - end of year	4							134,990		134,990	
24	Regulatory Adjustments - increase in income	5							0		0	
25	Regulatory Assets - to balance to tax return								3,020,407		3,020,407	
26	Other Additions (See Tab entitled "TAXREC")											
27	"Material" Items from "TAXREC" worksheet	6							0		0	
28	Other Additions (not "Material") "TAXREC"	6							101,494		101,494	
29	"Material Items from "TAXREC 2" worksheet	6							372,799		372,799	
30	Other Additions (not "Material") "TAXREC 2"	6							60,033		60,033	
31												
32	<b>Deductions: Input positive numbers</b>											
33	Capital Cost Allowance and CEC	7	4,135,294						3,132,838		7,268,132	
34	Employee Benefit Plans - Paid Amounts	8							0		0	
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								1,751,161		1,751,161	
38	Interest Expense Deemed/ Incurred	11	4,158,823						-603,652		3,555,171	
39	Tax reserves - end of year	4							134,990		134,990	
40	Reserves from financial statements - beginning of year	4							212,897		212,897	
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	310,000						-310,000		0	
46	"Material" Items from "TAXREC" worksheet	12							0		0	
47	Other Deductions (not "Material") "TAXREC"	12							56,834		56,834	
48	Material Items from "TAXREC 2" worksheet	12							191,360		191,360	
49	Other Deductions (not "Material") "TAXREC 2"	12							87,339		87,339	
50												
51	TAXABLE INCOME/ (LOSS)		5,952,958						6,168,915	Before loss C/F	12,121,873	
52												
53	BLENDED INCOME TAX RATE											
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%						-0.0700%	Formula	36.05%	
55												
56	REGULATORY INCOME TAX		2,150,209						2,021,575	Actual	4,171,784	
57												
58												
59	Miscellaneous Tax Credits	14							0	Actual	0	
60												
61	<b>Total Regulatory Income Tax</b>		2,150,209						2,021,575	Actual	4,171,784	
62												
63												
64	<b>II) CAPITAL TAXES</b>											
65												
66	<b>Ontario</b>											
67	Base	15	108,021,367						31,074,508		139,095,875	
68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000						-63,540		7,436,460	
69	Taxable Capital		100,521,367						31,010,968		131,659,415	
70												
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.3000%		0.3000%	
72												
73	Ontario Capital Tax		301,564						93,414		394,978	
74												
75	<b>Federal Large Corporations Tax</b>											
76	Base	18	108,021,367						21,869,837		129,891,204	
77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000						-250,000		49,750,000	
78	Taxable Capital		58,021,367						21,619,837		80,141,204	
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)		101,537						38,710		140,247	
83	Less: Federal Surtax 1.12% x Taxable Income	21	66,673						62,729		129,402	
84												
85	Net LCT		34,864						-24,019		10,845	
86												

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SIMPIL RRR FILING</b>	<b>ITEM</b>	<b>Initial</b>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2005.1</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	3,366,012							Actual 2005	4,171,784	
92	LCT (proxy tax is grossed-up)	23	54,578							Actual 2005	10,845	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	301,564							Actual 2005	394,978	
94												
95												
96	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2005</b>	25	3,722,154							Actual 2005	4,577,607	
97	<b>RAM DECISION</b>											
98												
99												
100	<b>IV) FUTURE TRUE-UPS</b>											
101	<b>IV a) Calculation of the True-up Variance</b>								DR/(CR)			
102	<b>In Additions:</b>											
103	Employee Benefit Plans - Accrued, Not Paid	3							200,004			
104	Tax reserves deducted in prior year	4							212,897			
105	Reserves from financial statements-end of year	4							134,990			
106	Regulatory Adjustments	5							0			
107	Other additions "Material" Items TAXREC	6							0			
108	Other additions "Material" Items TAXREC 2	6							372,799			
109	<b>In Deductions - positive numbers</b>											
110	Employee Benefit Plans - Paid Amounts	8							0			
111	Items Capitalized for Regulatory Purposes	9							0			
112	Regulatory Adjustments	10							0			
113	Interest Adjustment for tax purposes (See Below - cell I207)	11							0			
114	Tax reserves claimed in current year	4							134,990			
115	Reserves from F/S beginning of year	4							212,897			
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							191,360			
120												
121	Total TRUE-UPS before tax effect	26						=	381,443			
122												
123	Income Tax Rate from 2005 Utility's tax return							x	36.12%			
124												
125	Income Tax Effect on True-up adjustments							=	137,777			
126												
127	Less: Miscellaneous Tax Credits	14										
128												
129	Total Income Tax on True-ups								137,777			
130												
131	Income Tax Rate used for gross-up								35.00%			
132												
133	<b>TRUE-UP VARIANCE ADJUSTMENT</b>								211,965			
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)							=	5,952,958			
138												
139	REVISED CORPORATE INCOME TAX RATE							x	36.12%			
140												
141	REVISED REGULATORY INCOME TAX							=	2,150,209			
142												
143	Less: Revised Miscellaneous Tax Credits							-	28,669			
144												
145	Total Revised Regulatory Income Tax							=	2,121,540			
146												
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C61)							-	2,150,209			
148												
149	Regulatory Income Tax Variance							=	(28,669)			
150												
151	<b>Ontario Capital Tax</b>											
152	Base							=	108,021,367			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	7,500,000			
154	Revised deemed taxable capital							=	100,521,367			
155												
156	Rate - Tab Tax Rates cell C54							x	0.3000%			
157												
158	Revised Ontario Capital Tax							=	301,564			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C73)							-	301,564			
160	Regulatory Ontario Capital Tax Variance							=	0			

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SIMPIL RRR FILING</b>	<b>ITEM</b>	<b>Initial</b>						M of F	M of F	M of F	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	Filing	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2005.1</b>	
6			\$						\$		\$	
161												
162	<b>Federal LCT</b>											
163	Base								108,021,367			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
165	Revised Federal LCT							=	58,021,367			
166												
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C55								0.1750%			
168												
169	Gross Amount								101,537			
170	Less: Federal surtax							-	66,673			
171	Revised Net LCT							=	34,864			
172												
173	Less: Federal LCT reported in the initial estimate column (Cell C85)							-	34,864			
174	Regulatory Federal LCT Variance							=	0			
175												
176	Actual Income Tax Rate used for gross-up								35.00%			
177												
178	Income Tax (grossed-up)							+	(44,106)			
179	LCT (grossed-up)							+	0			
180	Ontario Capital Tax							+	0			
181												
182	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>							=	(44,106)			
183												
184	<b>TRUE-UP VARIANCE (from cell I133)</b>							+	211,965			
185												
186	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>							=	167,859			
187	(Deferral Account Variance + True-up Variance)											
188												
189												
190												
191	<b>V) INTEREST PORTION OF TRUE-UP</b>											
192	<b>Variance Caused By Phase-in of Deemed Debt</b>											
193												
194	Total deemed interest (REGINFO)								4,158,823			
195	Interest phased-in (Cell C38)								4,158,823			
196												
197	Variance due to phase-in of debt component of MARR in rates								0			
198	according to the Board's decision											
199												
200	<b>Other Interest Variances (i.e. Borrowing Levels</b>											
201	<b>Above Deemed Debt per Rate Handbook)</b>											
202	Interest deducted on MoF filing (Cell K38+K43)								3,555,171			
203	Total deemed interest (REGINFO CELL D62)								4,158,823			
204												
205	Variance caused by excess debt								0			
206												
207	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I113)</b>								0			
208												
209	<b>Total Interest Variance</b>								0			
210												

	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	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	<b>Return</b>	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2005.1</b>	
6	<b>Section A: Identification:</b>					
7	Barrie Hydro Distribution Inc.					
8	Reporting period: 2005 revised March 12, 2010					
9	Taxation Year's start date:		Jan 1, 2006			
10	Taxation Year's end date:		Dec 31, 2006			
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		121,524	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	N			
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	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 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	+	119,056,463		119,056,463	
32	Distribution Revenue	+	27,780,659		27,780,659	
33	Other Income	+	3,551,395		3,551,395	
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	-	119,056,463		119,056,463	
40	Administration	-	6,412,941		6,412,941	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	3,365,508		3,365,508	
43	Amortization (links to C61 below)	-	7,245,178		7,245,178	
44	Ontario Capital Tax	-			0	
45	CDM Expenses for 2005	-	276,472		276,472	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	14,031,955	0	14,031,955	
51	Less: Interest expense for accounting purposes	-	3,555,171		3,555,171	
52	Provision for payments in lieu of income taxes	-	4,700,578		4,700,578	
53	<b>Net Income (loss)</b>	=	5,776,206	0	5,776,206	
	(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. )					
54						
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	+	4,700,578	0	4,700,578	
60	Federal large corporations tax	+			0	
61	Depreciation & Amortization	+	7,245,178	0	7,245,178	
62	Employee benefit plans-accrued, not paid	+	200,004	0	200,004	
63	Tax reserves - beginning of year	+	212,897	0	212,897	
64	Reserves from financial statements- end of year	+	134,990	0	134,990	
65	Regulatory adjustments	+			0	
66	Regulatory Assets changes	+	3,020,407		3,020,407	
67	Material addition items from TAXREC 2	+	372,799	0	372,799	
68	Other addition items (not Material) from TAXREC 2	+	60,033	0	60,033	
69						
70	<b>Subtotal</b>		15,946,886	0	15,946,886	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+	3,404		3,404	
74	Non-deductible meals and entertainment expense	+	6,442		6,442	
75	Capital items expensed	+			0	
76	SR& ED expenditures deducted on financial statements	+	91,648		91,648	
77	Capital tax accrued in income statement	+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	101,494	0	101,494	
81						
82	<b>Total Additions</b>	=	16,048,380	0	16,048,380	
83						
84	<b>Recap Material Additions:</b>					
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	<b>Total Other additions &gt;materiality level</b>		0	0	0	
93	<b>Other deductions (less than materiality level)</b>		101,494	0	101,494	
94	<b>Total Other Additions</b>		101,494	0	101,494	
95						

	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>	
96	<b>BOOK TO TAX DEDUCTIONS:</b>					
97	Capital cost allowance	-	7,267,015		7,267,015	
98	Cumulative eligible capital deduction	-	1,117		1,117	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Regulatory Assets changes		1,751,161		1,751,161	
105	Tax reserves - end of year	-	134,990	0	134,990	
106	Reserves from financial statements- beginning of year	-	212,897	0	212,897	
107	Contributions to deferred income plans	-			0	
108	Contributions to pension plans	-			0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	191,360	0	191,360	
111	Other deduction items (not Material) from TAXREC 2	-	87,339	0	87,339	
112						
113	Subtotal	=	9,645,879	0	9,645,879	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-	41,026		41,026	
116	Gain on disposal of assets	-			0	
117	SR&ED expenses claimed in year	-	15,808		15,808	
118	Capital tax per CT23		394,768	394,768	0	
119		-			0	
120	Total Other Deductions	=	451,602	394,768	56,834	
121						
122	Total Deductions	=	10,097,481	394,768	9,702,713	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		451,602	394,768	56,834	
132	Total Other Deductions		451,602	394,768	56,834	
133						
134	<b>TAXABLE INCOME</b>	=	11,727,105	-394,768	12,121,873	
135	<b>DEDUCT:</b>					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	11,727,105	(394,768)	12,121,873	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	2,561,258		2,561,258	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,610,526		1,610,526	
144	Subtotal	=	4,171,784	0	4,171,784	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	4,171,784	0	4,171,784	
147						
148	<b>APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax status)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax status)		13.93%		13.93%	
151	Blended Income Tax Rate		36.05%		36.05%	
152						
153	<b>Section D: Detailed calculation of Ontario Capital Tax</b>					
154						
155	<b>ONTARIO CAPITAL TAX</b>					
156	(From Ontario CT23)					
157	<b>PAID-UP CAPITAL</b>					
158						
159	Paid-up capital stock	+	61,491,374		61,491,374	
160	Retained earnings (if deficit, deduct)	+/-	14,478,708		14,478,708	
161	Capital and other surplus excluding	+			0	
162	appraisal surplus	+			0	
163	Loans and advances	+	28,992,907		28,992,907	
164	Bank loans	+			0	
165	Bankers acceptances	+			0	
166	Bonds and debentures payable	+	25,000,000		25,000,000	
167	Mortgages payable	+			0	
168	Lien notes payable	+			0	
169	Deferred credits	+			0	
170	Contingent, investment, inventory and similar reserves	+			0	
171	Other reserves not allowed as deductions	+			0	
172	Share of partnership(s), joint venture(s) paid-up capital	+			0	
173	Sub-total	=	129,962,989	0	129,962,989	
174	Subtract:					
175	Amounts deducted for income tax purposes in excess of amounts booked	-	-9,332,459		-9,332,459	
176	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
177	<b>Total (Net) Paid-up Capital</b>	=	139,295,448	0	139,295,448	

	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>	
178						
179	<b>ELIGIBLE INVESTMENTS</b>					
180						
181	Bonds, lien notes, interest coupons	+			0	
182	Mortgages due from other corporations	+			0	
183	Shares in other corporations	+	71,785		71,785	
184	Loans and advances to unrelated corporations	+	162,976		162,976	
185	Eligible loans and advances to related corporations	+			0	
186	Share of partnership(s) or joint venture(s) eligible investments	+			0	
187						
188	<b>Total Eligible Investments</b>	=	234,761	0	234,761	
189						
190						
191	<b>TOTAL ASSETS</b>					
192						
193	Total assets per balance sheet	+	154,523,176		154,523,176	
194	Mortgages or other liabilities deducted from assets	+			0	
195	Share of partnership(s)/ joint venture(s) total assets	+			0	
196	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
197						
198	<b>Total assets as adjusted</b>	=	154,523,176	0	154,523,176	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and similar reserves	+			0	
202	Other reserves not allowed as deductions	+			0	
203	Subtract:				0	
204	Amounts deducted for income tax purposes in excess of amounts booked	-	-9,332,459		-9,332,459	
205	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
206	Subtract: Appraisal surplus if booked	-			0	
207	Add or subtract: Other adjustments	+/-			0	
208						
209	<b>Total Assets</b>	=	163,855,635	0	163,855,635	
210						
211						
212	<b>Investment Allowance</b>		199,573	0	199,573	
213						
214	<b>Taxable Capital</b>					
215						
216	Net paid-up capital	+	139,295,448	0	139,295,448	
217	Subtract: Investment Allowance	-	199,573	0	199,573	
218						
219	<b>Taxable Capital</b>	=	139,095,875	0	139,095,875	
220						
221	<b>Capital Tax Calculation</b>					
222	Deduction from taxable capital up to maximum of \$7,500,000		7,436,460	0	7,436,460	
223	(Input in tab Tax Rates)					
224	<b>Net Taxable Capital</b>		131,659,415	0	131,659,415	
225						
226	Rate		0.3000%	0.3000%	0.3000%	
227						
228	Days in taxation year		365	365	365	
229	Divide days by 365		1.00	1.00	1.00	
230						
231	<b>Ontario Capital Tax (as calculated)</b>		394,978	0	394,978	
232						
233	<b>Ontario Capital Tax (Must agree with CT23 return)</b>		394,978	0	394,978	
234						
235	<b>Section E: Detailed calculation of Large Corporations Tax</b>					
236						
237	<b>LARGE CORPORATIONS TAX</b>					
238	(From Federal Schedule 33)					
239	<b>CAPITAL</b>					
240	ADD:					
241	Reserves that have not been deducted in computing income for the year under Part I	+			0	
242	Capital stock	+	61,491,374		61,491,374	
243	Retained earnings	+	14,478,708		14,478,708	
244	Contributed surplus	+			0	
245	Any other surpluses	+			0	
246	Deferred unrealized foreign exchange gains	+			0	
247	All loans and advances to the corporation	+	28,992,907		28,992,907	
248	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	25,000,000		25,000,000	
249	Any dividends declared but not paid	+			0	
250	All other indebtedness outstanding for more than 365 days	+			0	
251						
252	<b>Subtotal</b>	=	129,962,989	0	129,962,989	



	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</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	(positive numbers)	<b>Return</b>	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2005.1</b>	
253						
254	DEDUCT:					
255	Deferred tax debit balance	-			0	
256	Any deficit deducted in computing shareholders' equity	-			0	
257	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
258	Deferred unrealized foreign exchange losses	-			0	
259						
260	Subtotal	=	0	0	0	
261						
262	<b>Capital for the year</b>		129,962,989	0	129,962,989	
263						
264	<b>INVESTMENT ALLOWANCE</b>					
265						
266	Shares in another corporation	+	71,785		71,785	
267	Loan or advance to another corporation	+			0	
268	Bond, debenture, note, mortgage, or	+			0	
269	similar obligation of another corporation	+			0	
270	Long term debt of financial institution	+			0	
271	Dividend receivable from another corporation	+			0	
272	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
273	Interest in a partnership	+			0	
274						
275	<b>Investment Allowance</b>	=	71,785	0	71,785	
276						
277						
278	<b>TAXABLE CAPITAL</b>					
279						
280	Capital for the year	=	129,962,989	0	129,962,989	
281						
282	Deduct: Investment allowance	-	71,785	0	71,785	
283						
284	Taxable Capital for taxation year	=	129,891,204	0	129,891,204	
285						
286	Deduct: Capital Deduction - maximum of \$50,000,000	-	49,750,000	0	49,750,000	
287	(Input in tab Tax Rates)					
288	<b>Taxable Capital</b>	=	80,141,204	0	80,141,204	
289						
290	Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005		0.17500%	0.17500%	0.17500%	
291						
292	Days in year		365	365	365	
293	Divide days by 365		1.0000	1.0000	1.0000	
294						
295	<b>Gross Part I.3 Tax LCT (Must agree with tax return)</b>	=	140,247	0	140,247	
296						
297	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
298						
299	Less: Federal Surtax = <b>Actual Surtax from tax return</b>	-	129,402		129,402	
300						
301	<b>Net Part I.3 Tax - LCT Payable (Must agree with tax return)</b>	=	10,845	0	10,845	
302	(If surtax is greater than Gross LCT, then zero)					
303						
304	<b>Section F: Income and Capital Taxes</b>					
305						
306	<b>RECAP FROM ABOVE:</b>					
307	Total Income Taxes	+	4,171,784	0	4,171,784	
308	Ontario Capital Tax	+	394,978	0	394,978	
309	Federal Large Corporations Tax	+	10,845	0	10,845	
310						
311	<b>Total income and capital taxes</b>	=	4,577,607	0	4,577,607	
312						

	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax	(positive numbers)	<b>Return</b>	
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>Barrie Hydro Distribution Inc.</b>					
8	<b>Reporting period: 2005 revised March 12, 2010</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)		212,897		212,897	
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>		212,897	0	212,897	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		134,990		134,990	
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>		134,990	0	134,990	
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		212,897		212,897	
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>		212,897	0	212,897	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		134,990		134,990	
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>		134,990	0	134,990	
64						

	A	B	C	D	E	F
1						
2	<b>SIMPIL RRR FILING</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	(positive numbers)	<b>Return</b>	
5	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2005.1</b>	
7						
8	<b>Barrie Hydro Distribution Inc.</b>					
9	<b>Reporting period: 2005 revised March 12, 2010</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		121,524			
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	+	41,026		41,026	
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	+	275,290		275,290	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SR&ED expenditures	+	97,509		97,509	
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	Amortization of deferred chgs - right of use substations	+	19,007		19,007	
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>	=	<b>432,832</b>	<b>0</b>	<b>432,832</b>	
55						
56	<b>Recap of Material Additions:</b>					
57	Recapture of SR&ED expenditures	+	97,509	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Financing fees deducted in books		275,290	0	275,290	
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	<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	(positive numbers)	<b>Return</b>	
5	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2005.1</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			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		372,799	0	275,290	
96	Other additions less than materiality level		60,033	0	157,542	
97	Total Additions		432,832	0	432,832	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-	82,872		82,872	
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	-	4,467		4,467	
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)	-	191,360		191,360	
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	=	278,699	0	278,699	
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	SEC 20(1) (e)		191,360	0	191,360	
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		191,360	0	191,360	
147	Other deductions less than materiality level		87,339	0	87,339	
148	Total Deductions		278,699	0	278,699	
149						

	A	B	C	D	E	F	G	H	I	J
1	<b>SIMPIL RRR FILING</b>									
2	<b>Corporate Tax Rates</b>									
3	<b>Exemptions, Deductions, or Thresholds</b>									
4	<b>Barrie Hydro Distribution Inc.</b>									
5	<b>Reporting period: 2005 revised March 12, 2010</b>									
6										
7										
8	<b>Table 1</b>									
9	<b>Rates Used in 2005 RAM PILs Applications</b>									
10	<b>Income Range</b>		<b>0</b>		<b>400,001</b>					
11	<b>RAM 2005</b>		<b>to</b>		<b>to</b>		<b>&gt;1,128,000</b>			
12		<b>Year</b>	<b>400,000</b>		<b>1,128,000</b>					
13	<b>Income Tax Rate</b>									
14	<b>Proxy Tax Year</b>	<b>2005</b>								
15	<b>Federal (Includes surtax)</b>		13.12%		17.75%		22.12%			
16	<b>Ontario</b>		5.50%		9.75%		14.00%			
17	<b>Blended rate</b>		18.62%	0.00%	27.50%		36.12%			
18	<b>Capital Tax Rate</b>		0.300%		Input in C18					
19	<b>LCT rate</b>		0.175%		Input in C19					
20	<b>Surtax</b>		1.12%		Input in C20					
21	<b>Ontario Capital Tax Exemption **</b>	<b>MAX \$7.5MM</b>	7,500,000		Input in C21					
22	<b>Federal Large Corporations Tax Exemption **</b>	<b>MAX \$50MM</b>	50,000,000		Input in C22					
23	<b>**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing</b>									
24										
25										
26	<b>Table 2</b>									
27	<b>Expected Rates and Exemptions for 2005</b>									
28	<b>Income Range</b>		<b>0</b>	<b>300,001</b>	<b>400,001</b>		<b>&gt;1,128,000</b>			
29	<b>Expected Rates 2005</b>		<b>to</b>	<b>to</b>	<b>to</b>					
30		<b>Year</b>	<b>300,000</b>	<b>400,000</b>	<b>1,128,000</b>					
31	<b>Income Tax Rate</b>									
32	<b>Current year</b>	<b>2005</b>								
33	<b>Federal (Includes surtax)</b>		13.12%	22.12%	22.12%		22.12%			
34	<b>Ontario</b>		5.50%	5.50%	9.75%		14.00%			
35	<b>Blended rate</b>		18.62%	27.62%	31.87%		36.12%			
36	<b>Capital Tax Rate</b>		0.300%		Input in C36					
37	<b>LCT rate</b>		0.175%		Input in C37					
38	<b>Surtax</b>		1.12%		Input in C38					
39	<b>Ontario Capital Tax Exemption ***</b>	<b>MAX \$7.5MM</b>	7,500,000		Input in C39					
40	<b>Federal Large Corporations Tax Exemption ***</b>	<b>MAX \$50MM</b>	50,000,000		Input in C40					
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
42										
43										
44	<b>Table 3</b>									
45	<b>Input Information from Utility's Actual 2005 Tax Returns</b>									
46	<b>Income Range</b>		<b>0</b>	<b>300,001</b>	<b>400,001</b>		<b>&gt;1,128,000</b>			
47		<b>Year</b>	<b>300,000</b>	<b>400,000</b>	<b>1,128,000</b>					
48	<b>Income Tax Rate</b>									
49	<b>Current year</b>	<b>2005</b>								
50	<b>Federal (Includes surtax)</b>		13.12%	22.12%	22.12%		22.12%			
51	<b>Ontario</b>		5.50%	5.50%	9.75%		14.00%			
52	<b>Blended rate</b>		18.62%	27.62%	31.87%		36.12%			
53	<b>Capital Tax Rate</b>		0.300%		Input in C54					
54	<b>LCT rate</b>		0.175%		Input in C55					
55	<b>Surtax</b>		1.12%		Input in C56					
56	<b>Ontario Capital Tax Exemption *</b>	<b>MAX \$7.5MM</b>	7,436,460		Input in C57					
57	<b>Federal Large Corporations Tax Exemption *</b>	<b>MAX \$50MM</b>	49,750,000		Input in C58					
58	<b>* Include copies of the actual tax returns - Ontario CT23, federal T2. Please see the Checklist.</b>									
59										
60										
61										
62										
63										
64										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>SIMPIL RRR FILING</b>														
2	<b>Analysis of Account 1562:</b>	<b>Deferred Payments in lieu of Taxes</b>													
3	<b>Barrie Hydro Distribution Inc.</b>														
4	<b>Reporting period: 2005 revised March 12, 2010</b>	<b>Sign Convention: + for increase; - for decrease</b>													
5															
6															
7															
8	<b>Year start:</b>		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	<b>Year end:</b>		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	<b>Opening balance:</b>	=	0		1,136,416		1,621,715		1,405,690		1,030,683		101,420		0
12	<b>Board-approved PILs tax proxy from Decisions (1)</b>	+/-	1,129,825		3,666,285		4,796,110		3,948,741		3,708,187		1,240,718		18,489,866
13	<b>True-up Variance Adjustment Q4, 2001 (2)</b>	+/-			151,370								0		151,370
14	<b>True-up Variance Adjustment (3)</b>	+/-			0		122,608		103,883		-77,750		211,965		360,706
15	<b>Deferral Account Variance Adjustment Q4, 2001 (4)</b>				-2,374										-2,374
16	<b>Deferral Account Variance Adjustment (5)</b>	+/-							-2,226		-477,733		-44,106		-524,065
17	<b>Adjustments to reported prior years' variances (6)</b>	+/-													0
18	<b>Carrying charges (7)</b>	+/-	6,591		116,404		89,260		60,143		20,578		-20,031		272,945
19	<b>PILs collected from customers - Proxy (8)</b>	-	0		-3,446,386		-5,224,003		-4,485,548		-4,102,545		-1,672,718		-18,931,200
20															
21	<b>Ending balance: # 1562</b>		<u>1,136,416</u>		<u>1,621,715</u>		<u>1,405,690</u>		<u>1,030,683</u>		<u>101,420</u>		<u>-182,752</u>		<u>-182,752</u>
22															
23															
24	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
25	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														

	A	B	C	D	E
1		<b>SIMPIL RRR FILING</b>			
2		Filing Requirements related to the SIMPIL model	<b>Number</b>		<b>Version 2005.1</b>
3		Barrie Hydro Distribution Inc.	<b>of Copies</b>		<b>RRR # 2.1.8</b>
4		Reporting period: 2005 revised March 12, 2010			
5					
6		Name of person to contact about this SIMPIL filing: =====>	Carolyn Young		
7		Contact Telephone Number: =====>	(705)722-7244 X321		
8		Contact Email Address: =====>	<a href="mailto:cyoung@barriehydro.com">cyoung@barriehydro.com</a>		
9					
10		Documents to be submitted to the Board when filing the Ministry of Finance Column information:			
11		(Normally in July of the year following the reporting period)			
12					
13		Please file 2 sets of copies of the SIMPIL worksheets and 1 CD or disk			
14					
15	1)	REGINFO	2	<input checked="" type="checkbox"/>	
16					
17	2)	TAXCALC	2	<input checked="" type="checkbox"/>	
18					
19	3)	TAXREC	2	<input checked="" type="checkbox"/>	
20					
21	4)	Tax Reserves	2	<input checked="" type="checkbox"/>	
22					
23	5)	TAXREC 2	2	<input checked="" type="checkbox"/>	
24					
25	6)	Tax Rates	2	<input checked="" type="checkbox"/>	
26					
27	7)	PILs 1562 Calculation	2	<input checked="" type="checkbox"/>	
28					
29	8)	Checklist	2	<input checked="" type="checkbox"/>	
30					
31					
32	9)	Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2006 (See 12, 13)	2	<input type="checkbox"/>	n/a
33					
34	10)	Electronic Excel format of the SIMPIL worksheets on disk or CD	1	<input checked="" type="checkbox"/>	
35					
36	11)	Notices of Assessments, Re-assessments, Statement of Adjustments for:			
37		2001	1	<input checked="" type="checkbox"/>	
38		2002	1	<input checked="" type="checkbox"/>	
39		2003	1	<input type="checkbox"/>	n/a
40		2004	1	<input checked="" type="checkbox"/>	
41		2005	1	<input checked="" type="checkbox"/>	
42					
43	12)	Federal T2 tax return and schedules (with dollar amounts) 2005	1	<input checked="" type="checkbox"/>	
44					
45	13)	Ontario CT23 tax return and schedules 2005	1	<input checked="" type="checkbox"/>	
46					
47		NOTE: These are the tax returns that were sent to the Ontario Ministry of Finance,			
48		not the NIL tax returns sent to the Canada Revenue Agency.			
49					
50					
51					
52					

## **Schedule 6**

**APRIL 30/09 RESPONSE TO BOARD STAFF IR BH2**



**Board Staff Interrogatory #2**

Please confirm that the maximum and minimum tax rates shown in the table below are correct for the years shown. The gross-up rate does not include the surtax rate of 1.12% because the surtax can be offset against the Large Corporation Tax.

<b>Maximum Income Tax Rates in Percentages</b>						
	<b>2001 4th Quarter</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Federal</b>	<b>27.00</b>	<b>25.00</b>	<b>23.00</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>
<b>Federal Surtax</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>
<b>Ontario</b>	<b>12.50</b>	<b>12.50</b>	<b>12.50</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>
<b>Combined Rate</b>	<b>40.62</b>	<b>38.62</b>	<b>36.62</b>	<b>36.12</b>	<b>36.12</b>	<b>36.12</b>
<b>Gross-up Rate</b>	<b>39.50</b>	<b>37.50</b>	<b>35.50</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>

<b>Maximum Income Tax Rates in Percentages</b>						
	<b>2001 4th Quarter</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Federal</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>
<b>Federal Surtax</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>	<b>1.12</b>
<b>Ontario</b>	<b>6.00</b>	<b>6.00</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>
<b>Combined Rate</b>	<b>19.12</b>	<b>19.12</b>	<b>18.62</b>	<b>18.62</b>	<b>18.62</b>	<b>18.62</b>
<b>Gross-up Rate</b>	<b>18.00</b>	<b>18.00</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>

**Response(s):**

The maximum tax rates are accurate. Minimum tax rates do not apply to our corporation.

## **Schedule 7**

### **OEB ACCOUNTING PROCEDURES HANDBOOK FAQ APRIL 2003**

# **Ontario Energy Board**

## **Accounting Procedures Handbook**

### **Frequently Asked Questions**

#### **April 2003**

### **INDEX**

<b>Payments in lieu of Taxes Paid to OEFC</b>	<b>Q. 1</b>
<b>Guidance on Payments in lieu of Taxes Account 1562</b>	<b>Q. 2</b>

## **Frequently Asked Questions**

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**Q.1    Should the actual payments in lieu of taxes paid to Ontario Electricity Financial Corporation (OEFC) and non-section 93 income and capital taxes paid to the taxing authorities be recorded in Account 1562?**

A.1    The actual PILs paid to the OEFC (or to the taxing authorities) should **not** be recorded in Account 1562. The expenditures related to the actual PILs payments should be recorded in Account 6105 and 6110. The related accrued liabilities should be recorded in Account 2294. The accounting entries to record the actual PILs paid to the OEFC or to the taxing authorities should be in accordance to Generally Accepted Accounting Principles. Utilities should refer to the CICA handbook for further guidance on how to record PILs paid to OEFC or the taxing authorities.

**Q.2    Please explain the accounting entries to record the Payment in Lieu of Taxes (PILs) variances in Account 1562.**

A.2    The Deferred Payments in Lieu of Taxes Variance Account 1562 is established to track and record the variances that results from the difference between the Board approved PILs amount and the amount of actual billings that relates to the recovery of PILs. It also provides for periodic adjustments and an allowance for deemed interest.

The following information provides guidance on Account 1562 with respect to recording the variances between the total annual recovery of PILs approved by the Board for the year and the actual amount collected from customers. It includes general descriptions of three alternative types of entries that can be used for recording in Account 1562 and provides detailed examples to illustrate these three alternative methods of recording the PILs variances.

The following guidance also apply to utilities which pay the non-section 93 income and capital taxes and which use the SIMPIL model to determine the amount of income and capital taxes that they can recover from customers.

The acronym “PILs” used in the following guidance stand for Payments in Lieu of Taxes (section 93 taxes), and for utilities which actually pay income and capital taxes, PILs may be read to be such income and capital taxes paid to tax authorities.

## Frequently Asked Questions

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### **Four Principal Entries in Account 1562:**

As outlined in Article 220 of the Accounting Procedures Handbook (APH), there are four principal entries recorded in the Account:

- Entry 1 records the amount resulting from the Board approved PILs methodology on a monthly accrual basis. Thus, a monthly entry is made that is equal to the total Board-approved PILs allowance divided by 12.
- Entry 2 records any variances between estimated liabilities resulting from the Board approved PILs methodology and actual tax liabilities. There are basically two types of variances:
  - A) the Deferral Account Variance which is the difference between the Initial Estimate Column and the Deferral Account Allowance Column, as calculated and shown in the Deferral Account Variance Column of the SIMPIL Spreadsheet. The calculation of these variances is normally completed at the end of the year when there are changes to the tax legislation affecting the current year; and
  - B) the True-up Variance which is the difference between certain items in the Deferral Account Allowance Column and the Ministry of Finance (MoF) Filing column, as calculated and shown under Part IV, in Ministry of Finance Filing Variance Column, of TAXCALC Spreadsheet (after taking into consideration the gross up of the tax effect of the true-up adjustments).

Please note if there is no change in tax legislation affecting the utility industry, the Deferral Account Allowance Column will be the same as the Initial Estimate Column and the Deferral Account Variance will be zero.

- Entry 3 records all amounts included in rates that represent recovery of the Board-approved PILs allowance made through service billings to customers.
- Entry 4 records interest amounts based on opening monthly balances in the Account 1562. Please note simple interest should be calculated based on monthly opening balance in the account, exclusive of the accumulated interest.

## Frequently Asked Questions

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It is not the intent of the Board to prescribe a specific method to account for the recovery of PILs through current rates nor at this time to decide what additional amounts, if any, should be recoverable in future rates. Whichever methodology is chosen to record the recovery of PILs currently approved in rates, Account 1562 must show the PILs variances as prescribed in accordance with the Board's Accounting Procedures Handbook and the related interest. Utilities are required to identify the accounting method used to account for the recovery of PILs (currently approved in rates) in a new section that has been added to the SIMPIL spreadsheets.

### Three Alternative Accounting Methods:

The following section provides the journal entries for three alternative accounting methods to record the variances of PILs in Account 1562 using an example of a typical utility for a 12-month period from January 1, 2003 to December 31, 2003. Explanations of the journal entries along with an example entry of each are provided. Tables outlining notional journal entries for each alternative are provided in Appendices A and B.

Alternatives 1 and 2 are similar except that Alternative 1 credits the recovery of PILs approved by the Board to a **"Distribution Revenue Sub-account"** whereas Alternative 2 credits the recovery of PILs approved by the Board to the **"Regulatory Credit"** account. Both Alternative 1 and Alternative 2 provide the journal entries to record as revenue for reporting financial information to the OEB the total annual amount of PILs recovery approved by the Board.

Alternative 3 shows the journal entries required to record as revenue for reporting financial information to the OEB the actual PILs collected from customers. In order to have the actual amounts collected from customers shown as revenue earned, a contra account is created on the Balance Sheet to ensure the difference between the recovery of PILs approved by the Board and the actual amounts collected from customers is identifiable in Account 1562.

### Detailed Example:

Assume the following information:

- The Board has approved PILs allowance of \$144,000 for fiscal 2003 (\$12,000 per month). (See Entry Item 1.)
- The Initial Estimate of PILs recovery (before gross-up) was \$180,000 for fiscal 2002. As a result of legislative changes, the income tax rates for 2002 were reduced and the Initial

## Frequently Asked Questions

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Estimate of PILs recovery (before gross-up) for 2002 would decrease to \$177,070. The Deferral Account Variance for fiscal 2002 would therefore be -\$3,600  $[(\$177,070 - \$180,000)/(1 - 2003 \text{ tax rate}^1)]$ . (See Entry Item 2A.)

- The total of the true-up items reported for tax purposes is \$48,118 based on the Ministry of Finance information after the elimination of non-wires operations. The total of the true-up items initially reported for regulatory purposes is \$16,000. The True-up Variance<sup>2</sup> after taking into consideration the gross-up of the tax effect for the fiscal 2002 is \$7,500. (See Entry Item 2B.)
- The monthly recovery of PILs collected from customers varied throughout the year due to monthly variations in the volumetric level of total billings<sup>3</sup>. For the fiscal year 2003, the utility collected \$17,500 per month from March to July, and \$22,500 per month for August and September, and \$20,000 per month from October to December. (See Entry Items 3.)
- The utility was assumed to have a deemed interest rate of 7.25 percent. (See Entry Item 4.)

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- 1 Please note the gross-up calculation is based on the tax rates legislated for the year during which the corresponding PILs is recovered from customers.
  - 2 The True-up Variance is the gross-up of the tax effect of the difference between certain items initially reported by the utility in the SIMPIL model and the actual amounts reported for tax purposes, all net of the portion related to the non-wire (i.e. not rate-regulated) operations. Please refer to the Notes to the Proxy PILs Model ("SIMPIL") for a listing of items true-up for regulatory purposes. The True-up Variance is calculated under Future True-ups, in Part IV of the "TAXCALC" spreadsheet. Please note that the gross-up calculation is based on the tax rate legislated for the year when PILs is recovered from consumers.
  - 3 For the purpose of the example, it is assumed that these monthly amounts vary throughout the year due to monthly variations in the level of total billings.

## Frequently Asked Questions

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### **Explanation of Entry Items under Alternative 1:**

Alternative 1 shows the journal entries required to show the total annual PILs recovery allowed by the Board as revenue for reporting financial information to the Board by crediting the Distribution Services Revenue Sub-account.

Please refer to Appendix B-1 for a numerical example showing the journal entries for the accounts affected from January 1, 2003 to December 31, 2003.

#### **Entry 1:**

The following entry records the recovery of PILs approved by the Board as revenue earned. At the end of each month, the utility makes an entry debiting one twelfth the total annual PILs amount approved by the Board as the basis for the Rates Order, i.e. \$144,000/12. (This should equal to the total PILs rate adjustment as calculated in Initial Estimate Column of the TAXCALC spreadsheet.)

Dr. 1562 Deferred Payments in Lieu of Taxes	\$12,000
Cr. 4080 sub-account Distribution Services Revenue - PILs recovery	\$12,000

#### **Entry 2:**

The following entries record the variances resulting from: a) changes in tax legislation and, b) true-up of certain items initially reported for regulatory purposes to the actual amounts filed for tax purposes.

#### **Entry 2A:**

This entry records the Deferral Account Variance which is normally calculated at the end of the calendar year. However, note that since there is currently no annual rate adjustments (at Mar. 1), this entry can be made at the time of the True-up Variance entry (see Entry 2B below).

Dr. 4080 sub-account Distribution Services Revenue - PILs recovery	\$3,600
Cr. 1562 Deferred Payments in Lieu of Taxes	\$3,600

#### **Entry 2B:**

This entry records the True-up Variance. This is normally done after the utility has filed the tax returns for its 2002 taxation period (January 1, 2002 to December 31, 2002) and has updated the



## Frequently Asked Questions

SIMPIL Spreadsheets to determine the Deferral Account Entry (True-up) which is calculated under Part IV, in the MoF Filing Variances Column of the TAXCALC spreadsheet.

Dr. 1562 Deferred Payments in Lieu of Taxes	\$7,500
Cr. 4080 sub-account Distribution Services Revenue - PILs recovery	\$7,500

Entry 3:

The following entries record the actual recovery of PILs collected from customers. The first entry is to set up the accounts receivable when the utility bills customers for the recovery of PILs. The next entry is to reverse the actual amount of PILs recovery billed to customers from revenue. Thus the amount of recovery of PILs approved by the Board will be shown as revenue for reporting financial information to the OEB. This example assumes that the utility received its approved rates in March 2003 and implemented the rate changes in their April 2003 customers billings. At the end of that month and each subsequent month, the utility makes an entry crediting the portion of monthly billing that represents the recovery of PILs.

a) To set up the accounts receivable when the utility bills the customers for the recovery of PILs.

Dr. 1100 Accounts receivable	\$17,500
Cr. 4080 Distribution Services Revenue	\$17,500

b) To reverse the actual amount of PILs recovery billed to customers from revenue.

Dr. 4080 Distribution Services Revenue	\$17,500
Cr. 1562 Deferred Payments in Lieu of Taxes	\$17,500

Entry 4:

At the end of each month, the utility makes an entry to record interest. The interest amount is calculated on the monthly opening balance (exclusive of any previously computed interest). For the purposes of the example, the deemed interest rate is assumed to be 7.25 percent.

Dr. 1562 - sub-account PILs - Interest Receivable	\$73
Cr. 4405 Interest and Dividend Income	\$ 73

## Frequently Asked Questions

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### **Explanation of Entry Items under Alternative 2:**

Alternative 2 is almost identical to Alternative 1 except that the recovery of PILs is credited to the Regulatory Credit account.

Please refer to Appendix B-2 for a numerical example showing the journal entries for the accounts affected from January 1, 2003 to December 31, 2003.

#### **Entry 1:**

The following entry records as revenue for reporting financial information to the OEB the monthly portion of the total annual recovery of PILs approved by the Board. (Please refer to Alternative 1 for a detailed explanation of the entry.)

Dr. 1562 Deferred Payments in Lieu of Taxes	\$12,000	
Cr. 4310 Regulatory Credits		\$12,000

#### **Entry 2:**

The following entries record the variances resulting from changes in tax legislation and true-up of certain items from the deferral account allowance column to the actual amounts filed for tax purposes. (Please refer to Alternative 1 for detailed explanation of the entries.)

#### **Entry 2A:**

This entry records the Deferral Account Variance which is normally calculated at the end of the calendar year.

Dr. 4310 Regulatory Credits	\$3,600	
Cr. 1562 Deferred Payments in Lieu of Taxes		\$3,600

#### **Entry 2B:**

This entry records the True-up Variance.

Dr. 1562 Deferred Payments in Lieu of Taxes	\$7,500	
Cr. 4310 Regulatory Credits		\$7,500

## Frequently Asked Questions

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### Entry 3:

The following entries record the actual recovery of PILs collected from customers. The first entry is to record initial entry when the utility bills the customers for the recovery of PILs.

Dr. 1100 Accounts Receivable	\$17,500	
Cr. 4080 Distribution Services Revenue		\$17,500

The next entry reverses the amount billed to customers from income so that the amount approved by the Board will be shown as revenue. (Please refer to Alternative 1 for a detailed explanation of these entries.)

Dr. 4310 Regulatory Credits	\$17,500	
Cr. 1562 Deferred Payments in Lieu of Taxes		\$17,500

### Entry 4:

The following entry records the interest. (Please refer to Alternative 1 for a detailed explanation of the entry.)

Dr. 1562 - sub-account PILs - Interest Receivable	\$73	
Cr. 4405 Interest and Dividend Income		\$73

### **Explanation of Entry Items under Alternative 3:**

Alternative 3 shows the journal entries required to have the actual recovery of PILs billed to customers as revenue for reporting financial information to the OEB. A contra account to Account 1562 is created on the Balance Sheet to record the credit side of the recovery of PILs approved by the Board and the related adjusting entries.

Please refer to Appendix B-3 for a numerical example showing the journal entries for the accounts affected from January 1, 2003 to December 31, 2003.

### Entry 1:

The following entry records the monthly recovery of PILs approved by the Board. Alternative 3 shows as revenue for reporting financial information to the OEB the actual PILs collected from customers rather than the recovery of PILs approved by the Board. Hence, in order to reflect

## Frequently Asked Questions

variances between the recovery of PILs approved by the Board and the actual amounts collected from consumers in Account 1562, a contra account is created on the Balance Sheet . (Please refer to Alternative 1 for a detailed explanation of this entry.)

Dr. 1562 Deferred Payments in Lieu of Taxes	\$12,000	
Cr. 1563 Deferred PILs contra account - recovery of PILs (Balance Sheet Account )		\$12,000

Entry 2A:

This entry records the variances resulting from changes in tax legislation. (Please refer to Alternative 1 for a detailed explanation of this entry.)

Dr. 1563 Deferred PILs contra account - recovery of PILs	\$3,600	
Cr. 1562 Deferred Payments in Lieu of Taxes		\$ 3,600

Entry 2B:

This entry records the True-up Variance. (Please refer to Alternative 1 for a detailed explanation of this entry.)

Dr. 1562 Deferred Payments in Lieu of Taxes	\$7,500	
Cr. 1563 Deferred PILs contra account - recovery of PILs		\$7,500

Entry 3:

a) This entry records the actual amount of recovery of PILs collected from customers as revenue.

Dr. 1100 Accounts receivable	\$17,500	
Cr. 4080 - sub-account Distribution Services Revenue - PILs recovery		\$17,500

b) This entry reduces the recovery of PILs approved by the Board by the actual amount collected from customers. (Please refer to Alternative 1 for detailed explanation of the entries.)

Dr. 1563 Deferred PILs contra account - recovery of PILs	\$17,500	
Cr. 1562 Deferred Payments in Lieu of Taxes		\$17,500

## Frequently Asked Questions

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Entry 4:

The following entry records the interest. (Please refer to Alternative 1 for a detailed explanation of the entry.)

Dr. 1562 - sub-account	PILs - Interest Receivable	\$73
Cr. 1563 - sub-account	Deferred PILs contra account	
	- Interest contra account	\$73

## Frequently Asked Questions

<b>Appendix A</b>								
<b>PILS Variance Accounting</b>								
Entry #	A/C #	Description	ALTERNATIVE # 1		ALTERNATIVE # 2		ALTERNATIVE # 3	
			Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>1</b>	1562	Deferred Payments In Lieu of Taxes	\$12,000		\$12,000		\$12,000	
	4080 sub-a/c	Distribution Services Revenue- PILs recovery		\$12,000				
	4310	Regulatory Credits				\$12,000		
	1563	Deferred PILs - <b>Contra Account</b>						\$12,000
<b>2A</b>	4080 sub-a/c	Distribution Services Revenue- PILs recovery	\$3,600					
	4310	Regulatory Credits			\$3,600			
	1563	Deferred PILs - <b>Contra Account</b>					\$3,600	
	1562	Deferred Payments In Lieu of Taxes		\$3,600		\$3,600		\$3,600
<b>2B</b>	1562	Deferred Payments In Lieu of Taxes	\$7,500		\$7,500		\$7,500	
	4080 sub-a/c	Distribution Services Revenue- PILs recovery		\$7,500				
	4310	Regulatory Credits				\$7,500		
	1563	Deferred PILs - <b>Contra Account</b>						\$7,500
<b>3</b>	1100	Accounts Receivable	\$17,500		\$17,500		\$17,500	
	4080	Distribution Services Revenue		\$17,500		\$17,500		
	4080 sub-a/c	Distribution Services Revenue- PILs recovery						\$17,500
	4080	Distribution Services Revenue	\$17,500					
	4310	Regulatory Credits			\$17,500			
	1563	Deferred PILs - <b>Contra Account</b>					\$17,500	
	1562	Deferred Payments In Lieu of Taxes		\$17,500		\$17,500		\$17,500
<b>4</b>	1562 sub-a/c	Deferred PILs - interest receivable	\$73		\$73		\$73	
	4405	Interest and Dividend Income		\$73		\$73		
	1563 sub-a/c	Deferred PILs Contra Account- <b>Interest Contra Account</b>						\$73



Appendix B - 2													
Journal entries to record PILs variance in Account #1562 : Alternative 2													
BALANCE SHEET								INCOME STATEMENT					
Account Number:		1100		1562		1562 Sub-account		4080		4310		4405	
Account Description:		Accounts Receivable		Deferred PILs		Deferred PILs - Interest Receivable		Distribution Services Revenue		Regulatory Credits		Interest and Dividend Income (see Note 1)	
Date:	Entry Item Description	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance
Jan. 1, 03	2a Deferral account variance		0	(3,600)	(3,600)		0		0	3,600	3,600		0
Jan.31. 03	1 PILs monthly accrual		0	12,000	8,400		0		0	(12,000)	(8,400)		0
Jan.31. 03	4 Interest amount		0		8,400	(22)	(22)		0		(8,400)	22	22
Feb.28.03	1 PILs monthly accrual		0	12,000	20,400		(22)		0	(12,000)	(20,400)		22
Feb.28.03	4 Interest amount		0		20,400	51	29		0		(20,400)	(51)	(29)
Mar.31.03	1 PILs monthly accrual		0	12,000	32,400		29		0	(12,000)	(32,400)		(29)
Mar.31.03	3 Monthly billing	17,500	17,500	(17,500)	14,900		29	(17,500)	(17,500)	17,500	(14,900)		(29)
Mar.31.03	4 Interest amount		17,500		14,900	123	152		(17,500)		(14,900)	(123)	(152)
Apr.30.03	1 PILs monthly accrual		17,500	12,000	26,900		152		(17,500)	(12,000)	(26,900)		(152)
Apr.30.03	3 Monthly billing	17,500	35,000	(17,500)	9,400		152	(17,500)	(35,000)	17,500	(9,400)		(152)
Apr.30.03	4 Interest accrual		35,000		9,400	90	242		(35,000)		(9,400)	(90)	(242)
May 31.03	1 PILs monthly accrual		35,000	12,000	21,400		242		(35,000)	(12,000)	(21,400)		(242)
May 31.03	3 Monthly billing	17,500	52,500	(17,500)	3,900		242	(17,500)	(52,500)	17,500	(3,900)		(242)
May 31.03	4 Interest accrual		52,500		3,900	57	299		(52,500)		(3,900)	(57)	(299)
Jun.30.03	1 PILs monthly accrual		52,500	12,000	15,900		299		(52,500)	(12,000)	(15,900)		(299)
Jun.30.03	3 Monthly billing	17,500	70,000	(17,500)	(1,600)		299	(17,500)	(70,000)	17,500	1,600		(299)
Jun.30.03	2b True-up variance		70,000	7,500	5,900		299		(70,000)	(7,500)	(5,900)		(299)
Jun.30.03	4 Interest accrual		70,000		5,900	24	323		(70,000)		(5,900)	(24)	(323)
July 31.03	1 PILs monthly accrual		70,000	12,000	17,900		323		(70,000)	(12,000)	(17,900)		(323)
July 31.03	3 Monthly billing	22,500	92,500	(22,500)	(4,600)		323	(22,500)	(92,500)	22,500	4,600		(323)
July 31.03	4 Interest accrual		92,500		(4,600)	36	358		(92,500)		4,600	(36)	(358)
Aug.31.03	1 PILs monthly accrual		92,500	12,000	7,400		358		(92,500)	(12,000)	(7,400)		(358)
Aug.31.03	3 Monthly billing	22,500	115,000	(22,500)	(15,100)		358	(22,500)	(115,000)	22,500	15,100		(358)
Aug.31.03	4 Interest accrual		115,000		(15,100)	(28)	330		(115,000)		15,100	28	(330)
Sept.30.03	1 PILs monthly accrual		115,000	12,000	(3,100)		330		(115,000)	(12,000)	3,100		(330)
Sept.30.03	3 Monthly billing	22,500	137,500	(22,500)	(25,600)		330	(22,500)	(137,500)	22,500	25,600		(330)
Sept.30.03	4 Interest accrual		137,500		(25,600)	(91)	239		(137,500)		25,600	91	(239)
Oct.31.03	1 PILs monthly accrual		137,500	12,000	(13,600)		239		(137,500)	(12,000)	13,600		(239)
Oct.31.03	3 Monthly billing	20,000	157,500	(20,000)	(33,600)		239	(20,000)	(157,500)	20,000	33,600		(239)
Oct.31.03	4 Interest accrual		157,500		(33,600)	(155)	85		(157,500)		33,600	155	(85)
Nov.30.03	1 PILs monthly accrual		157,500	12,000	(21,600)		85		(157,500)	(12,000)	21,600		(85)
Nov.30.03	3 Monthly billing	20,000	177,500	(20,000)	(41,600)		85	(20,000)	(177,500)	20,000	41,600		(85)
Nov.30.03	4 Interest accrual		177,500		(41,600)	(208)	(118)		(177,500)		41,600	208	118
Dec.31.03	1 PILs monthly accrual		177,500	12,000	(29,600)		(118)		(177,500)	(12,000)	29,600		118
Dec.31.03	3 Monthly billing	20,000	197,500	(20,000)	(49,600)		(118)	(20,000)	(197,500)	20,000	49,600		118
Dec.31.03	4 Interest accrual		197,500		(49,600)	(251)	(370)		(197,500)		49,600	251	370
	Total		197,500		(49,600)		(370)		(197,500)		49,600		370

**Note 1:** Monthly interest = prior month-end balance of Account # 1562 X deemed interest rate / 12



## Frequently Asked Questions

Appendix B - 3														
Journal entries to record PILs variance in Account #1562 : Alternative 3														
BALANCE SHEET													INCOME STATEMENT	
Account Number:		1100	1562		1562 Sub-account		1563		1563-Sub-account		4080-Sub-account			
Account Description:		Accounts Receivable	Deferred PILs		Deferred PILs - Interest Receivable		Deferred PILs Contra Account		Interest Contra Account (see Note 1)		Distribution Services Revenue - PILs recovery			
Date:	Entry Item	Description	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance	Debit/ (Credit)	Balance
Jan. 1, 03	2a	Deferral account variance			(3,600)	(3,600)		0	3,600	3,600				
Jan.31, 03	1	PILs monthly accrual		0	12,000	8,400	(22)	(22)	(12,000)	(8,400)	22	22		
Feb.28, 03	1	PILs monthly accrual		0	12,000	20,400		(22)	(12,000)	(20,400)				
Feb.28, 03	4	Interest amount		0		20,400	51	29		(20,400)	(51)	(29)		
Mar.31, 03	1	PILs monthly accrual		0	12,000	32,400		29	(12,000)	(32,400)				
Mar.31, 03	3	Monthly billing	17,500	17,500	(17,500)	14,900		29	17,500	(14,900)			(17,500)	(17,500)
Mar.31, 03	4	Interest amount		17,500		14,900	123	152		(14,900)	(123)	(152)		
Apr.30, 03	1	PILs monthly accrual		17,500	12,000	26,900		152	(12,000)	(26,900)				
Apr.30, 03	3	Monthly billing	17,500	35,000	(17,500)	9,400		152	17,500	(9,400)			(17,500)	(35,000)
Apr.30, 03	4	Interest accrual		35,000		9,400	90	242		(9,400)	(90)	(242)		
May 31, 03	1	PILs monthly accrual		35,000	12,000	21,400		242	(12,000)	(21,400)				
May 31, 03	3	Monthly billing	17,500	52,500	(17,500)	3,900		242	17,500	(3,900)			(17,500)	(52,500)
May 31, 03	4	Interest accrual		52,500		3,900	57	299		(3,900)	(57)	(299)		
Jun.30, 03	1	PILs monthly accrual		52,500	12,000	15,900		299	(12,000)	(15,900)				
Jun.30, 03	3	Monthly billing	17,500	70,000	(17,500)	(1,600)		299	17,500	(1,600)			(17,500)	(70,000)
Jun.30, 03	2b	True-up variance		70,000	7,500	5,900		299	(7,500)	(5,900)				
Jun.30, 03	4	Interest accrual		70,000		5,900	24	323		(5,900)	(24)	(323)		
July 31, 03	1	PILs monthly accrual		70,000	12,000	17,900		323	(12,000)	(17,900)				
July 31, 03	3	Monthly billing	22,500	92,500	(22,500)	(4,600)		323	22,500	(4,600)			(22,500)	(92,500)
July 31, 03	4	Interest accrual		92,500		(4,600)	36	358		(4,600)	(36)	(358)		
Aug.31, 03	1	PILs monthly accrual		92,500	12,000	7,400		358	(12,000)	(7,400)				
Aug.31, 03	3	Monthly billing	22,500	115,000	(22,500)	(15,100)		358	22,500	(15,100)			(22,500)	(115,000)
Aug.31, 03	4	Interest accrual		115,000		(15,100)	(28)	330		(15,100)	28	(330)		
Sept.30, 03	1	PILs monthly accrual		115,000	12,000	(3,100)		330	(12,000)	(3,100)				
Sept.30, 03	3	Monthly billing	22,500	137,500	(22,500)	(25,600)		330	22,500	(25,600)			(22,500)	(137,500)
Sept.30, 03	4	Interest accrual		137,500		(25,600)	(91)	239		(25,600)	91	(239)		
Oct.31, 03	1	PILs monthly accrual		137,500	12,000	(13,600)		239	(12,000)	(13,600)				
Oct.31, 03	3	Monthly billing	20,000	157,500	(20,000)	(33,600)		239	20,000	(33,600)			(20,000)	(157,500)
Oct.31, 03	4	Interest accrual		157,500		(33,600)	(155)	85		(33,600)	155	(85)		
Nov.30, 03	1	PILs monthly accrual		157,500	12,000	(21,600)		85	(12,000)	(21,600)				
Nov.30, 03	3	Monthly billing	20,000	177,500	(20,000)	(41,600)		85	20,000	(41,600)			(20,000)	(177,500)
Nov.30, 03	4	Interest accrual		177,500		(41,600)	(203)	(118)		(41,600)	203	118		
Dec.31, 03	1	PILs monthly accrual		177,500	12,000	(29,600)		(118)	(12,000)	(29,600)				
Dec.31, 03	3	Monthly billing	20,000	197,500	(20,000)	(49,600)		(118)	20,000	(49,600)			(20,000)	(197,500)
Dec.31, 03	4	Interest accrual		197,500		(49,600)	(251)	(370)		(49,600)	251	370		
	Total			197,500		(49,600)		(370)		49,600		370		(197,500)
<b>Note 1:</b> Monthly interest = prior month-end balance of Account # 1562 X deemed interest rate / 12														

## **Schedule 8**

### **2004 AND 2005 PILS VARIANCE ANALYSIS SHEET WITH FOOTNOTES**

	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:											Barrie Hydro		Version 2004.1 RRR # 2.1.8
4	Reporting period: 2004											EB-2008-0381		
5												Schedule 8		
6	Sign Convention: + for increase; - for decrease													
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:	=			247999		199886		88495		(98663)		0	
13	Initial Estimate PILs Rate Adjustment (1)	+/-			247999		846788		1094787		908788		3098362	
14	True-up Variance Adjustment (2)	+/-												
15	Deferral Account Variance Adjustment (3)	+/-												
16	Adjustments to reported prior years' variances (4)						(64431)		18038			(147260)	(193653)	
17	Carrying charges	+/-											0	
18	PILs collected from customers - Proxy (5)	-			0		(830470)		(1224216)		(1095946)		(3150632)	
19														
20	Ending balance: # 1562				247999		199886		88495		(98663)		(209206)	
21														
22	PILs collected from customers - Reg Assets (6)	-			0		0		0		0		0	

**Note:**

The purposes of this worksheet is to show the movement in Account 1562.

For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities

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

**Answer:**

- (1) (i) From the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.  
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.  
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.  
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.  
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I130, of the TAXCALC spreadsheet
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I179, of the TAXCALC spreadsheet
- (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.
- (5) This should equal the actual kWhs for the period (including net unbilled at period end), multiplied by the PILs proxy rates from the Q4 2001 and 2002 PILs worksheets for 2002, 2003 and January 1 to March 31, 2004.  
In 2004, use the Board-approved 2002 PILs proxy rate for the period April 1 to December 31, 2004 added to the result from the sentence above for January 1 to March 31, 2004.
- (6) Any interim PILs recovery from the Reg Asset decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>SIMPIL RRR FILING</b>														
2	<b>Analysis of Account 1562:</b>		<b>Deferred Payments in lieu of Taxes</b>												
3	<b>Utility Name: BLANK</b>														
4	<b>Reporting period: 2005</b>														
5	<b>Sign Convention: + for increase; - for decrease</b>														
6															
	<div style="text-align: right;"> <b>Barrie Hydro</b> Version 2005.1  <b>EB-2008-0381</b> RRR # 2.1.8  <b>Schedule 8</b> </div>														
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	4/30/2006	<b>Total</b>						
11	<b>Opening balance:</b>	=	0	0	0	0	0	0	0						
12	<b>Board-approved PILs tax proxy from Decisions (1)</b>	+/-			0	0	0	0	0						
13	<b>True-up Variance Adjustment Q4, 2001 (2)</b>	+/-					0	0	0						
14	<b>True-up Variance Adjustment (3)</b>	+/-						0	0						
15	<b>Deferral Account Variance Adjustment Q4, 2001 (4)</b>	+/-							0						
16	<b>Deferral Account Variance Adjustment (5)</b>	+/-							0						
17	<b>Adjustments to reported prior years' variances (6)</b>	+/-							0						
18	<b>Carrying charges (7)</b>	+/-							0						
19	<b>PILs collected from customers - Proxy (8)</b>	-	0						0						
20															
21	<b>Ending balance: # 1562</b>		0	0	0	0	0	0	0						
22															
23															
24	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
25	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
26															
27	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
28															
29	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
30	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.														
31	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.														
32	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
33	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
34	(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.														
35	(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.														
36															
37	(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														
38	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
39															
40	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet.														
41	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
42															
43	(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														
44	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
45															
46	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I182, of the TAXCALC spreadsheet.														
47	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
48															
49	(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.														
50															
51	(7) Carrying charges are calculated on a simple interest basis.														
52															
53	(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														
54	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														
55	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
56	The 2005 PILs tax proxy is being recovered on a volumetric basis by class. Input negative number for collections.														
57															
58	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
59	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;														
60	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
61															
62	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
63	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.														
64															
65	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
66	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
67	to calculate the recovery for the period January 1 to March 31, 2005.														
68															
69	In 2006, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
70	for the period January 1 to April 30, 2006.														
71															
72															
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