



March 22, 2010

Ms. Kirsten Walli  
Board Secretary  
P.O Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

Dear Ms. Walli,

Re: Board File Number EB-2008-0381 Account 1562 PILs

Please find Halton Hills Hydro Inc.'s Responses to Board Staff Interrogatories in proceeding EB-2008-0381.

This evidence has been filed through the OEB RESS, emailed to all intervenors and hardcopies will be couriered to the OEB offices today.

Yours truly,

David Smelsky, CMA, Chief Financial Officer  
Halton Hills Hydro Inc.  
519-853-3700 Ext 208  
519-853-5592 Fax  
519-362-2103  
[dsmelsky@haltonhillshydro.com](mailto:dsmelsky@haltonhillshydro.com)

cc. Arthur A. Skidmore, CMA, President and Chief Executive Officer  
Interested Parties EB-2008-0381



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Halton Hills Hydro Inc.  
Response to Board Staff Interrogatories  
March 22, 2010  
EB-2008-0381

Account 1562, Deferred PILs

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Halton Hills Hydro Inc.  
Responses to Board Staff Interrogatories (2)  
EB-2008-0381  
Account 1562, Deferred PILs

***HH1. Re: Issue #2: What is the adjusted balance of deferred PILs in account 1562 that HH is now requesting for disposition as at February 28, 2010?***

**Response:**

Halton Hills Hydro Inc. (HHHI) is requesting to dispose of a debit of \$26,866 in account 1562 plus interest at the prescribed rate accrued to the date of when disposition commences. This balance is based on HHHI's "hybrid proxy model", and incorporates the adjustment described by Board staff in interrogatory HH8, below and shown as **Table 1** in interrogatory HH2.

HHHI has proposed its hybrid proxy model for the purpose of determining the balance of HHHI's Account 1562 because of HHHI's unique circumstances. The SIMPIL model is populated by inputs from the RUD model. As set out in HHHI's February 19, 2010 filing, HHHI's initial rates were not based on the inputs of its RUD model. Therefore, HHHI submits that the Board should not use the inputs from HHHI's RUD model in the SIMPIL model to establish a maximum deemed interest for HHHI. Rather, HHHI proposes that a deemed debt of \$17,636,205 and a deemed interest cap of \$1,278,625 are the appropriate proxy values for the purpose of determining the maximum interest expense allowable in the context of this proceeding. Please refer to the response to Board Staff interrogatory HH34 below to see how these deemed proxies were calculated.

In the alternative, should the Board not accept the use of HHHI's hybrid proxy model, HHHI seeks to dispose of a credit of \$210,604 plus interest at the prescribed rate accrued to the date of when disposition commences. This balance is based on HHHI's full deductibility of actual interest expense, actual debt level of \$16,141,970, and incorporates the adjustment requested by Board Staff in interrogatory HH8, below and shown as **Table 2** in interrogatory HH2.

**HH2. Please provide the PILs continuity schedule that supports this amount.**

**Table 1** - The following continuity schedule supports the debit amount of \$26,866 under HHHI's hybrid proxy model:

Analysis of PILs Tax Account 1562:

Utility Name: Halton Hills

Reporting period: 2005

Version 2009.1

0

**Sign Convention: + for increase; - for decrease**

Year start:	10/1/2001	1/1/2002	1/1/2003	1/1/2004	1/1/2005	1/1/2006	Total
Year end:	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	4/30/2006	
Opening balance:	=						
	0	246,317	139,188	-85,575	14,361	-95,323	0
Board-approved PILs tax proxy from Decisions (1)	+/-						
	246,317	899,961	1,146,278	961,540	224,990	276,883	3,755,969
PILs proxy from April 1, 2005 - input 9/12 of amount					622,986		622,986
True-up Variance Adjustment Q4, 2001 (2)	+/-						
		747	0				747
True-up Variance Adjustment (3)	+/-						
		0	-106,361	-27,981	24,844	79,575	-29,923
Deferral Account Variance Adjustment Q4, 2001 (4)					0		0
Deferral Account Variance Adjustment (5)	+/-						
		0	-4,128	-32,304	-20,945	0	-57,377
Adjustments to reported prior years' variances (6)	+/-						
							0
Carrying charges (7)	+/-						
		4,029	4,526	-2,995	-2,448	-1,590	1,522
PILs billed to (collected from) customers (8)	-						
	0	-1,011,866	-1,265,078	-798,324	-959,111	-232,679	-4,267,058
Ending balance: # 1562		246,317	139,188	-85,575	14,361	-95,323	26,866

**Table 2** - The following continuity schedule supports the credit amount of \$210,604 based on actual debt levels:

Analysis of PILs Tax Account

1562:

Utility Name: Halton Hills

Version

2009.1

Reporting period: 2005

**Sign  
Convention: +  
for increase; -  
for decrease**

0

Year start:	10/1/2001	1/1/2002	1/1/2003	1/1/2004	1/1/2005	1/1/2006	Total
Year end:	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	4/30/2006	
Opening balance:	=						
	0	246,317	139,188	-112,822	-52,860	-281,344	0
Board-approved PILs tax proxy from Decisions (1)	+/-						
	246,317	899,961	1,146,278	961,540	224,990	276,883	3,755,969
PILs proxy from April 1, 2005 - input 9/12 of amount					622,986		622,986
True-up Variance Adjustment Q4, 2001 (2)	+/-	747	0				747
True-up Variance Adjustment (3)	+/-	0	-132,648	-59,421	-32,986	31,226	-193,829
Deferral Account Variance Adjustment Q4, 2001 (4)					0		0
Deferral Account Variance Adjustment (5)	+/-	0	-5,088	-39,813	-82,248	0	-127,149
Adjustments to reported prior years' variances (6)	+/-						0
Carrying charges (7)	+/-	4,029	4,526	-4,020	-2,115	-4,690	-2,270
PILs billed to (collected from) customers (8)	-	0	-1,011,866	-798,324	-959,111	-232,679	4,267,058
Ending balance: # 1562		246,317	139,188	-112,822	-52,860	-281,344	-210,604

**HH3. HH has submitted SIMPIL models and other schedules in evidence. Please identify which set of models supports the amount requested in interrogatory HH1 above. If HH now has a new set of models other than those already filed that support this requested amount, please file the active Excel versions in evidence.**

**Response:**

HHHI has developed a new set of models to support the PILs Continuity Schedule for the debit of \$26,866, HHHI's hybrid proxy model. The new set of models can be found in Appendix A.

HHHI has provided a new set of models supporting the alternative PILs Continuity Schedule for the credit of \$210,604 and is based on HHHI's full deductibility of actual interest expense and actual debt level of \$16,141,970. The new set of models can be found in Appendix B.



**HH4. 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?**

***Please explain with reference to HH's PILs tax evidence.***

**Response:**

One Hundred percent (100%) of the tax attributes were allocated to HHHI for the purposes of calculating the regulatory PILs and SIMPIL true-up entitlements.

**HH5. Re: Issue #3: Has the utility correctly applied the true-up variance concepts established by the Board's guidance?**

- a) How important is the sequence of the Board's guidance in determining how and when to apply that guidance in this proceeding? Please elaborate.**
- b) Does Halton Hills believe that there is a regulatory hierarchy in the Board's various decisions, handbooks, FAQs, guidelines and instructions? Please elaborate.**

**Response:**

- a) and b) Without more specific information, HHHI is unable to respond to this interrogatory. If HHHI disagrees with a specific regulatory hierarchy proposed by Board Staff in final argument, HHHI will respond in turn.

**HH6. 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.**

***Does HH 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 SIMPIL true-up variance is calculated?  
Please explain.***

**Response:**

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. Therefore, the differences between accrual for accounting and actual amounts of OCT and LCT should not be trued up.

**HH7. Re: Issue #3: In the applicant's models submitted to the Board in evidence on January 8, 2010, HH changed the formula in the cells that should show the Board's maximum deemed interest approved in its 2002 application. Please insert the formula provided in the blank models so that the difference in interest between the maximum deemed amount and the amount from the financial statements will be calculated. Please file these revised models.**

*The numbers, sheet and cell references are provided below:*

- In 2003, on TAXCALC in cell E202 the amount should be \$908,170. The difference of \$313,431 should appear in cells E204 and E206 and this amount should also appear in cell E112.
- In 2004, on TAXCALC in cell E202 the amount should be \$908,170. The difference of \$262,773 should appear in cells E204 and E206 and this amount should also appear in cell E112.
- In 2005, on TAXCALC in cell E202 the amount should be \$908,170. The difference of \$280,664 should appear in cells E204 and E206 and this amount should also appear in cell E112.

**Response:**

HHHI has revised the models, as instructed. The revised schedules are found in Appendix C.

**HH8. Re: Issue #3: In the applicant's 2005 SIMPIL model submitted to the Board in evidence on January 8, 2010, the 2005 PILs proxy information (TAXCALC cell C95) does not agree with the 2005 Board decision and the model(s) that support that decision.  
Does HH believe its evidence should be corrected?  
If yes, please correct the evidence that HH has already filed. If no, please explain.**

**Response:**

HHHI has made the correction to reflect the Final "2005 Rate Adjustment Model" revised February 24, 2005; proxy amount on Sheet #4 = 830,648. The corrected evidence is found in Appendix A and Appendix B.

**HH9. Re: Issue #4: HH replied to staff's IR#4 in June 2, 2009 as follows.**

IR#4: Please confirm that there is no adjustment for changes in regulatory assets in the 2002 SIMPIL reconciliation. Please explain the assumptions that Halton Hills made for its 2002 tax returns that resulted in no addition or deduction for regulatory assets.

Response: HHHI confirms that there is no adjustment for changes in regulatory assets in the 2002 SIMPIL reconciliation. No addition or deduction of regulatory assets was made in the 2002 tax return as HHHI believed the regulatory assets would be collectible through future rate increases.

***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 HH 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:**

HHHI is not familiar with EnWIN's circumstances and is unable to comment on its methodologies.

***HH10. Re: Issue #5: HH calculated the amount recovered from customers as the billed amount. HH used the PILs “rate slivers” from the PILs application filing models to calculate the amount that represents billed to customers.***

***a) Does HH believe that this method is the best method to use? Please explain.***

**Response:**

HHHI feels that using the PILs “rate slivers” 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.

**HH11. Re: Issue #6: HH responded to staff's IR #43 on June 2, 2009 as follows.**

IR# 43: Please describe how HH extracted the PILs amounts from unbilled revenue during the period 2001 through December 31, 2006.

Response: HHHI extracted unbilled PILs amounts on an annual basis at year-end. The unbilled monthly service charge and variable amounts determined at year-end were multiplied by the PILs proportion of rates, using the methodology described in Interrogatory Response HH40.

- a) ***Does HH 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 HH believe this should be treated?***

**Response:**

- a) There are many approaches to estimate and accrue unbilled amounts, requiring varying degrees of effort and assumptions.
- b) The information is available for HHHI to calculate unbilled revenue as at April 30, 2006 and thus is not an issue for HHHI.



***HH12. 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 HH believe that the change in the post-employment benefit liability should be reflected in the distributor's PILs reconciliations? Please explain.***

**Response:**

The situation described above does not apply to HHHI. All the employees of the distribution utility are employees of HHHI.

***HH13. Re: Issue #8: The materiality threshold incorporated into the SIMPIL models can produce perverse results. In HH's 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 HH 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) HHHI agrees that only material items should be considered.
- b) If an accounting provision is recognized as a materiality adjustment, the distribution utility should be allowed to recognize the corresponding tax deductible adjustment, if applicable.

**HH14. 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 HH determine the appropriate income tax rate to use in the true-up calculations when there is no taxable income?***

**Response:**

- a) HHHI considers the appropriate income tax rates to be those legislated by Federal and Provincial (Ontario) regulating bodies, for the corresponding year.
- b) HHHI tax returns incorporate the Apprenticeship tax credit.
- c) This issue does not apply to HHHI. HHHI is currently not able to provide comment on the issue.

***HH15. Re: Issue #10: HH 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, HH 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: In 2002, HH filed the 2001 SIMPIL under RRR. In the SIMPIL continuity schedule filed on January 8, 2010 there was a true-up amount of \$747 which HH showed in the continuity schedule in the 2002 column.***

***The true-up amount of \$747 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 HH consider this treatment to be inconsistent? Please explain.***

**Response:**

HHHI considers this treatment to be consistent with the methodology that existed at the time as explained below:

**Re: Issue #10:**

HHHI 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 methodology was followed each year.

**Re: Issue #11:**

In 2002, the true-up amount of \$747 in cell ‘E132’ TAXCALC, is the difference between the employee benefit accrued vs. paid. In subsequent years, the corresponding adjustments appear on TAXCALC IV) Future True-ups.

***HH16. Re: Issue #12: In its 2005 SIMPIL continuity schedule, HH 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 \$31,226 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 HH believe that its disclosure reflects the correct interpretation of the SIMPIL methodology? Please explain.***

**Response:**

HHHI's treatment is consistent with the guidance provided in the April 2003 FAQ in regards to the recording of the PILs proxy versus PILs billed variance. HHHI understands that the adjustment resulting from the completion of the 2005 SIMPILs model is booked in June 30, 2006 when the tax returns for 2005 have been filed and the SIMPILS model is completed and it is due to this timing that the 2005 SIMPILs adjustments are shown in the 2006 column. No SIMPILs model was issued for 2006 and there is no tax return to cover this four month period. The methodology did not provide for a true-up for this period.

**HH17. Re: Issues #: 14, 15, 16, 17, 18, 19, 20, 21, 22.**

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

**Response:**

HHHI does not wish to provide evidence in regard to issues #14, 15, 16, 17, 18, 19, 20, 21, and 22. HHHI reserves its right to comment on these issues in the argument phase of this proceeding.

***HH18. 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 and EnWin have shown the amortization of financing fees in their SIMPIL evidence.***

- a) Does HH consider the amortization of financing fees as shown in the evidence of other distributors 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) and b) HHHI is not familiar with the financing agreements of other distributors and is unable to comment to the treatment of the financing fees.

***HH19. Re: Issue #13: Prior to the August 2009 non-transcribed meeting with parties, Board staff provided Halton Hills with completed SIMPIL models for 2001 through 2005 and a summary schedule of the variances produced from these models.***

***In January 2010, Halton Hills filed these active Excel models on the public record but changed the formula for the interest claw-back true-up in 2003, 2004 and 2005 as described above in IR HH7.***

- a) Please explain where and why Halton Hills disagrees with staff's interpretations of the SIMPIL methodology as displayed in these models.***
- b) Does Halton Hills adopt the evidence in these models that it has already filed on the public record? Please explain.***

**Response:**

- a) At issue is the consideration and interpretation of the 2006 rate setting process as 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", whereby 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.

During the period in question (2001-2005), HHHI maintained a 50/50 Debt Equity Ratio and paid interest was at 7.25% on the original shareholder debt of \$16,141,970. This methodology is consistent with the Board's deemed Debt Equity Ratio and Debt Rate for the same period.

HHHI 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 were used to calculate the PILs allowance.

The SIMPIL model is populated by inputs from the RUD model. As set out in HHHI's February 19, 2010 filing, HHHI's initial rates were not based on the inputs of its RUD model. Therefore, HHHI submits that the Board should not apply the SIMPIL model rules to establish a maximum deemed interest for HHHI, since they did not contemplate HHHI's unique circumstance.

- b) With reference to HHHI's response to Board Staff interrogatory HH3 above, HHHI is submitting SIMPIL models and other schedules, in this response, to support PILs Continuity Schedule for the debit of \$26,866 based on the hybrid proxy model. These models and schedules can be found in Appendix A.



***HH20. Re: Issue #13: In HH's 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 HH's actual interest expense. In so doing, HH eliminated the established methodology for truing up excess interest above the deemed amount.***

- a) What is HH's understanding of the Board's established methodology regarding the excess interest claw-back and has HH followed that guidance?***
- b) Please describe how the original calculations for excess interest have been disclosed in the Board's SIMPIL models since 2001.***

**Response:**

- a) HHHI'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. During the period in question (2001-2005), HHHI maintained a 50/50 Debt Equity Ratio and paid interest was at 7.25% on the original shareholder debt of \$16,141,970.

Further, HHHI's evidence filed on February 19, 2010 was filed in support of HHHI's position that the Board's established methodology did not take into account that HHHI's initial rates were not based on the inputs of its RUD model. Because the RUD model produced the inputs for the SIMPIL model, it would be inappropriate to rely on the RUD model inputs to establish a maximum deemed interest for HHHI. Rather, it would be appropriate to determine a proxy for HHHI's debt for the purpose of determining the balance of HHHI's Account 1562, by determining the level of debt that would have resulted in the rates approved by the Board. HHHI provided the analysis in its February 19, 2010 filing.

- b) HHHI has continued to disclose actual interest paid.

**HH21. Re: Issue #13: With respect to long-term investments, loans, advances, and trading balances with affiliated and associated companies for the period 2001 through 2008, please provide the following.**

- a) A schedule that lists from 2001 to 2008 the balances at each year-end date with each affiliated and each associated company. Please identify and name each loan, and each advance separately from trading balances with each named company related to operating transactions during the year. Please separate debit and credit balances, and add the columns of debit and credit balances.**
- b) Please show the rate of interest on each loan, each advance and each trading balance for each affiliated and associated company identified in the schedule requested above in HH21.(a).**
- c) If HH charged less than 7.25% for these loans, advances and trading balances, the rate chosen in its rate applications, please explain why HH expects its ratepayers to subsidize the operations of non-regulated affiliated and associated companies.**
- d) Have the receivable trading balances from associated and affiliated companies ever been collected in full over successive 12-month cycles with reference to each company?**
- e) Please describe and quantify the monetary benefits that the regulated distributor and its ratepayers receive from these investments in, loans to, and advances to non-regulated affiliated and associated companies.**

**Interrogatories for Halton Hills' evidence filed on February 18, 2010 related to: RP-2000-0193 / EB-2000-0428 / EB-2001-0141 Unbundling Application.**

**Reference Material Filed by Board Staff.**

- 1. Halton Hills' unbundling application RP-2000-0193 / EB-2000-0428, final submission and related material.
- 2. PBR1 Electricity Distribution Rate Handbook (EDRH) – link to website for Chapter 3.  
<http://www.oeb.gov.on.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/First+Generation+PBR+Distribution+Rate+Handbook>.
- 3. Ontario Hydro - Accounting for Municipal Electric Utilities in Ontario.
  - i. Subject No. 3010 page 3 of 8.
  - ii. Subject No. 8020 pages 1 – 5.

**EB-2008-0381**  
**Halton Hills Hydro Inc.**  
**Interrogatory Responses - HH21**

<b>Year</b>	<b>Affiliate/Associated</b>	<b>Loan Receivable</b>	<b>Rate of Interest</b>	<b>Long Term Investments</b>
<b>2001</b>	Halton Hills Energy Services Inc.	\$ 171,853.00	Non-interest Bearing	\$ 171,853.00
	Halton Hills Fibre Optic Inc.	\$ 658,698.00	Non-interest Bearing	\$ 658,698.00
	Halton Hills Energy Inc.	\$ -		\$ 1.00
	EnerConnect Inc.	\$ -		\$ 26,228.00
<b>2002</b>	Southwestern Energy Inc.*	\$ 171,853.00	Non-interest Bearing	\$ 171,853.00
	Halton Hills Energy Services Inc.	\$ -		\$ -
	Halton Hills Fibre Optic Inc.	\$ 658,698.00	Prime + 1%	\$ 658,698.00
	Halton Hills Energy Inc.	\$ -		\$ 1.00
	EnerConnect Inc.	\$ -		\$ 25,429.00
<b>2003</b>	Southwestern Energy Inc.	\$ -		\$ 171,853.00
	Halton Hills Energy Services Inc.**	\$ 171,853.00	Non-interest Bearing	\$ -
	Halton Hills Fibre Optic Inc.	\$ 693,698.00	Prime - 1%	\$ 693,698.00
	Halton Hills Energy Inc.	\$ -		\$ 1.00
	EnerConnect Inc.	\$ -		\$ 35,811.00
<b>2004</b>	Southwestern Energy Inc.	\$ -		\$ 171,853.00
	Halton Hills Energy Services Inc.	\$ 171,853.00	Non-interest Bearing	\$ -
	Halton Hills Fibre Optic Inc.	\$ 693,698.00	Prime - 1%	\$ 693,698.00
	Halton Hills Energy Inc.	\$ -		\$ 1.00
	EnerConnect Inc.	\$ -		\$ 40,518.00
<b>2005</b>	Southwestern Energy Inc.	\$ -		\$ 171,853.00
	Halton Hills Energy Services Inc.	\$ 171,853.00	Non-interest Bearing	\$ -
	Halton Hills Fibre Optic Inc.	\$ 693,698.00	Prime - 1%	\$ 693,698.00
	Halton Hills Energy Inc.	\$ -		\$ 1.00
	EnerConnect Inc.	\$ -		\$ 39,221.00
<b>2006</b>	Southwestern Energy Inc.	\$ -		\$ 171,853.00
	Halton Hills Energy Services Inc.	\$ 171,853.00	Non-interest Bearing	\$ -
	Halton Hills Fibre Optic Inc.	\$ 693,698.00	Prime - 1%	\$ 693,698.00
	Halton Hills Energy Inc.	\$ -		\$ 1.00
	EnerConnect Inc.	\$ -		\$ 40,818.00
<b>2007</b>	Southwestern Energy Inc.	\$ -		\$ 171,853.00
	Halton Hills Energy Services Inc.	\$ 171,853.00	Non-interest Bearing	\$ -
	Halton Hills Fibre Optic Inc.	\$ 693,698.00	Prime - 1%	\$ 693,698.00

	Halton Hills Energy Inc.	\$	-		\$	1.00
	EnerConnect Inc.	\$	-		\$	-
<b>2008</b>	Southwestern Energy Inc.	\$	-		\$	171,853.00
	Halton Hills Energy Services Inc.	\$	171,853.00	Non-interest Bearing	\$	-
	Halton Hills Fibre Optic Inc.	\$	693,698.00	Prime - 1%	\$	693,698.00
	Halton Hills Energy Inc.	\$	-		\$	1.00

\* Formerly Halton Hills Energy Services Inc.

\*\* Southwestern Energy Inc. transferred certain assets and liabilities, including the note payable to the Company, to its wholly-owned subsidiary, Halton Hills Energy Services Inc.

***HH22. Please confirm that Arthur Skidmore and David Smelsky were both involved in the original applications RP-2000-0193 / EB-2000-0428 / EB-2001-0141.***

**Response:**

David Smelsky was involved in the original application RP-2000-0069, for approval of unbundled rates for the distribution of electricity, until December 2000.

Commencing February 2001, Art Skidmore was involved in the applications RP-2000-0193 / EB-2000-0428 / EB-2001-0141.

***HH23. Please confirm that the unbundling applications filed on November 23, 2000, and updated in August 2001, complied with the requirements of the EDRH and filing models approved by the Board with particular reference to Chapter 3, especially section 3.4 and all of the related sub-sections, Appendix C, and Appendix D.***

**Response:**

HHHI confirms that the unbundling applications filed on November 23, 2000 and updated in August 2001, complied with the requirements of the EDRH and filing models approved by the Board, except for the 1999 “going-in” rates for unbundling.

***HH24. From Halton Hills' final submission and related application evidence in RP-2000-0193 / EB-2000-0428, please identify where HH raised the issue that it has now presented in the PILs 1562 proceeding EB-2008-0381 linking adjustments to 1999 "normalized" rates with the concept of rate base.***

**Response:**

HHHI did not link the issue of "normalized" rates to the concept of rate base in RP-2000-0193/EB-2000-0428. At the time, it was not necessary. As explained in HH20 above, the concept of a proxy for HHHI's debt is only relevant for the purpose of determining the appropriate balance of HHHI's Account 1562. HHHI is not proposing to adjust its rate base for any other purpose.

**HH25. In the amended version of HH's unbundling application filed on August 15, 2001 on which the Board based its decision in proceeding RP-2000-0193 / EB-2000-0428 / EB-2001-0141, please confirm that the following amounts were submitted by the applicant in its application.**

- a) Rate Base = \$25,052,967.65;**
- b) Net fixed assets = \$20,623,190.30;**
- c) Working capital allowance = \$4,429,777.35;**
- d) Deemed debt = 50%;**
- e) Deemed equity = 50%;**
- f) Debt rate chosen by HH = the Maximum of 7.25%;**
- g) Equity return chosen by HH for MBRR = the Maximum of 9.88%.**
- h) MARR = \$2,145,786.68.**

**Response:**

HHHI confirms that all amounts listed in questions (a) through (h) above were submitted in its application on which the Board based its decision. However, as explained in HHHI's response to Board Staff interrogatory HH20 above, the rates approved by the Board were not based on the inputs in the RUD model.



**HH26. HH had lowered its rates approved by the former regulator to refund excess working capital to its ratepayers. In the decision issued on August 13, 2001 the OEB allowed HH to adjust its going-in 1999 rates to bring the distributor to a break-even profit position before applying the first tranche of MARR to those adjusted or “normalized” rates. This adjusted “1999 return” as it was called in the application excluded any interest costs or extraordinary items that might have appeared in the financial statements used for the unbundling application. Please refer to Chapter 3 of the EDRH, Subject No. 3010 page 3, and to Subject No. 8020 page 5.**

**From page 2 of Halton Hills’ 2000-2001 application evidence submitted by staff, the following information was provided by Bryan D. Boyce.**

*“The apparent difficulty in interpretation of the results of the period from 1994 to 1999 occurs because of an arbitrary definition of the financial distress and how that may apply to Halton Hills Hydro’s application. The rate reductions offered to customers resulted in the base rates being set at below cost when the legislation established the 1999 rates as the reference point for subsequent PBR applications to the Board. “*

- a) Please confirm that the “normalized” rates approved by the Board in HH’s unbundling application were the rates on which further allocations or tranches of MARR were added.**
- b) Please explain how the distributor can have more than one Board-approved regulatory Rate Base based on the evidence HH filed in the proceeding RP-2000-0193 / EB-2000-0428 / EB-2001-0141, and on which the Board based its final decision.**
- c) As it was originally filed, please confirm that the dollar amount of the adjustment to revenue to raise the “normalized” rates to a break-even level, so that the “1999 return” was actually zero and not negative, had no relationship with the Board-approved Rate Base in the application for proceeding RP-2000-0193 / EB-2000-0428 / EB-2001-0141.**

**Response:**

- a) HHHI confirms that the normalized 1999 rates were the ‘going-in’ 1999 rates for the Rate Unbundling Design Model.
- b) HHHI is not asking the Board to approve a second rate base. HHHI is asking the Board to use the proxy rate base proposed in HHHI’s additional evidence filing for the sole purpose of determining the balance of HHHI’s Account 1562.
- c) The dollar amount of the adjustment to revenue to raise the 1999 normalized rates to a break-even level was \$875,295. HHHI confirms that this amount had no relationship with the Board-approved Rate Base in the application for proceeding

RP-2000-0193 / EB-2000-0428 / EB-2001-0141. Nevertheless, this does not mean that the rate base in the application in RP-2000-0193 / EB-2000-0428 is the appropriate rate base for the purpose of determining HHHI's Account 1562 balance.

***HH27. In the package of evidence HH filed on February 18, 2010 the pages were not numbered. With reference to PDF page 4, please confirm that the heading of the first column reads, "REVISED Dec. 31/99 Income Statement using Unbundled Rates STARTING FROM NORMALIZED RATES".***

**Response:**

HHHI confirms that the heading of the first column reads correctly as outlined above:

*"REVISED Dec. 31/99 Income Statement using Unbundled Rates STARTING FROM NORMALIZED RATES".*

*SCHEDULE 'A'-1*

Halton Hill Hydro Inc.  
Income Statement with Normalized Rates

	REVISED Dec 31/99 Income Statement using Unbundled Rates STARTING FROM NORMALIZED RATES	December 31, 1999 Income Statement using DEC 31/99 Unbundled Rates	% Change
<b>TOTAL ANNUAL REVENUE</b>			
Residential	\$ 13,570,319	\$ 13,263,310	2.31%
General Service Non Time of Use <50kW	\$ 2,692,439	\$ 2,620,553	2.74%
General Service Non Time of Use >50kW	\$ 9,310,770	\$ 9,008,479	3.36%
General Service Time of Use >50kW	\$ 5,074,028	\$ 4,879,920	3.98%
Intermediate Users	\$ -	\$ -	0.00%
Large Users	\$ -	\$ -	0.00%
Streetlighting	\$ 150,480	\$ 150,480	0.00%
Sentinel Lights	\$ 34,762	\$ 34,762	0.00%
	<u>\$ 30,832,799</u>	<u>\$ 29,957,504</u>	<u>2.92%</u>
<b>COST OF POWER</b>			
Residential	\$ 11,205,543	\$ 11,205,543	
General Service Non Time of Use <50kW	\$ 2,252,628	\$ 2,252,628	
General Service Non Time of Use >50kW	\$ 8,142,341	\$ 8,142,341	
General Service Time of Use >50kW	\$ 4,691,053	\$ 4,691,053	
Intermediate Users	\$ -	\$ -	
Large Users	\$ -	\$ -	
Streetlighting	\$ 124,127	\$ 124,127	
Sentinel Lights	\$ 26,076	\$ 26,076	
	<u>\$ 26,441,767</u>	<u>\$ 26,441,767</u>	
<b>DISTRIBUTION REVENUE</b>	<u>\$ 4,391,032</u>	<u>\$ 3,515,737</u>	
<b>Operating Expenses</b>			
Substations	\$ 120,904	\$ 120,904	
Line and Feeders	\$ 695,549	\$ 695,549	
Transformers and meters	\$ 222,592	\$ 222,592	
Billing and Collection	\$ 872,165	\$ 872,165	
Administration	\$ 1,106,803	\$ 1,106,803	
Customer Service	\$ 117,350	\$ 117,350	
	<u>\$ 3,135,363</u>	<u>\$ 3,135,363</u>	
Earnings before Interest, Taxes, Depr'n and Amort.	\$ 1,255,669	\$ 380,374	
Interest	\$ 58,612	\$ 58,612	
Depreciation and Amortization	\$ 1,440,409	\$ 1,440,409	
	<u>\$ (243,352)</u>	<u>\$ (1,118,647)</u>	
Other Operating Revenue - Late Payment Charges	\$ 251,251	\$ 251,251	
<b>Operating Income (Loss), Before Taxes</b>	<u>\$ 7,899</u>	<u>\$ (867,396)</u>	
Income Taxes	\$ -	\$ -	
<b>Net Operating Income (Loss)</b>	<u>\$ 7,899</u>	<u>\$ (867,396)</u>	

***HH28. Please confirm that these “normalized rates” for 1999 were created by increasing those rates approved by Ontario Hydro, the prior regulator, and were used in HH’s unbundling application RP-2000-0193 / EB-2000-0428.***

**Response:**

HHHI confirms it sought relief in the form of a normalized adjustment to 1999 rates, by increasing those rates approved by Ontario Hydro (the prior regulator). The normalized 1999 rates, were the ‘going-in’ 1999 rates for the Rate Unbundling Design Model.

***HH29. Please confirm that in its application EB-2002-0088 / EB-2002-0097 HH used the numbers identified above in IR HH25 to calculate its applied-for PILs proxy for 2002 and for the 2001 PILs Z-factor.***

**Response:**

HHHI confirms that the numbers identified above in IR HH25 agree with the original application for PILs proxy for 2002 and for the 2001 PILs Z-factor, specifically SIMPIL Model - REGINFO tab.

***HH30. Please confirm that the Board's decision issued on February 28, 2002 on HH's application EB-2002-0088 / EB-2002-0097 approved final rates effective March 1, 2002, and that this decision was based on the application evidence that used the numbers referred to above in IR HH25.***

**Response:**

HHHI is unable to confirm whether the original application model was updated by Board Staff. Please refer to HHHI's response to Board Staff interrogatory HH20 above, regarding the purpose of the proposed rate base proxy.

***HH31. Please confirm that in HH's 2005 EDR application RP-2005-0013 / EB-2005-0035 for the third tranche of MARR, the rates used and the PILs applied for were based on the numbers as shown above in HH25.***

**Response:**

HHHI confirms that the numbers identified above in Board Staff interrogatory HH25 agree with the original 2006 EDR Application RP-2005-0013 / EB-2005-0035 for the third tranche of MARR, the rates used and the PILs applied for. Please refer to HHHI's response to Board Staff interrogatory HH20 above regarding the purpose of the proposed rate base proxy.



***HH32. Please confirm that the Board's decision issued on March 29, 2005 on HH's application RP-2005-0013 / EB-2005-0035 approved final rates effective March 1, 2005 based on the evidence submitted by HH.***

**Response:**

HHHI is unable to confirm whether the original application model was updated by Board Staff. Please refer to HHHI's response to Board Staff interrogatory HH20 above regarding the purpose of the proposed rate base proxy.

***HH33. Please confirm that the final rates approved in RP-2005-0013 / EB-2005-0035 remained in force until changed by the Board's decision in proceeding RP-2005-0020 / EB-2005-0374 for 2006 EDR.***

**Response:**

HHHI confirms that the final rates approved in RP-2005-0013 / EB-2005-0035 remained in force until changed by the Board's decision in proceeding RP-2005-0020 / EB-2005-0374 for 2006 EDR.

**HH34. EB-2008-0381 Board Decision with Reasons December 18, 2009.**

***In the Board's decision dated December 18, 2009 on page 5, the Board referred to submissions of the CLD and EDA:***

*"CLD and EDA disagree with this scope of review. They maintain that the Board cannot change the methodology now, but must determine whether the amounts recorded in Account 1562 were done so in accordance with the methodology as it was known at the time."*

***The Board found that:***

*"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."*

***HH filed the SIMPIL models for the 2001 to 2005 PILs tax years as part of its annual RRR filings. The interest true-up or claw-back was a feature of the established methodology since the inception of the SIMPIL methodology.***

***The established methodology for calculating rate base appeared in Ontario Hydro's 1995 accounting manual for MEUs and in the Board's PBR1 EDRH released in 2000.***

- a) Please explain how Halton Hills' new version of calculating rate base complies with the Board's established methodology in effect since 2000.***

**Response:**

The Board previously adopted HHHI's normalized revenue requirement methodology by approving the 1999 'going on rates', allowing a distribution revenue requirement of \$4,391,032 before MARR. The Board's Decision, dated August 17, 2001 accepted HHHI's approach to the unbundling of rates, subject to HHHI mitigating rate impacts on customers in the General Service greater than 50 kilowatt demand non-time of use class, such that bill impacts would be reduced and would not exceed 10% before the application of the market adjusted revenue requirement. HHHI was not to make any other adjustments in the revenue requirement of other rate classes to achieve this impact reduction.

With reference to the normalized revenue requirement theory, the "Deemed" Total Incremental Revenue Requirement should be \$3,021,082 (consisting of MARR \$2,145,787 + normalized incremental \$875,295).

In order to generate MARR of \$3,021,082 the deemed rate base required is \$35,272,411. A deemed 2000 Rate Base of \$35,272,411 would result in:

- Deemed Equity \$17,636,205
- Deemed Debt \$17,636,205
- Deemed interest amount in 100% MARR \$ 1,278,625

HHHI submits that the deemed debt of \$17,636,205 and the deemed interest cap of \$1,278,625 are the appropriate proxy values for the purpose of determining the maximum interest expense allowable in the context of this proceeding.

HHHI understands that there is an established methodology for calculating rate base. However, HHHI submits that for the purpose of determining the balance of HHHI's Account 1562, the Board should look at HHHI's unique circumstances. The SIMPIL model is populated by inputs from the RUD model. As set out in the February 19, 2010 filing, HHHI's initial rates were not based on the inputs of its RUD model. Therefore, HHHI submits that the Board should not use the inputs from HHHI's RUD model in the SIMPIL model to establish a maximum deemed interest for HHHI.

## Appendix A

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	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Halton Hills			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,430,596		1,104,835		2,535,431	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	1,460,685		181,508		1,642,193	
21	Employee Benefit Plans - Accrued, Not Paid	3			36,264		36,264	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			26,588		26,588	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				4,649		4,649	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	1,072,272		627,486		1,699,758	
34	Employee Benefit Plans - Paid Amounts	8			18,743		18,743	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617		-55,617		0	
37	Interest Expense Deemed/ Incurred	11	852,416		-44,269		808,147	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			171,683		171,683	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		1,062,413		484,381	Before loss C/F	1,546,794	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-0.2438%		38.38%	
54								
55	REGULATORY INCOME TAX		410,304		-144,106	Actual	266,198	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		410,304		-144,106	Actual	266,198	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	25,052,968		4,558,604		29,611,572	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-5,000,000		0	
68	Taxable Capital		20,052,968		-441,396		29,611,572	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		60,159		28,676	Overpaid	88,835	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	25,052,968		3,973,803		29,026,771	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		15,052,968		3,973,803		19,026,771	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869		8,941		42,810	
82	Less: Federal Surtax 1.12% x Taxable Income	21	11,899		-11,899		0	
83								
84	Net LCT		21,970		20,840		42,810	
85								



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	656,486			<b>Actual 2002</b>	266,198	
91	LCT (proxy tax is grossed-up)	23	35,152			<b>Actual 2002</b>	41,444	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			<b>Actual 2002</b>	83,789	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	751,797			<b>Actual 2002</b>	391,431	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			36,264			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-151,437			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			26,588			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			18,743			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			-44,269			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			171,683			
119								
120	Total TRUE-UPS before tax effect	26		=	-179,125			
121								
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	37.26%			
123								
124	Income Tax Effect on True-up adjustments			=	-66,735			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-66,735			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.26%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				(106,361)			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,062,413			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	38.38%			
139								
140	REVISED REGULATORY INCOME TAX			=	407,714			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	407,714			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	410,304			
147								
148	Regulatory Income Tax Variance			=	(2,590)			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
150	<b>Ontario Capital Tax</b>							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	20,052,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	15,052,968			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				33,869			
169	Less: Federal surtax			-	11,899			
170	Revised Net LCT			=	21,970			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	21,970			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.26%			
176								
177	<b>Income Tax (grossed-up)</b>			+	(4,128)			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	(4,128)			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	(106,361)			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	(110,490)			
186	(Deferral Account Variance + True-up Variance)							
187								
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)				1,278,625			
194	Interest phased-in (Cell C36)				852,416			
195								
196	Variance due to phase-in of debt component of MARR in rates				426,209			
197	according to the Board's decision							
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)				808,147			
202	Total deemed interest (REGINFO CELL D61)				852,416			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				-44,269			
207								
208	<b>Total Interest Variance</b>				426,209			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - 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	+	39,024,565		39,024,565	
32	Distribution Revenue	+	1,197,549		1,197,549	
33	Other Income	+			0	
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	-	31,847,778		31,847,778	
40	Administration	-	3,921,112		3,921,112	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,642,193		1,642,193	
44	Ontario Capital Tax	-	149,400		149,400	
45	Reg Assets	-	126,200		126,200	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,535,431	0	2,535,431	
51	Less: Interest expense for accounting purposes	-	808,147		808,147	
52	Provision for payments in lieu of income taxes	-	305,000		305,000	
53	<b>Net Income (loss)</b>	=	1,422,284	0	1,422,284	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	305,000	0	305,000	
60	Federal large corporation tax	+	50,519		50,519	
61	Depreciation & Amortization	+	1,642,193	0	1,642,193	
62	Employee benefit plans-accrued, not paid	+	36,264	0	36,264	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		4,649	0	4,649	
67	Material addition items from TAXREC 2	+	26,588	0	26,588	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		2,065,213	0	2,065,213	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	2,065,213	0	2,065,213	
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	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,616,937		1,616,937	
98	Cumulative eligible capital deduction	-	82,821		82,821	
99	Employee benefit plans-paid amounts	-	18,743		18,743	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	171,683	0	171,683	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,890,184	0	1,890,184	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,890,184	0	1,890,184	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	1,597,313	0	1,597,313	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	903,659		903,659	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	693,654	0	693,654	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	181,123		181,123	
143	Net Ontario Income Tax (Must agree with tax return)	+	85,075		85,075	
144	Subtotal	=	266,198	0	266,198	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	266,198	0	266,198	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		26.11%		26.11%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.26%		12.26%	
151	Blended Income Tax Rate		38.38%	*****	38.38%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	RECAP					
156	Total Income Taxes	+	266,198	0	266,198	
157	Ontario Capital Tax	+	83,789		83,789	
158	Federal Large Corporations Tax	+	41,444		41,444	
159						
160	Total income and capital taxes	=	391,431	0	391,431	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Halton Hills					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	26,588		26,588	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	26,588	0	26,588	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		26,588	0	26,588	
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	Total Material additions		26,588	0	26,588	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		26,588	0	26,588	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Halton Hills					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	1,631		1,631	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	170,052		170,052	
97		-			0	
98		-			0	
99	Total Deductions	=	171,683	0	171,683	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		1,631	0	1,631	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116	Non-taxable load transfers		170,052	0	170,052	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		171,683	0	171,683	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		171,683	0	171,683	
122						



	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Halton Hills				Version 2009.1	
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory - end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,423		4,423	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		226		226	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+			0	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44		+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	4,649	0	4,649	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66	Changes in Regulatory Asset balances	-			0	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	<b>PILs TAXES - EB-2008-381</b>									
2	<b>Corporate Tax Rates</b>									
3	<b>Exemptions, Deductions, or Thresholds</b>									
4	Utility Name: Halton Hills									
5	Reporting period: 2002									
6										
7	<b>Table 1</b>									
8	<b>Rates Used in 2002 RAM PILs Applications for 2002</b>									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000			>700,000		
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		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	<b>Table 2</b>									
26	<b>Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002</b>									
27	Income Range		0		200,001					
28	Expected Rates		to		to			>700,000		
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		26.12%			26.12%		
33	Ontario	2002	6.00%		6.00%			12.50%		
34	Blended rate	2002	19.12%		32.12%			38.62%		
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
42										
43	<b>Table 3</b>									
44	<b>Input Information from Utility's Actual 2002 Tax Returns</b>									
45	Income Range		0		200,001					
46			to		to			>700,000		
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		22.12%			26.11%		
51	Ontario		6.00%		9.75%			12.26%		
52	Blended rate		19.12%		31.87%			38.38%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,668,892							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2002														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-													0
16	Deferral Account Variance Adjustment Q4, 2001 (4)												-106,361		-106,361
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-											-4,128		-4,128
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-110,490		-110,490
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			Colour Code	
4	<b>Reporting period: 2003</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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills						
7	Reporting period: 2003						
8						<b>Column</b>	
9	Days in reporting period:	365	days			<b>Brought</b>	
10	Total days in the calendar year:	365	days			<b>From</b>	
11						<b>TAXREC</b>	
12			\$	\$		<b>\$</b>	
13							
14	<b>II. CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	1,430,596	1,818,045		3,248,641	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	1,460,685	221,594		1,682,279	
21	Employee Benefit Plans - Accrued, Not Paid	3		15,448		15,448	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5	151,437	-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6		0		0	
27	Other Additions (not "Material") "TAXREC"	6		0		0	
28	"Material" Items from "TAXREC 2" worksheet	6		52,983		52,983	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			116,986		116,986	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	1,072,272	475,244		1,547,516	
34	Employee Benefit Plans - Paid Amounts	8		13,548		13,548	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617	-55,617		0	
37	Interest Expense Deemed/ Incurred	11	852,416	369,185		1,221,601	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		66,837		66,837	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			0		0	
49							
50	TAXABLE INCOME/ (LOSS)		1,062,413	1,204,422	Before loss C/F	2,266,835	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-1.9953%		36.62%	
54							
55	REGULATORY INCOME TAX		410,304	438,980	Actual	849,284	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		410,304	438,980	Actual	849,284	
61							
62							
63	<b>III. CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	25,052,968	7,586,602		32,639,570	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-313,562		4,686,438	
68	Taxable Capital		20,052,968	7,273,040		27,953,132	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		60,159	23,700		83,859	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	25,052,968	6,521,653		31,574,621	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	0		10,000,000	
77	Taxable Capital		15,052,968	6,521,653		21,574,621	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869	14,674		48,543	
82	Less: Federal Surtax 1.12% x Taxable Income	21	11,899	-11,899		0	
83							
84	Net LCT		21,970	26,573		48,543	
85							
86	<b>III. INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		37.50%				
89							
90	Income Tax (proxy tax is grossed-up)	22	656,486		Actual 2003	849,284	
91	LCT (proxy tax is grossed-up)	23	35,152		Actual 2003	25,507	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159		Actual 2003	87,533	
93							
94							
95	<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2002</b>	25	751,797		Actual 2003	962,324	
96	<b>RAM DECISION</b>						
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		15,448			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		-151,437			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		52,983			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		13,548			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		-57,024			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
118	Other deductions "Material" Item TAXREC 2	12		66,837			
119							
120	Total TRUE-UPS before tax effect	26		-50,750			
121							

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Halton Hills</b>							
7	<b>Reporting period: 2003</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							<b>\$</b>	
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return			x	35.54%			
123								
124	Income Tax Effect on True-up adjustments			=	-18,037			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-18,037			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.54%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>(27,981)</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by</b>							
135	<b>changes in legislation</b>							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial			=	1,062,413			
137	estimate column)							
138	REVISED CORPORATE INCOME TAX RATE			x	36.66%			
139								
140	REVISED REGULATORY INCOME TAX			=	389,481			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	389,481			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell			-	410,304			
147	C58)							
148	Regulatory Income Tax Variance			=	(20,823)			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	20,052,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell			-	60,159			
159	C70)							
160	Regulatory Ontario Capital Tax Variance			=	0			
161								
162	<b>Federal LCT</b>							
163	Base				25,052,968			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
165	Revised Federal LCT			=	15,052,968			
166								
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
168								
169	Gross Amount				33,869			
170	Less: Federal surtax			-	11,899			
171	Revised Net LCT			=	21,970			
172								
173	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	21,970			
174	Regulatory Federal LCT Variance			=	0			
175								
176	Actual Income Tax Rate used for gross-up (exclude surtax)				35.54%			
177	<b>Income Tax (grossed-up)</b>			+	(32,304)			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	<b>(32,304)</b>			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	<b>(27,981)</b>			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	<b>(60,285)</b>			
186	(Deferral Account Variance + True-up Variance)							
187								
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)				1,278,625			
194	Interest phased-in (Cell C36)				852,416			
195								
196	Variance due to phase-in of debt component of MARR in rates				426,209			
197	according to the Board's decision							
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)				1,221,601			
202	Total deemed interest (REGINFO CELL D61)				1,278,625			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				<b>-57,024</b>			
207								
208	<b>Total Interest Variance</b>				<b>426,209</b>			
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	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	0		Return			
5					Version 2009.1	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - 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	+	36,226,346		36,226,346	
32	Distribution Revenue	+	1,136,036		1,136,036	
33	Other Income	+			0	
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	-	28,473,695		28,473,695	
40	Administration	-	3,711,107		3,711,107	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,682,279		1,682,279	
44	Ontario Capital Tax	-	133,080		133,080	
45	Reg Asset movement	-	113,580		113,580	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	3,248,641	0	3,248,641	
51	Less: Interest expense for accounting purposes	-	1,221,601		1,221,601	
52	Provision for payments in lieu of income taxes	-	856,051		856,051	
53	<b>Net Income (loss)</b>	=	1,170,989	0	1,170,989	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	856,051	0	856,051	
60	Federal large corporation tax	+	49,221		49,221	
61	Depreciation & Amortization	+	1,682,279	0	1,682,279	
62	Employee benefit plans-accrued, not paid	+	15,448	0	15,448	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		116,986	0	116,986	
67	Material addition items from TAXREC 2	+	52,983	0	52,983	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		2,772,968	0	2,772,968	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	2,772,968	0	2,772,968	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
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	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,470,492		1,470,492	
98	Cumulative eligible capital deduction	-	77,024		77,024	
99	Employee benefit plans-paid amounts	-	13,548		13,548	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	66,837	0	66,837	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,627,901	0	1,627,901	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,627,901	0	1,627,901	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	2,316,056	0	2,316,056	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	2,316,056	0	2,316,056	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	558,742		558,742	
143	Net Ontario Income Tax (Must agree with tax return)	+	290,542		290,542	
144	Subtotal	=	849,284	0	849,284	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	849,284	0	849,284	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		36.62%		36.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	849,284	0	849,284	
157	Ontario Capital Tax	+	87,533		87,533	
158	Federal Large Corporations Tax	+	25,507		25,507	
159						
160	Total income and capital taxes	=	962,324	0	962,324	
161						



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	52,983		52,983	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	52,983	0	52,983	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		52,983	0	52,983	
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	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
76			0	0	0	
77	Total Material additions		52,983	0	52,983	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		52,983	0	52,983	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	66,837		66,837	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	66,837	0	66,837	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		66,837	0	66,837	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		66,837	0	66,837	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		66,837	0	66,837	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2003</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,319		4,319	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		0		0	
36	Interest and penalties on unpaid taxes		289		289	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+	68,326		68,326	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+	44,052		44,052	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	116,986	0	116,986	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2003									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
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)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		34.12%			38.62%		
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003									
27	Income Range		0		200,001					
28	Expected Rates		to		to					
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2003								
32	Federal (Includes surtax)	2003	13.12%					24.12%		
33	Ontario	2003	6.00%					12.50%		
34	Blended rate	2003	19.12%		34.12%			36.62%		
35										
36	Capital Tax Rate	2003	0.300%							
37	LCT rate	2003	0.225%							
38	Surtax	2003	1.12%							
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2003 Tax Returns									
45	Income Range		0		200,001					
46			to		to					
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2003								
50	Federal (Includes surtax)		13.12%		0.00%			24.12%		
51	Ontario		6.00%		0.00%			12.54%		
52	Blended rate		19.12%		0.00%			36.66%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,686,438							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2003				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											-27,981		-27,981
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-32,304		-32,304
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-60,285		-60,285
23															
24															
25															
26	<b>Uncollected PILs</b>														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			<u>Colour Code</u>	
4	<b>Reporting period: 2004</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2008-381	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS							
3 TAX CALCULATIONS (TAXCALC)							
4 ("Wires-only" business - see Tab TAXREC)							
5	0					Version 2009.1	
6 Utility Name: Halton Hills							
7 Reporting period: 2004							
8						Column Brought From TAXREC	
9 Days in reporting period:	366	days					
10 Total days in the calendar year:	366	days					
11							
12		\$		\$		\$	
13							
14 <b>II CORPORATE INCOME TAXES</b>							
15							
16 Regulatory Net Income REGINFO E53	1	1,430,596		1,079,237		2,509,833	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 <b>Additions:</b>							
20 Depreciation & Amortization	2	1,460,685		351,780		1,812,465	
21 Employee Benefit Plans - Accrued, Not Paid	3			40,768		40,768	
22 Tax reserves - beginning of year	4			0		0	
23 Reserves from financial statements - end of year	4			0		0	
24 Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
25 Other Additions (See Tab entitled "TAXREC")							
26 "Material" Items from "TAXREC" worksheet	6			0		0	
27 Other Additions (not "Material") "TAXREC"	6			0		0	
28 "Material" Items from "TAXREC 2" worksheet	6			38,593		38,593	
29 Other Additions (not "Material") "TAXREC 2"	6			0		0	
30 <b>Items on which true-up does not apply "TAXREC 3"</b>				771,801		771,801	
31							
32 <b>Deductions: Input positive numbers</b>							
33 Capital Cost Allowance and CEC	7	1,072,272		488,785		1,561,057	
34 Employee Benefit Plans - Paid Amounts	8			20,269		20,269	
35 Items Capitalized for Regulatory Purposes	9	0		0		0	
36 Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617		-55,617		0	
37 Interest Expense Deemed/ Incurred	11	1,278,625		-107,682		1,170,943	
38 Tax reserves - end of year	4			0		0	
39 Reserves from financial statements - beginning of year	4			0		0	
40 Contributions to deferred income plans	3			0		0	
41 Contributions to pension plans	3			0		0	
42 Interest capitalized for accounting but deducted for tax	11			0		0	
43 Other Deductions (See Tab entitled "TAXREC")							
44 "Material" Items from "TAXREC" worksheet	12			0		0	
45 Other Deductions (not "Material") "TAXREC"	12			0		0	
46 Material Items from "TAXREC 2" worksheet	12			24,694		24,694	
47 Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48 <b>Items on which true-up does not apply "TAXREC 3"</b>				824,837		824,837	
49							
50 TAXABLE INCOME/ (LOSS)		636,204		935,456	Before loss C/F	1,571,660	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		1.9400%		36.06%	
54							
55 REGULATORY INCOME TAX		217,073		299,492	Actual	516,565	
56							
57							
58 Miscellaneous Tax Credits	14			0	Actual	0	
59							
60 <b>Total Regulatory Income Tax</b>		217,073		299,492	Actual	516,565	
61							
62							
63 <b>III CAPITAL TAXES</b>							
64							
65 <b>Ontario</b>							
66 Base	15	25,052,968		9,446,982		34,499,950	
67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-315,157		4,684,843	
68 Taxable Capital		20,052,968		9,131,825		29,815,107	
69							
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71							
72 Ontario Capital Tax		60,159		29,286		89,445	
73							
74 <b>Federal Large Corporations Tax</b>							
75 Base	18	25,052,968		3,973,803		29,026,771	
76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		35,995,000		45,995,000	
77 Taxable Capital		15,052,968		39,968,803		0	
78							
79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80							
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869		-33,869		0	
82 Less: Federal Surtax 1.12% x Taxable Income	21	7,125		-7,125		0	
83							
84 Net LCT		26,744		-26,744		0	
85							
86 <b>III INCLUSION IN RATES</b>							
87							
88 Income Tax Rate used for gross-up (exclude surtax)		33.00%					
89							
90 Income Tax (proxy tax is grossed-up)	22	323,989			Actual 2004	516,565	
91 LCT (proxy tax is grossed-up)	23	39,916			Actual 2004	0	
92 Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			Actual 2004	92,560	
93							
94							
95 <b>Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION</b>	25	424,064			Actual 2004	609,125	
96							
97							
98							
99 <b>IV) FUTURE TRUE-UPS</b>							
100 <b>IV a) Calculation of the True-up Variance</b>				DR/(CR)			
101 <b>In Additions:</b>							
102 Employee Benefit Plans - Accrued, Not Paid	3			40,768			
103 Tax reserves deducted in prior year	4			0			
104 Reserves from financial statements-end of year	4			0			
105 Regulatory Adjustments	5			-151,437			
106 Other additions "Material" Items TAXREC	6			0			
107 Other additions "Material" Items TAXREC 2	6			38,593			
108 <b>In Deductions - positive numbers</b>							
109 Employee Benefit Plans - Paid Amounts	8			20,269			
110 Items Capitalized for Regulatory Purposes	9			0			
111 Regulatory Adjustments	10			-55,617			
112 Interest Adjustment for tax purposes (See Below - cell I206)	11			-107,682			
113 Tax reserves claimed in current year	4			0			
114 Reserves from F/S beginning of year	4			0			
115 Contributions to deferred income plans	3			0			
116 Contributions to pension plans	3			0			
117 Other deductions "Material" Items TAXREC	12			0			
118 Other deductions "Material" Item TAXREC 2	12			24,694			
119							
120 <b>Total TRUE-UPS before tax effect</b>	26		=	46,260			
121							



A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2008-381	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS							
3 TAX CALCULATIONS (TAXCALC)							
4 ("Wires-only" business - see Tab TAXREC)							
5	0					Version 2009.1	
6 Utility Name: Halton Hills							
7 Reporting period: 2004							
8						Column Brought From TAXREC	
9 Days in reporting period:	366	days					
10 Total days in the calendar year:	366	days					
11							
12		\$		\$			
13							
122 Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x	34.94%			
123							
124 Income Tax Effect on True-up adjustments			=	16,163			
125							
126 Less: Miscellaneous Tax Credits	14			0			
127							
128 Total Income Tax on True-ups				16,163			
129							
130 Income Tax Rate used for gross-up (exclude surtax)				34.94%			
131							
132 TRUE-UP VARIANCE ADJUSTMENT				24,844			
133							
134 IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135							
136 REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	636,204			
137							
138 REVISED CORPORATE INCOME TAX RATE			x	36.06%			
139							
140 REVISED REGULATORY INCOME TAX			=	229,415			
141							
142 Less: Revised Miscellaneous Tax Credits			-	0			
143							
144 Total Revised Regulatory Income Tax			=	229,415			
145							
146 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	217,073			
147							
148 Regulatory Income Tax Variance			=	12,342			
149							
150 Ontario Capital Tax							
151 Base			=	25,052,968			
152 Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153 Revised deemed taxable capital			=	20,052,968			
154							
155 Rate - Tab Tax Rates cell C54			x	0.3000%			
156							
157 Revised Ontario Capital Tax			=	60,159			
158 Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
159 Regulatory Ontario Capital Tax Variance			=	0			
160							
161 Federal LCT							
162 Base				25,052,968			
163 Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164 Revised Federal LCT			=	(24,947,032)			
165							
166 Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167							
168 Gross Amount				0			
169 Less: Federal surtax			-	0			
170 Revised Net LCT			=	0			
171							
172 Less: Federal LCT reported in the initial estimate column (Cell C82)			-	26,744			
173 Regulatory Federal LCT Variance			=	(26,744)			
174							
175 Actual Income Tax Rate used for gross-up (exclude surtax)				34.94%			
176							
177 Income Tax (grossed-up)			+	18,971			
178 LCT (grossed-up)			+	(39,916)			
179 Ontario Capital Tax			+	0			
180							
181 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(20,945)			
182							
183 TRUE-UP VARIANCE (from cell I132)			+	24,844			
184							
185 Total Deferral Account Entry (Positive Entry = Debit)			=	3,898			
186 (Deferral Account Variance + True-up Variance)							
187							
188							
189							
190 V) INTEREST PORTION OF TRUE-UP							
191 Variance Caused By Phase-in of Deemed Debt							
192							
193 Total deemed interest (REGINFO)				1,278,625			
194 Interest phased-in (Cell C36)				852,416			
195							
196 Variance due to phase-in of debt component of MARR in rates according to the Board's decision				426,209			
197							
198							
199 Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200 Interest deducted on MoF filing (Cell K36+K41)				1,170,943			
201 Total deemed interest (REGINFO CELL D61)				1,278,625			
202							
203 Variance caused by excess debt				0			
204							
205 Interest Adjustment for Tax Purposes (carry forward to Cell I112)				-107,682			
206							
207 Total Interest Variance				426,209			
208							
209							
210							
211							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	<b>Utility Name:</b> Halton Hills					
8	<b>Reporting period:</b> 2004					
9	<b>Taxation Year's start date:</b>					
10	<b>Taxation Year's end date:</b>					
11	<b>Number of days in taxation year:</b>		366	days		
12						
13	<b>Please enter the Materiality Level :</b>		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	<b>Or other measure (please provide the basis of the amount)</b>	Y/N				
17	<b>Does the utility carry on non-wires related operation?</b>	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	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	30,683,803		30,683,803	
32	Distribution Revenue	+	8,073,276		8,073,276	
33	Other Income	+	1,146,428	104,433	1,041,995	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	30,683,803		30,683,803	
40	Administration	-	4,310,467	39,050	4,271,417	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,814,270	1,805	1,812,465	
44	Ontario Capital Tax	-	80,169		80,169	
45	Recovery of regulatory assets - expense	-	441,387		441,387	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,573,411	63,578	2,509,833	
51	Less: Interest expense for accounting purposes	-	1,170,943		1,170,943	
52	Provision for payments in lieu of income taxes	-	412,562		412,562	
53	<b>Net Income (loss)</b>	=	989,906	63,578	926,328	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	412,562	0	412,562	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
62	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		792,532	20,731	771,801	
67	Material addition items from TAXREC 2	+	38,593	0	38,593	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		3,098,725	22,536	3,076,189	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	3,098,725	22,536	3,076,189	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,489,425		1,489,425	
98	Cumulative eligible capital deduction	-	71,632		71,632	
99	Employee benefit plans-paid amounts	-	20,269		20,269	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		824,837	0	824,837	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	24,694	0	24,694	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	2,430,857	0	2,430,857	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	2,430,857	0	2,430,857	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	319,232	19,195	300,037	
143	Net Ontario Income Tax (Must agree with tax return)	+	228,386	11,858	216,528	
144	Subtotal	=	547,618	31,053	516,565	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	547,618	31,053	516,565	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.29%		22.29%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.77%		13.77%	
151	Blended Income Tax Rate		36.06%		36.06%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	547,618	31,053	516,565	
157	Ontario Capital Tax	+	92,560		92,560	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	640,178	31,053	609,125	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	38,593		38,593	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	38,593	0	38,593	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		38,593	0	38,593	
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	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		38,593	0	38,593	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		38,593	0	38,593	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	24,694		24,694	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	24,694	0	24,694	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		24,694	0	24,694	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		24,694	0	24,694	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		24,694	0	24,694	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		366			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	20,731	20,731	0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	5,414		5,414	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		325,000		325,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	441,387		441,387	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	792,532	20,731	771,801	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	44,467		44,467	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-	9,276		9,276	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	441,387		441,387	
63		-			0	
64	Assessment Notice	-	4,707		4,707	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	824,837	0	824,837	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2004									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
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)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		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							
	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
23										
24										
25	Table 2									
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to					
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%			22.12%		
33	Ontario	2004	5.50%	5.50%	9.75%			14.00%		
34	Blended rate	2004	18.62%	27.62%	31.87%			36.12%		
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2004 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to					
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.29%			22.29%		
51	Ontario		5.50%	5.50%	13.77%			13.77%		
52	Blended rate		18.62%	27.62%	36.06%			36.06%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,684,843							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2004														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											24,844		24,844
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-20,945		-20,945
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		3,898		3,898
23															
24															
25															
26	Uncollected PILs														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-0381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			Colour Code	
4	<b>Reporting period: 2005</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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
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>			DEEMED	
30					
31	Rate Base (wires-only)			35,272,411	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			3,021,082	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			3,021,082	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			1,007,027	1,007,027
48	Amount allowed in 2002			1,007,027	1,007,027
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	1007028	946,607
52	Other Board-approved changes to MARR or incremental revenue				108,653
53					0
54	<b>Total Regulatory Income</b>				<b>3,069,314</b>
55					
56	Equity			17,636,206	
57					
58	Return at target ROE			1,742,457	
59					
60	Debt			17,636,206	
61					
62	Deemed interest amount in 100% of MARR			1,278,625	
63					
64	Phase-in of interest - Year 1 (2001)			426,208	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			852,416	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			852,416	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,278,625	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILS TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills						
7	Reporting period: 2005						
8						<b>Column</b>	
9	Days in reporting period:	365	days			<b>Brought</b>	
10	Total days in the calendar year:	365	days			<b>From</b>	
11						<b>TAXREC</b>	
12			\$	\$		\$	
13							
14	<b>II CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	3,069,314	-609,218		2,460,096	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	1,682,279	200,022		1,882,301	
21	Employee Benefit Plans - Accrued, Not Paid	3	15,448	13,772		29,220	
22	Tax reserves - beginning of year	4		70,004		70,004	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5		0		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6	52,983	-52,983		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		0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			1,336,415		1,336,415	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	1,562,567	91,111		1,653,678	
34	Employee Benefit Plans - Paid Amounts	8	13,548	3,172		16,720	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0	
37	Interest Expense Deemed/ Incurred	11	1,278,625	-89,791		1,188,834	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12	66,837	-66,837		0	
45	Other Deductions (not "Material") "TAXREC"	12	35,200	-35,200		0	
46	Material Items from "TAXREC 2" worksheet	12		36,467		36,467	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			1,354,775		1,354,775	
49							
50	TAXABLE INCOME/ (LOSS)		1,863,247	(335,685)	Before loss C/F	1,527,562	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%	-2.3488%		33.77%	
54							
55	REGULATORY INCOME TAX		673,005	-157,129	Actual	515,876	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		673,005	-157,129	Actual	515,876	
61							
62							
63	<b>III CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	35,272,411	-221,457		35,050,954	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000	-544,072		6,955,928	
68	Taxable Capital		27,772,411	-765,529		28,095,026	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		83,317	968		84,285	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	35,272,411	-35,272,411		0	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000	-4,005,000		45,995,000	
77	Taxable Capital		0	-39,277,411		0	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%	0.0250%		0.2000%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0	0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0	0		0	
83							
84	Net LCT		0	0		0	
85							
86	<b>III INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		36.12%				
89							
90	Income Tax (proxy tax is grossed-up)	22	1,053,546		Actual 2005	515,876	
91	LCT (proxy tax is grossed-up)	23	0		Actual 2005	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	83,317		Actual 2005	84,285	
93							
94							
95	<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2005</b>	25	1,136,863		Actual 2005	600,161	
96	<b>RAM DECISION</b>						
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		13,772			
103	Tax reserves deducted in prior year	4		70,004			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		0			
106	Other additions "Material" Items TAXREC	6		-52,983			
107	Other additions "Material" Items TAXREC 2	6		0			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		3,172			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		-89,791			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		-66,837			
118	Other deductions "Material" Item TAXREC 2	12		36,467			
119							
120	Total TRUE-UPS before tax effect	26	=	147,782			
121							
122	Income Tax Rate (excluding surtax) from 2005 Utility's tax return		x	35.00%			
123							

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial Estimate</b>		M of F Filing	M of F Filing	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>				Variance	Variance		
3	<b>TAX CALCULATIONS (TAXCALC)</b>				K-C	Explanation		
4	("Wires-only" business - see Tab TAXREC)							
5		0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				<b>Column Brought From</b>	
10	Total days in the calendar year:	365	days				<b>TAXREC</b>	
11								
12			\$		\$			
13								
124	Income Tax Effect on True-up adjustments			=	51,724			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				51,724			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>79,575</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,863,247			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	673,005			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	673,005			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	673,005			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	35,272,411			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	27,772,411			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	83,317			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	83,317			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				35,272,411			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(14,727,589)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	<b>0</b>			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	<b>79,575</b>			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	<b>79,575</b>			
186	(Deferral Account Variance + True-up Variance)							
187								
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)				1,278,625			
194	Interest phased-in (Cell C36)				1,278,625			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				0			
197								
198								
199	<b>Other Interest Variances (I.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200	Interest deducted on MoF filing (Cell K36+K41)				1,188,834			
201	Total deemed interest (REGINFO CELL D61)				1,278,625	<b>Deemed Proxy Interest</b>		
202								
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				<b>-89,791</b>			
207								
208	<b>Total Interest Variance</b>				<b>0</b>			
209								
210								
211								

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-0381	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		0	Return				
5					Version 2009.1		
6	<b>Section A: Identification:</b>						
7	Utility Name: Halton Hills						
8	Reporting period: 2005						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12							
13	Please enter the Materiality Level :		0	< - 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	+	36,847,936		36,847,936		
32	Distribution Revenue	+	8,883,939		8,883,939		
33	Other Income	+	1,116,930	47,698	1,069,232		
34	Miscellaneous income	+			0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	<b>Costs and Expenses:</b>						
39	Cost of energy purchased	-	36,847,936		36,847,936		
40	Administration	-	9,240,451		9,240,451		
41	Customer billing and collecting	-			0		
42	Operations and maintenance	-			0		
43	Amortization	-	1,884,106	1,805	1,882,301		
44	Ontario Capital Tax	-	68,445		68,445		
45	Capitalized	-	-4,702,453		-4,702,453		
46	Recovery of Regulatory Assets	-	1,004,331		1,004,331		
47		-			0		
48		-			0		
49							
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,505,989	45,893	2,460,096		
51	Less: Interest expense for accounting purposes	-	1,188,834		1,188,834		
52	Provision for payments in lieu of income taxes	-	646,313		646,313		Does this include LCT?
53	<b>Net Income (loss)</b>	=	670,842	45,893	624,949		
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	+	646,313	0	646,313		Does this include LCT?
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	1,884,106	1,805	1,882,301		
62	Employee benefit plans-accrued, not paid	+	29,220	0	29,220		
63	Tax reserves - beginning of year	+	70,004	0	70,004		
64	Reserves from financial statements- end of year	+	0	0	0		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		1,336,415	0	1,336,415		
67	Material addition items from TAXREC 2	+	0	0	0		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	<b>Subtotal</b>		3,966,058	1,805	3,964,253		
71							
72	<b>Other Additions: (Please explain the nature of the additions)</b>						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital items expensed	+			0		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	<b>Total Other Additions</b>	=	0	0	0		
81							
82	<b>Total Additions</b>	=	3,966,058	1,805	3,964,253		
83							
84	<b>Recap Material Additions:</b>						
85			0	0	0		
86			0	0	0		
87			0	0	0		

	A	B	C	D	E	F	G
1	<b>PILs TAXES - EB-2008-0381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>		
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>		
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>		
4		<b>0</b>	<b>Return</b>				
5					<b>Version 2009.1</b>		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	1,587,060		1,587,060		
98	Cumulative eligible capital deduction	-	66,618		66,618		
99	Employee benefit plans-paid amounts	-	16,720		16,720		
100	Items capitalized for regulatory purposes	-			0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	0	0	0		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		1,354,775	0	1,354,775		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	36,467	0	36,467		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	3,061,640	0	3,061,640		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-			0		
117		-			0		
118		-			0		
119		-			0		
120	Total Other Deductions	=	0	0	0		
121							
122	Total Deductions	=	3,061,640	0	3,061,640		
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		0	0	0		
132	Total Other Deductions		0	0	0		
133							
134	TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	321,448	9,733	311,715		
143	Net Ontario Income Tax (Must agree with tax return)	+	210,536	6,375	204,161		
144	Subtotal	=	531,984	16,108	515,876		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		
146	Total Income Tax	=	531,984	16,108	515,876		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		20.41%		20.41%		Divide federal income tax by the taxable
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.37%		13.37%		Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		33.77%		33.77%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	531,984	16,108	515,876		
157	Ontario Capital Tax	+	84,285		84,285		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	616,269	16,108	600,161		
161							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-0381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)		70,004		70,004	
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 - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		70,004	0	70,004	
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 - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	36,467		36,467	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	36,467	0	36,467	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		36,467	0	36,467	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		36,467	0	36,467	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		36,467	0	36,467	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	1,297		1,297	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	5,787		5,787	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		325,000		325,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	1,004,331		1,004,331	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	1,336,415	0	1,336,415	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	25,444		25,444	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	1,004,331		1,004,331	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	1,354,775	0	1,354,775	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-0381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2005									
6										
7	Table 1									
8	Rates Used in 2005 RAM PILs Applications for 2005									
9	Income Range		0		400,001					
10	RAM 2005		to		to					>1,128,000
11		Year	400,000		1,128,000					
12	Income Tax Rate									
13	Proxy Tax Year	2005								
14	Federal (Includes surtax)		13.12%		17.75%		22.12%			
15	and Ontario blended		5.50%		9.75%		14.00%			
16	Blended rate		18.62%		27.50%		36.12%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.175%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to					>1,128,000
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%		22.12%			
33	Ontario	2005	5.50%	5.50%	9.75%		14.00%			
34	Blended rate	2005	18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate	2005	0.300%							
37	LCT rate	2005	0.200%							
38	Surtax	2005	1.12%							
39	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000							
40	Federal Large Corporations Tax Exemption *** 2005	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2005 Tax Returns									
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	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
51	Ontario		5.50%	5.50%	14.00%		14.00%			
52	Blended rate		18.62%	27.62%	36.12%		36.12%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	6,955,928							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-0381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2005														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		246,317		139,188		-85,575		14,361		-95,323		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	246,317		899,961		1,146,278		961,540		224,990		276,883		3,755,969
13	PILs proxy from April 1, 2005 - input 9/12 of amount										622,986				622,986
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			747		0								747
15	True-up Variance Adjustment (3)	+/-			0		-106,361		-27,981		24,844		79,575		-29,923
16	Deferral Account Variance Adjustment Q4, 2001 (4)										0				0
17	Deferral Account Variance Adjustment (5)	+/-			0		-4,128		-32,304		-20,945		0		-57,377
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-			4,029		4,526		-2,995		-2,448		-1,590		1,522
20	PILs billed to (collected from) customers (8)	-	0		-1,011,866		-1,265,078		-798,324		-959,111		-232,679		-4,267,058
21															
22	Ending balance: # 1562		246,317		139,188		-85,575		14,361		-95,323		26,866		26,866
23															
24															
25															
26	Uncollected PILs														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

## Appendix B

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	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Halton Hills			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				1,430,596
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,430,596		1,104,835		2,535,431	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	1,460,685		181,508		1,642,193	
21	Employee Benefit Plans - Accrued, Not Paid	3			36,264		36,264	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			26,588		26,588	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				4,649		4,649	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	1,072,272		627,486		1,699,758	
34	Employee Benefit Plans - Paid Amounts	8			18,743		18,743	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617		-55,617		0	
37	Interest Expense Deemed/ Incurred	11	605,477		202,670		808,147	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			171,683		171,683	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		1,309,352		237,442	Before loss C/F	1,546,794	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-0.2438%		38.38%	
54								
55	REGULATORY INCOME TAX		505,672		-239,474	Actual	266,198	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		505,672		-239,474	Actual	266,198	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	25,052,968		4,558,604		29,611,572	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-5,000,000		0	
68	Taxable Capital		20,052,968		-441,396		29,611,572	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		60,159		28,676	Overpaid	88,835	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	25,052,968		3,973,803		29,026,771	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		15,052,968		3,973,803		19,026,771	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869		8,941		42,810	
82	Less: Federal Surtax 1.12% x Taxable Income	21	14,665		-14,665		0	
83								
84	Net LCT		19,204		23,606		42,810	
85								



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	<b>Utility Name: Halton Hills</b>							
7	<b>Reporting period: 2002</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
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85								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	809,075			Actual 2002	266,198	
91	LCT (proxy tax is grossed-up)	23	30,727			Actual 2002	41,444	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			Actual 2002	83,789	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	899,961			Actual 2002	391,431	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			36,264			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-151,437			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			26,588			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			18,743			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			171,683			
119								
120	Total TRUE-UPS before tax effect	26		=	-223,394			
121								
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	37.26%			
123								
124	Income Tax Effect on True-up adjustments			=	-83,228			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-83,228			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.26%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				(132,648)			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,309,352			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	38.38%			
139								
140	REVISED REGULATORY INCOME TAX			=	502,479			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	502,479			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	505,672			
147								
148	Regulatory Income Tax Variance			=	(3,192)			
149								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
150	Ontario Capital Tax							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	20,052,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	15,052,968			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				33,869			
169	Less: Federal surtax			-	14,665			
170	Revised Net LCT			=	19,204			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	19,204			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.26%			
176								
177	Income Tax (grossed-up)			+	(5,088)			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(5,088)			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	(132,648)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(137,735)			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				908,170			
194	Interest phased-in (Cell C36)				605,477			
195								
196	Variance due to phase-in of debt component of MARR in rates				302,693			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				808,147			
202	Total deemed interest (REGINFO CELL D61)				908,170			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
207								
208	Total Interest Variance				302,693			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - 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	+	39,024,565		39,024,565	
32	Distribution Revenue	+	1,197,549		1,197,549	
33	Other Income	+			0	
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	-	31,847,778		31,847,778	
40	Administration	-	3,921,112		3,921,112	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,642,193		1,642,193	
44	Ontario Capital Tax	-	149,400		149,400	
45	Reg Assets	-	126,200		126,200	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,535,431	0	2,535,431	
51	Less: Interest expense for accounting purposes	-	808,147		808,147	
52	Provision for payments in lieu of income taxes	-	305,000		305,000	
53	<b>Net Income (loss)</b>	=	1,422,284	0	1,422,284	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	305,000	0	305,000	
60	Federal large corporation tax	+	50,519		50,519	
61	Depreciation & Amortization	+	1,642,193	0	1,642,193	
62	Employee benefit plans-accrued, not paid	+	36,264	0	36,264	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		4,649	0	4,649	
67	Material addition items from TAXREC 2	+	26,588	0	26,588	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		2,065,213	0	2,065,213	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	2,065,213	0	2,065,213	
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	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
96	<b>BOOK TO TAX DEDUCTIONS:</b>					
97	Capital cost allowance	-	1,616,937		1,616,937	
98	Cumulative eligible capital deduction	-	82,821		82,821	
99	Employee benefit plans-paid amounts	-	18,743		18,743	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	171,683	0	171,683	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,890,184	0	1,890,184	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,890,184	0	1,890,184	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	1,597,313	0	1,597,313	
135	<b>DEDUCT:</b>					
136	Non-capital loss applied positive number	-	903,659		903,659	
137	Net capital loss applied positive number	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	693,654	0	693,654	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	181,123		181,123	
143	Net Ontario Income Tax (Must agree with tax return)	+	85,075		85,075	
144	Subtotal	=	266,198	0	266,198	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	<b>Total Income Tax</b>	=	266,198	0	266,198	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		26.11%		26.11%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.26%		12.26%	
151	Blended Income Tax Rate		38.38%	*****	38.38%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	266,198	0	266,198	
157	Ontario Capital Tax	+	83,789		83,789	
158	Federal Large Corporations Tax	+	41,444		41,444	
159						
160	<b>Total income and capital taxes</b>	=	391,431	0	391,431	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Halton Hills					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	26,588		26,588	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	26,588	0	26,588	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		26,588	0	26,588	
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	Total Material additions		26,588	0	26,588	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		26,588	0	26,588	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Halton Hills					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	1,631		1,631	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	170,052		170,052	
97		-			0	
98		-			0	
99	Total Deductions	=	171,683	0	171,683	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		1,631	0	1,631	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116	Non-taxable load transfers		170,052	0	170,052	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		171,683	0	171,683	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		171,683	0	171,683	
122						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	Wires-only	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Halton Hills				Version 2009.1	
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,423		4,423	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		226		226	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	4,649	0	4,649	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2002									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
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)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		34.12%			38.62%		
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002									
27	Income Range		0		200,001					
28	Expected Rates		to		to					
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		26.12%			26.12%		
33	Ontario	2002	6.00%		6.00%			12.50%		
34	Blended rate	2002	19.12%		32.12%			38.62%		
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2002 Tax Returns									
45	Income Range		0		200,001					
46			to		to					
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		22.12%			26.11%		
51	Ontario		6.00%		9.75%			12.26%		
52	Blended rate		19.12%		31.87%			38.38%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,668,892							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2002														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-													0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-137,735		-137,735
23															
24															
25															
26	<b>Uncollected PILs</b>														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			Colour Code	
4	<b>Reporting period: 2003</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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
TAX CALCULATIONS (TAXCALC)		Estimate		Filing	Filing	Returns	
("Wires-only" business - see Tab TAXREC)				Variance	Variance		
				K-C	Explanation		
	0					Version 2009.1	
Utility Name: Halton Hills							
Reporting period: 2003							
						Column	
Days in reporting period:	365	days				Brought	
Total days in the calendar year:	365	days				From	
						TAXREC	
		\$		\$		\$	
<b>II. CORPORATE INCOME TAXES</b>							
Regulatory Net Income REGINFO E53	1	1,430,596		1,818,045		3,248,641	
BOOK TO TAX ADJUSTMENTS							
<b>Additions:</b>							
Depreciation & Amortization	2	1,460,685		221,594		1,682,279	
Employee Benefit Plans - Accrued, Not Paid	3			15,448		15,448	
Tax reserves - beginning of year	4			0		0	
Reserves from financial statements - end of year	4			0		0	
Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
Other Additions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet	6			0		0	
Other Additions (not "Material") "TAXREC"	6			0		0	
"Material" Items from "TAXREC 2" worksheet	6			52,983		52,983	
Other Additions (not "Material") "TAXREC 2"	6			0		0	
<b>Items on which true-up does not apply "TAXREC 3"</b>				116,986		116,986	
<b>Deductions: Input positive numbers</b>							
Capital Cost Allowance and CEC	7	1,072,272		475,244		1,547,516	
Employee Benefit Plans - Paid Amounts	8			13,548		13,548	
Items Capitalized for Regulatory Purposes	9	0		0		0	
Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617		-55,617		0	
Interest Expense Deemed/ Incurred	11	605,477		616,124		1,221,601	
Tax reserves - end of year	4			0		0	
Reserves from financial statements - beginning of year	4			0		0	
Contributions to deferred income plans	3			0		0	
Contributions to pension plans	3			0		0	
Interest capitalized for accounting but deducted for tax	11			0		0	
Other Deductions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet	12			0		0	
Other Deductions (not "Material") "TAXREC"	12			0		0	
Material Items from "TAXREC 2" worksheet	12			66,837		66,837	
Other Deductions (not "Material") "TAXREC 2"	12			0		0	
<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
TAXABLE INCOME/ (LOSS)		1,309,352		957,483	Before loss C/F	2,266,835	
BLENDED INCOME TAX RATE							
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.9953%		36.62%	
REGULATORY INCOME TAX		505,672		343,612	Actual	849,284	
Miscellaneous Tax Credits	14			0	Actual	0	
<b>Total Regulatory Income Tax</b>		<b>505,672</b>		<b>343,612</b>	<b>Actual</b>	<b>849,284</b>	
<b>III. CAPITAL TAXES</b>							
<b>Ontario</b>							
Base	15	25,052,968		7,586,602		32,639,570	
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-313,562		4,686,438	
Taxable Capital		20,052,968		7,273,040		27,953,132	
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
Ontario Capital Tax		60,159		23,700		83,859	
<b>Federal Large Corporations Tax</b>							
Base	18	25,052,968		6,521,653		31,574,621	
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
Taxable Capital		15,052,968		6,521,653		21,574,621	
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869		14,674		48,543	
Less: Federal Surtax 1.12% x Taxable Income	21	14,665		-14,665		0	
Net LCT		19,204		29,338		48,543	
<b>III. INCLUSION IN RATES</b>							
Income Tax Rate used for gross-up (exclude surtax)		37.50%					
Income Tax (proxy tax is grossed-up)	22	809,075			Actual 2003	849,284	
LCT (proxy tax is grossed-up)	23	30,727			Actual 2003	25,507	
Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			Actual 2003	87,533	
<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION</b>	25	899,961			Actual 2003	962,324	
<b>IV) FUTURE TRUE-UPS</b>							
<b>IV a) Calculation of the True-up Variance</b>				DR/(CR)			
<b>In Additions:</b>							
Employee Benefit Plans - Accrued, Not Paid	3			15,448			
Tax reserves deducted in prior year	4			0			
Reserves from financial statements-end of year	4			0			
Regulatory Adjustments	5			-151,437			
Other additions "Material" Items TAXREC	6			0			
Other additions "Material" Items TAXREC 2	6			52,983			
<b>In Deductions - positive numbers</b>							
Employee Benefit Plans - Paid Amounts	8			13,548			
Items Capitalized for Regulatory Purposes	9			0			
Regulatory Adjustments	10			-55,617			
Interest Adjustment for tax purposes (See Below - cell I206)	11			0			
Tax reserves claimed in current year	4			0			
Reserves from F/S beginning of year	4			0			
Contributions to deferred income plans	3			0			
Contributions to pension plans	3			0			
Other deductions "Material" Items TAXREC	12			0			
Other deductions "Material" Item TAXREC 2	12			66,837			
Total TRUE-UPS before tax effect	26		=	-107,774			
Income Tax Rate (excluding surtax) from 2003 Utility's tax return			x	35.54%			
Income Tax Effect on True-up adjustments			=	-38,303			

A	B	C	D	E	F	G	H
1 PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2 PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Version 2009.1	
6 Utility Name: Halton Hills							
7 Reporting period: 2003							
8							
9 Days in reporting period:	365	days				Column	
10 Total days in the calendar year:	365	days				Brought	
11						From	
12		\$		\$		TAXREC	
13						\$	
125							
126 Less: Miscellaneous Tax Credits	14			0			
127							
128 Total Income Tax on True-ups				-38,303			
129							
130 Income Tax Rate used for gross-up (exclude surtax)				35.54%			
131							
132 TRUE-UP VARIANCE ADJUSTMENT				(59,421)			
133							
134 IV b) Calculation of the Deferral Account Variance caused by							
135 changes in legislation							
136 REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
137 estimate column)			=	1,309,352			
138 REVISED CORPORATE INCOME TAX RATE			x	36.66%			
139							
140 REVISED REGULATORY INCOME TAX			=	480,008			
141							
142 Less: Revised Miscellaneous Tax Credits			-	0			
143							
144 Total Revised Regulatory Income Tax			=	480,008			
145							
146 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell			-	505,672			
147 C58)							
148 Regulatory Income Tax Variance			=	(25,663)			
149							
150 Ontario Capital Tax							
151 Base			=	25,052,968			
152 Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153 Revised deemed taxable capital			=	20,052,968			
154							
155 Rate - Tab Tax Rates cell C54			x	0.3000%			
156							
157 Revised Ontario Capital Tax			=	60,159			
158 Less: Ontario Capital Tax reported in the initial estimate column (Cell			-	60,159			
159 C70)			=	0			
160 Regulatory Ontario Capital Tax Variance							
161							
162 Federal LCT							
163 Base			=	25,052,968			
164 Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
165 Revised Federal LCT			=	15,052,968			
166							
166 Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167							
168 Gross Amount				33,869			
169 Less: Federal surtax			-	14,665			
170 Revised Net LCT			=	19,204			
171							
172 Less: Federal LCT reported in the initial estimate column (Cell C82)			-	19,204			
173 Regulatory Federal LCT Variance			=	0			
174							
175 Actual Income Tax Rate used for gross-up (exclude surtax)				35.54%			
176							
177 Income Tax (grossed-up)			+	(39,813)			
178 LCT (grossed-up)			+	0			
179 Ontario Capital Tax			+	0			
180							
181 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(39,813)			
182							
183 TRUE-UP VARIANCE (from cell I132)			+	(59,421)			
184							
185 Total Deferral Account Entry (Positive Entry = Debit)			=	(99,234)			
186 (Deferral Account Variance + True-up Variance)							
187							
188							
189							
190 V) INTEREST PORTION OF TRUE-UP							
191 Variance Caused By Phase-in of Deemed Debt							
192							
193 Total deemed interest (REGINFO)				908,170			
194 Interest phased-in (Cell C36)				605,477			
195							
196 Variance due to phase-in of debt component of MARR in rates				302,693			
197 according to the Board's decision							
198							
199 Other Interest Variances (i.e. Borrowing Levels							
200 Above Deemed Debt per Rate Handbook)							
201 Interest deducted on MoF filing (Cell K36+K41)				1,221,601			
202 Actual Interest Paid				1,221,601			
203							
204 Variance caused by excess debt				0			
205							
206 Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207							
208 Total Interest Variance				302,693			
209							
210							
211							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - 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	+	36,226,346		36,226,346	
32	Distribution Revenue	+	1,136,036		1,136,036	
33	Other Income	+			0	
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	-	28,473,695		28,473,695	
40	Administration	-	3,711,107		3,711,107	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,682,279		1,682,279	
44	Ontario Capital Tax	-	133,080		133,080	
45	Reg Asset movement	-	113,580		113,580	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	3,248,641	0	3,248,641	
51	Less: Interest expense for accounting purposes	-	1,221,601		1,221,601	
52	Provision for payments in lieu of income taxes	-	856,051		856,051	
53	<b>Net Income (loss)</b>	=	1,170,989	0	1,170,989	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	856,051	0	856,051	
60	Federal large corporation tax	+	49,221		49,221	
61	Depreciation & Amortization	+	1,682,279	0	1,682,279	
62	Employee benefit plans-accrued, not paid	+	15,448	0	15,448	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		116,986	0	116,986	
67	Material addition items from TAXREC 2	+	52,983	0	52,983	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		2,772,968	0	2,772,968	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	2,772,968	0	2,772,968	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	
87			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,470,492		1,470,492	
98	Cumulative eligible capital deduction	-	77,024		77,024	
99	Employee benefit plans-paid amounts	-	13,548		13,548	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	66,837	0	66,837	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,627,901	0	1,627,901	
114	Other deductions (Please explain the nature of the deductions)					
115	<b>Charitable donations - tax basis</b>	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,627,901	0	1,627,901	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	2,316,056	0	2,316,056	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	2,316,056	0	2,316,056	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	558,742		558,742	
143	Net Ontario Income Tax (Must agree with tax return)	+	290,542		290,542	
144	Subtotal	=	849,284	0	849,284	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	849,284	0	849,284	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		36.62%		36.62%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	849,284	0	849,284	
157	Ontario Capital Tax	+	87,533		87,533	
158	Federal Large Corporations Tax	+	25,507		25,507	
159						
160	Total income and capital taxes	=	962,324	0	962,324	
161						



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	52,983		52,983	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	52,983	0	52,983	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		52,983	0	52,983	
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	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		52,983	0	52,983	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		52,983	0	52,983	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	66,837		66,837	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	66,837	0	66,837	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		66,837	0	66,837	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		66,837	0	66,837	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		66,837	0	66,837	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	0		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2003</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,319		4,319	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		0		0	
36	Interest and penalties on unpaid taxes		289		289	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+	68,326		68,326	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+	44,052		44,052	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	116,986	0	116,986	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2003									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
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)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		34.12%			38.62%		
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003									
27	Income Range		0		200,001					
28	Expected Rates		to		to					
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2003								
32	Federal (Includes surtax)	2003	13.12%					24.12%		
33	Ontario	2003	6.00%					12.50%		
34	Blended rate	2003	19.12%		34.12%			36.62%		
35										
36	Capital Tax Rate	2003	0.300%							
37	LCT rate	2003	0.225%							
38	Surtax	2003	1.12%							
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2003 Tax Returns									
45	Income Range		0		200,001					
46			to		to					
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2003								
50	Federal (Includes surtax)		13.12%		0.00%			24.12%		
51	Ontario		6.00%		0.00%			12.54%		
52	Blended rate		19.12%		0.00%			36.66%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,686,438							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	<b>Utility Name: Halton Hills</b>														<b>Version 2009.1</b>
4	<b>Reporting period: 2003</b>														<b>0</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		<b>Total</b>
10															
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>PILs proxy from April 1, 2005 - input 9/12 of amount</b>														0
14	<b>True-up Variance Adjustment Q4, 2001 (2)</b>	+/-													0
15	<b>True-up Variance Adjustment (3)</b>	+/-													0
16	<b>Deferral Account Variance Adjustment Q4, 2001 (4)</b>												-59,421		-59,421
17	<b>Deferral Account Variance Adjustment (5)</b>	+/-													0
18	<b>Adjustments to reported prior years' variances (6)</b>	+/-											-39,813		-39,813
19	<b>Carrying charges (7)</b>	+/-													0
20	<b>PILs billed to (collected from) customers (8)</b>	-	0												0
21															
22	<b>Ending balance: # 1562</b>		0		0		0		0		0		-99,234		-99,234
23															
24															
25															
26	<b>Uncollected PILs</b>														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i)	From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.													
34		Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.													
35		If the Board gave more than one decision in the year, calculate a weighted average proxy.													
36	(ii)	If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.													
37	(iii)	Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.													
38	(iv)	Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.													
39	(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.													
40	(vi)	Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.													
41															
42	(2)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be													
43		trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.													
44															
45	(3)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.													
46		The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.													
47															
48	(4)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be													
49		trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.													
50															
51	(5)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.													
52		The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.													
53															
54	(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.													
55															
56	(7)	Carrying charges are calculated on a simple interest basis.													
57															
58	(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													
59		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													
60		2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.													
61		The 2005 PILs tax proxy is being recovered on a volumetric basis by class.													
62															
63	(ii)	Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied													
64		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;													
65		plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.													
66															
67		In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,													
68		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.													
69															
70		In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,													
71		for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used													
72		to calculate the recovery for the period January 1 to March 31, 2005.													
73															
74	(9)	Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes													
75		will have to include amounts from 1562 and from 1590.													
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			<u>Colour Code</u>	
4	<b>Reporting period: 2004</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILS TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills						
7	Reporting period: 2004						
8						<b>Column</b>	
9	Days in reporting period:	366	days			<b>Brought</b>	
10	Total days in the calendar year:	366	days			<b>From</b>	
11						<b>TAXREC</b>	
12						<b>\$</b>	
13							
14	<b>II CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	1,430,596	1,079,237		2,509,833	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	1,460,685	351,780		1,812,465	
21	Employee Benefit Plans - Accrued, Not Paid	3		40,768		40,768	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5	151,437	-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6		0		0	
27	Other Additions (not "Material") "TAXREC"	6		0		0	
28	"Material" Items from "TAXREC 2" worksheet	6		38,593		38,593	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			771,801		771,801	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	1,072,272	488,785		1,561,057	
34	Employee Benefit Plans - Paid Amounts	8		20,269		20,269	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617	-55,617		0	
37	Interest Expense Deemed/ Incurred	11	605,477	565,466		1,170,943	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		24,694		24,694	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			824,837		824,837	
49							
50	TAXABLE INCOME/ (LOSS)		1,309,352	262,308	Before loss C/F	1,571,660	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-2.5600%		36.06%	
54							
55	REGULATORY INCOME TAX		505,672	10,894	Actual	516,565	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		505,672	10,894	Actual	516,565	
61							
62							
63	<b>III CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	25,052,968	9,446,982		34,499,950	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-315,157		4,684,843	
68	Taxable Capital		20,052,968	9,131,825		29,815,107	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		60,159	29,286		89,445	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	25,052,968	3,973,803		29,026,771	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	35,995,000		45,995,000	
77	Taxable Capital		15,052,968	39,968,803		0	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	-0.0250%		0.2000%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869	-33,869		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	14,665	-14,665		0	
83							
84	Net LCT		19,204	-19,204		0	
85							
86	<b>III INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		37.50%				
89							
90	Income Tax (proxy tax is grossed-up)	22	809,075		Actual 2004	516,565	
91	LCT (proxy tax is grossed-up)	23	30,727		Actual 2004	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159		Actual 2004	92,560	
93							
94							
95	<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION</b>	25	899,961		Actual 2004	609,125	
96							
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		40,768			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		-151,437			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		38,593			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		20,269			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		0			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
118	Other deductions "Material" Item TAXREC 2	12		24,694			
119							
120	Total TRUE-UPS before tax effect	26		-61,422			
121							
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x		34.94%	
123							



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial Estimate</b>		M of F Filing Variance K-C	M of F Filing Variance Explanation	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>							
3	<b>TAX CALCULATIONS (TAXCALC)</b>							
4	("Wires-only" business - see Tab TAXREC)							
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Halton Hills</b>							
7	<b>Reporting period: 2004</b>							
8								
9	<b>Days in reporting period:</b>	366	days				<b>Column Brought From</b>	
10	<b>Total days in the calendar year:</b>	366	days				<b>TAXREC</b>	
11							<b>\$</b>	
12								
13								
124	Income Tax Effect on True-up adjustments			=	-21,461			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-21,461			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				34.94%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>(32,986)</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,309,352			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.06%			
139								
140	REVISED REGULATORY INCOME TAX			=	472,152			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	472,152			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	505,672			
147								
148	Regulatory Income Tax Variance			=	(33,519)			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	20,052,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(24,947,032)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	19,204			
173	Regulatory Federal LCT Variance			=	(19,204)			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				34.94%			
176								
177	<b>Income Tax (grossed-up)</b>			+	(51,521)			
178	<b>LCT (grossed-up)</b>			+	(30,727)			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	<b>(82,248)</b>			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	<b>(32,986)</b>			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	<b>(115,234)</b>			
186	(Deferral Account Variance + True-up Variance)							
187								
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)				908,170			
194	Interest phased-in (Cell C36)				605,477			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				302,693			
197								
198								
199	<b>Other Interest Variances (I.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200	Interest deducted on MoF filing (Cell K36+K41)				1,170,943			
201	Actual Interest Paid				1,170,943			
202								
203	Variance caused by excess debt				0			
204								
205	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				0			
206								
207	<b>Total Interest Variance</b>				302,693			
208								
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	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		0	Return			
5					Version 2009.1	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2004					
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 :		0	< - 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	+	30,683,803		30,683,803	
32	Distribution Revenue	+	8,073,276		8,073,276	
33	Other Income	+	1,146,428	104,433	1,041,995	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	30,683,803		30,683,803	
40	Administration	-	4,310,467	39,050	4,271,417	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,814,270	1,805	1,812,465	
44	Ontario Capital Tax	-	80,169		80,169	
45	Recovery of regulatory assets - expense	-	441,387		441,387	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,573,411	63,578	2,509,833	
51	Less: Interest expense for accounting purposes	-	1,170,943		1,170,943	
52	Provision for payments in lieu of income taxes	-	412,562		412,562	
53	<b>Net Income (loss)</b>	=	989,906	63,578	926,328	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	412,562	0	412,562	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
62	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		792,532	20,731	771,801	
67	Material addition items from TAXREC 2	+	38,593	0	38,593	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		3,098,725	22,536	3,076,189	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	3,098,725	22,536	3,076,189	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	
87			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,489,425		1,489,425	
98	Cumulative eligible capital deduction	-	71,632		71,632	
99	Employee benefit plans-paid amounts	-	20,269		20,269	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		824,837	0	824,837	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	24,694	0	24,694	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	2,430,857	0	2,430,857	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	2,430,857	0	2,430,857	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	319,232	19,195	300,037	
143	Net Ontario Income Tax (Must agree with tax return)	+	228,386	11,858	216,528	
144	Subtotal	=	547,618	31,053	516,565	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	547,618	31,053	516,565	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.29%		22.29%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.77%		13.77%	
151	Blended Income Tax Rate		36.06%		36.06%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	547,618	31,053	516,565	
157	Ontario Capital Tax	+	92,560		92,560	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	640,178	31,053	609,125	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	38,593		38,593	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	38,593	0	38,593	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		38,593	0	38,593	
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	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		38,593	0	38,593	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		38,593	0	38,593	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	24,694		24,694	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	24,694	0	24,694	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		24,694	0	24,694	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		24,694	0	24,694	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		24,694	0	24,694	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		366			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	20,731	20,731	0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	5,414		5,414	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		325,000		325,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	441,387		441,387	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	792,532	20,731	771,801	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	44,467		44,467	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-	9,276		9,276	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	441,387		441,387	
63		-			0	
64	Assessment Notice	-	4,707		4,707	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	824,837	0	824,837	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2004									
6										
7										
8	Table 1									
9	Rates Used in 2002 RAM PILs Applications for 2002									
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)		13.12%		26.12%		26.12%			
15	and Ontario blended		6.00%		6.00%		12.50%			
16	Blended rate		19.12%		34.12%		38.62%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004									
27	Income Range		0	250,001	400,001					
28	Expected Rates		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)	2004	13.12%	22.12%	22.12%		22.12%			
33	Ontario	2004	5.50%	5.50%	9.75%		14.00%			
34	Blended rate	2004	18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2004 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to					
47		Year	250,000	400,000	1,128,000		>1,128,000			
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.29%			
51	Ontario		5.50%	5.50%	13.77%		13.77%			
52	Blended rate		18.62%	27.62%	36.06%		36.06%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,684,843							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2004														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-													0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-115,234		-115,234
23															
24															
25															
26	Uncollected PILs														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-0381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			Colour Code	
4	<b>Reporting period: 2005</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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,262	715,262
48	Amount allowed in 2002			715,262	715,262
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	715,262	672,347
52	Other Board-approved changes to MARR or incremental revenue				108,653
53					0
54	<b>Total Regulatory Income</b>				<b>2,211,524</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,723	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,447	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,447	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILS TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills						
7	Reporting period: 2005						
8						<b>Column</b>	
9	Days in reporting period:	365	days			<b>Brought</b>	
10	Total days in the calendar year:	365	days			<b>From</b>	
11						<b>TAXREC</b>	
12			\$	\$		\$	
13							
14	<b>II CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	2,211,524	248,572		2,460,096	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	1,682,279	200,022		1,882,301	
21	Employee Benefit Plans - Accrued, Not Paid	3	15,448	13,772		29,220	
22	Tax reserves - beginning of year	4		70,004		70,004	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5		0		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6	52,983	-52,983		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		0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			1,336,415		1,336,415	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	1,562,567	91,111		1,653,678	
34	Employee Benefit Plans - Paid Amounts	8	13,548	3,172		16,720	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0	
37	Interest Expense Deemed/ Incurred	11	908,170	280,664		1,188,834	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12	66,837	-66,837		0	
45	Other Deductions (not "Material") "TAXREC"	12	35,200	-35,200		0	
46	Material Items from "TAXREC 2" worksheet	12		36,467		36,467	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			1,354,775		1,354,775	
49							
50	TAXABLE INCOME/ (LOSS)		1,375,912	151,650	Before loss C/F	1,527,562	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%	-2.3488%		33.77%	
54							
55	REGULATORY INCOME TAX		496,979	18,896	Actual	515,876	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		496,979	18,896	Actual	515,876	
61							
62							
63	<b>III CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	25,052,968	9,997,986		35,050,954	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000	-544,072		6,955,928	
68	Taxable Capital		17,552,968	9,453,914		28,095,026	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		52,659	31,626		84,285	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	25,052,968	-25,052,968		0	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000	-4,005,000		45,995,000	
77	Taxable Capital		0	-29,057,968		0	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%	0.0250%		0.2000%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0	0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0	0		0	
83							
84	Net LCT		0	0		0	
85							
86	<b>III INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		36.12%				
89							
90	Income Tax (proxy tax is grossed-up)	22	777,989		Actual 2005	515,876	
91	LCT (proxy tax is grossed-up)	23	0		Actual 2005	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	52,659		Actual 2005	84,285	
93							
94							
95	<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2005</b>	25	830,648		Actual 2005	600,161	
96	<b>RAM DECISION</b>						
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		13,772			
103	Tax reserves deducted in prior year	4		70,004			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		0			
106	Other additions "Material" Items TAXREC	6		-52,983			
107	Other additions "Material" Items TAXREC 2	6		0			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		3,172			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		0			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		-66,837			
118	Other deductions "Material" Item TAXREC 2	12		36,467			
119							
120	Total TRUE-UPS before tax effect	26	=	57,991			
121							
122	Income Tax Rate (excluding surtax) from 2005 Utility's tax return		x	35.00%			
123							

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial Estimate</b>		M of F Filing	M of F Filing	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>				Variance	Variance		
3	<b>TAX CALCULATIONS (TAXCALC)</b>				K-C	Explanation		
4	("Wires-only" business - see Tab TAXREC)							
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Halton Hills</b>							
7	<b>Reporting period: 2005</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
124	Income Tax Effect on True-up adjustments			=	20,297			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				20,297			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>31,226</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,375,912			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	496,979			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	496,979			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	496,979			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	17,552,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	52,659			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	52,659			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(24,947,032)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	<b>0</b>			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	<b>31,226</b>			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	<b>31,226</b>			
186	(Deferral Account Variance + True-up Variance)							
187								
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)				908,170			
194	Interest phased-in (Cell C36)				605,447			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				302,724			
197								
198								
199	<b>Other Interest Variances (I.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200								
201	Interest deducted on MoF filing (Cell K36+K41)				1,188,834			
202	Actual Interest Paid				1,188,834			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				<b>0</b>			
207								
208	<b>Total Interest Variance</b>				<b>302,724</b>			
209								
210								
211								

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-0381	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		0	Return				
5					Version 2009.1		
6	<b>Section A: Identification:</b>						
7	Utility Name: Halton Hills						
8	Reporting period: 2005						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12							
13	Please enter the Materiality Level :		0	< - 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	+	36,847,936		36,847,936		
32	Distribution Revenue	+	8,883,939		8,883,939		
33	Other Income	+	1,116,930	47,698	1,069,232		
34	Miscellaneous income	+			0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	<b>Costs and Expenses:</b>						
39	Cost of energy purchased	-	36,847,936		36,847,936		
40	Administration	-	9,240,451		9,240,451		
41	Customer billing and collecting	-			0		
42	Operations and maintenance	-			0		
43	Amortization	-	1,884,106	1,805	1,882,301		
44	Ontario Capital Tax	-	68,445		68,445		
45	Capitalized	-	-4,702,453		-4,702,453		
46	Recovery of Regulatory Assets	-	1,004,331		1,004,331		
47		-			0		
48		-			0		
49							
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,505,989	45,893	2,460,096		
51	Less: Interest expense for accounting purposes	-	1,188,834		1,188,834		
52	Provision for payments in lieu of income taxes	-	646,313		646,313		Does this include LCT?
53	<b>Net Income (loss)</b>	=	670,842	45,893	624,949		
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	From T2 Schedule 1						
58	<b>BOOK TO TAX ADDITIONS:</b>						
59	Provision for income tax	+	646,313	0	646,313		Does this include LCT?
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	1,884,106	1,805	1,882,301		
62	Employee benefit plans-accrued, not paid	+	29,220	0	29,220		
63	Tax reserves - beginning of year	+	70,004	0	70,004		
64	Reserves from financial statements- end of year	+	0	0	0		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	Items on which true-up does not apply "TAXREC 3"		1,336,415	0	1,336,415		
67	Material addition items from TAXREC 2	+	0	0	0		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	Subtotal		3,966,058	1,805	3,964,253		
71							
72	Other Additions: (Please explain the nature of the additions)						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital items expensed	+			0		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	0	0	0		
81							
82	Total Additions	=	3,966,058	1,805	3,964,253		
83							
84	Recap Material Additions:						
85			0	0	0		
86			0	0	0		
87			0	0	0		

	A	B	C	D	E	F	G
1	<b>PILs TAXES - EB-2008-0381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>		
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>		
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>		
4		<b>0</b>	<b>Return</b>				
5					<b>Version 2009.1</b>		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	1,587,060		1,587,060		
98	Cumulative eligible capital deduction	-	66,618		66,618		
99	Employee benefit plans-paid amounts	-	16,720		16,720		
100	Items capitalized for regulatory purposes	-			0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	0	0	0		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		1,354,775	0	1,354,775		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	36,467	0	36,467		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	3,061,640	0	3,061,640		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-			0		
117		-			0		
118		-			0		
119		-			0		
120	Total Other Deductions	=	0	0	0		
121							
122	Total Deductions	=	3,061,640	0	3,061,640		
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		0	0	0		
132	Total Other Deductions		0	0	0		
133							
134	TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	321,448	9,733	311,715		
143	Net Ontario Income Tax (Must agree with tax return)	+	210,536	6,375	204,161		
144	Subtotal	=	531,984	16,108	515,876		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		
146	Total Income Tax	=	531,984	16,108	515,876		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		20.41%		20.41%		Divide federal income tax by the taxable
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.37%		13.37%		Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		33.77%		33.77%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	531,984	16,108	515,876		
157	Ontario Capital Tax	+	84,285		84,285		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	616,269	16,108	600,161		
161							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-0381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)		70,004		70,004	
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 - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		70,004	0	70,004	
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 - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	36,467		36,467	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	36,467	0	36,467	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		36,467	0	36,467	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		36,467	0	36,467	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		36,467	0	36,467	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	1,297		1,297	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	5,787		5,787	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		325,000		325,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	1,004,331		1,004,331	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	1,336,415	0	1,336,415	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	25,444		25,444	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	1,004,331		1,004,331	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	1,354,775	0	1,354,775	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-0381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2005									
6										
7										
8	Table 1									
9	Rates Used in 2005 RAM PILs Applications for 2005									
10	Income Range		0		400,001					
11	RAM 2005		to		to					
12		Year	400,000		1,128,000					
13	Income Tax Rate									
14	Proxy Tax Year	2005								
15	Federal (Includes surtax)		13.12%		17.75%		22.12%			
16	and Ontario blended		5.50%		9.75%		14.00%			
17	Blended rate		18.62%		27.50%		36.12%			
18	Capital Tax Rate		0.300%							
19	LCT rate		0.175%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to					
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%		22.12%			
33	Ontario	2005	5.50%	5.50%	9.75%		14.00%			
34	Blended rate	2005	18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate	2005	0.300%							
37	LCT rate	2005	0.200%							
38	Surtax	2005	1.12%							
39	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000							
40	Federal Large Corporations Tax Exemption *** 2005	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2005 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to					
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
51	Ontario		5.50%	5.50%	14.00%		14.00%			
52	Blended rate		18.62%	27.62%	36.12%		36.12%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	6,955,928							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-0381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2005														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		246,317		139,188		-112,822		-52,860		-281,344		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	246,317		899,961		1,146,278		961,540		224,990		276,883		3,755,969
13	PILs proxy from April 1, 2005 - input 9/12 of amount										622,986				622,986
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			747		0								747
15	True-up Variance Adjustment (3)	+/-			0		-132,648		-59,421		-32,986		31,226		-193,829
16	Deferral Account Variance Adjustment Q4, 2001 (4)										0				0
17	Deferral Account Variance Adjustment (5)	+/-			0		-5,088		-39,813		-82,248		0		-127,149
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-			4,029		4,526		-4,020		-2,115		-4,690		-2,270
20	PILs billed to (collected from) customers (8)	-	0		-1,011,866		-1,265,078		-798,324		-959,111		-232,679		-4,267,058
21															
22	Ending balance: # 1562		246,317		139,188		-112,822		-52,860		-281,344		-210,604		-210,604
23															
24															
25															
26	Uncollected PILs														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

## Appendix C

*Intentionally Blank*

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Halton Hills			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,430,596		1,104,835		2,535,431	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	1,460,685		181,508		1,642,193	
21	Employee Benefit Plans - Accrued, Not Paid	3			36,264		36,264	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			26,588		26,588	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				4,649		4,649	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	1,072,272		627,486		1,699,758	
34	Employee Benefit Plans - Paid Amounts	8			18,743		18,743	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617		-55,617		0	
37	Interest Expense Deemed/ Incurred	11	605,477		202,670		808,147	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			171,683		171,683	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	<b>TAXABLE INCOME/ (LOSS)</b>		1,309,352		237,442	Before loss C/F	1,546,794	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-0.2438%		38.38%	
54								
55	<b>REGULATORY INCOME TAX</b>		505,672		-239,474	Actual	266,198	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		505,672		-239,474	Actual	266,198	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	25,052,968		4,558,604		29,611,572	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-5,000,000		0	
68	Taxable Capital		20,052,968		-441,396		29,611,572	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		60,159		28,676	Overpaid	88,835	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	25,052,968		3,973,803		29,026,771	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		15,052,968		3,973,803		19,026,771	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869		8,941		42,810	
82	Less: Federal Surtax 1.12% x Taxable Income	21	14,665		-14,665		0	
83								
84	Net LCT		19,204		23,606		42,810	
85								



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	809,075			<b>Actual 2002</b>	266,198	
91	LCT (proxy tax is grossed-up)	23	30,727			<b>Actual 2002</b>	41,444	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			<b>Actual 2002</b>	83,789	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	899,961			<b>Actual 2002</b>	391,431	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			36,264			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-151,437			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			26,588			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			18,743			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			171,683			
119								
120	Total TRUE-UPS before tax effect	26		=	-223,394			
121								
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	37.26%			
123								
124	Income Tax Effect on True-up adjustments			=	-83,228			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-83,228			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.26%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				(132,648)			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,309,352			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	38.38%			
139								
140	REVISED REGULATORY INCOME TAX			=	502,479			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	502,479			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	505,672			
147								
148	Regulatory Income Tax Variance			=	(3,192)			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
150	<b>Ontario Capital Tax</b>							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	20,052,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	15,052,968			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				33,869			
169	Less: Federal surtax			-	14,665			
170	Revised Net LCT			=	19,204			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	19,204			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.26%			
176								
177	<b>Income Tax (grossed-up)</b>			+	(5,088)			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	(5,088)			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	(132,648)			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	(137,735)			
186	(Deferral Account Variance + True-up Variance)							
187								
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)				908,170			
194	Interest phased-in (Cell C36)				605,477			
195								
196	Variance due to phase-in of debt component of MARR in rates				302,693			
197	according to the Board's decision							
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)				808,147			
202	Total deemed interest (REGINFO CELL D61)				908,170			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				302,693			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - 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	+	39,024,565		39,024,565	
32	Distribution Revenue	+	1,197,549		1,197,549	
33	Other Income	+			0	
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	-	31,847,778		31,847,778	
40	Administration	-	3,921,112		3,921,112	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,642,193		1,642,193	
44	Ontario Capital Tax	-	149,400		149,400	
45	Reg Assets	-	126,200		126,200	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,535,431	0	2,535,431	
51	Less: Interest expense for accounting purposes	-	808,147		808,147	
52	Provision for payments in lieu of income taxes	-	305,000		305,000	
53	<b>Net Income (loss)</b>	=	1,422,284	0	1,422,284	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	305,000	0	305,000	
60	Federal large corporation tax	+	50,519		50,519	
61	Depreciation & Amortization	+	1,642,193	0	1,642,193	
62	Employee benefit plans-accrued, not paid	+	36,264	0	36,264	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		4,649	0	4,649	
67	Material addition items from TAXREC 2	+	26,588	0	26,588	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		2,065,213	0	2,065,213	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	2,065,213	0	2,065,213	
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	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,616,937		1,616,937	
98	Cumulative eligible capital deduction	-	82,821		82,821	
99	Employee benefit plans-paid amounts	-	18,743		18,743	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	171,683	0	171,683	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,890,184	0	1,890,184	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,890,184	0	1,890,184	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	1,597,313	0	1,597,313	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	903,659		903,659	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	693,654	0	693,654	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	181,123		181,123	
143	Net Ontario Income Tax (Must agree with tax return)	+	85,075		85,075	
144	Subtotal	=	266,198	0	266,198	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	266,198	0	266,198	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		26.11%		26.11%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.26%		12.26%	
151	Blended Income Tax Rate		38.38%	*****	38.38%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	RECAP					
156	Total Income Taxes	+	266,198	0	266,198	
157	Ontario Capital Tax	+	83,789		83,789	
158	Federal Large Corporations Tax	+	41,444		41,444	
159						
160	Total income and capital taxes	=	391,431	0	391,431	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Halton Hills					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	26,588		26,588	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	26,588	0	26,588	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		26,588	0	26,588	
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	Total Material additions		26,588	0	26,588	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		26,588	0	26,588	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Halton Hills					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	1,631		1,631	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	170,052		170,052	
97		-			0	
98		-			0	
99	Total Deductions	=	171,683	0	171,683	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		1,631	0	1,631	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116	Non-taxable load transfers		170,052	0	170,052	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		171,683	0	171,683	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		171,683	0	171,683	
122						



	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Halton Hills				Version 2009.1	
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory - end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,423		4,423	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		226		226	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+			0	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44		+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	4,649	0	4,649	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66	Changes in Regulatory Asset balances	-			0	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	<b>PILs TAXES - EB-2008-381</b>									
2	<b>Corporate Tax Rates</b>									
3	<b>Exemptions, Deductions, or Thresholds</b>									
4	Utility Name: Halton Hills									
5	Reporting period: 2002									
6										
7	<b>Table 1</b>									
8	<b>Rates Used in 2002 RAM PILs Applications for 2002</b>									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000			>700,000		
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		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	<b>Table 2</b>									
26	<b>Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002</b>									
27	Income Range		0		200,001					
28	Expected Rates		to		to			>700,000		
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		26.12%			26.12%		
33	Ontario	2002	6.00%		6.00%			12.50%		
34	Blended rate	2002	19.12%		32.12%			38.62%		
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
42										
43	<b>Table 3</b>									
44	<b>Input Information from Utility's Actual 2002 Tax Returns</b>									
45	Income Range		0		200,001					
46			to		to			>700,000		
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		22.12%			26.11%		
51	Ontario		6.00%		9.75%			12.26%		
52	Blended rate		19.12%		31.87%			38.38%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,668,892							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2002														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-													0
16	Deferral Account Variance Adjustment Q4, 2001 (4)												-132,648		-132,648
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-											-5,088		-5,088
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-137,735		-137,735
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			<u>Colour Code</u>	
4	<b>Reporting period: 2003</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills						
7	Reporting period: 2003						
8						<b>Column</b>	
9	Days in reporting period:	365	days			<b>Brought</b>	
10	Total days in the calendar year:	365	days			<b>From</b>	
11						<b>TAXREC</b>	
12			\$	\$		<b>\$</b>	
13							
14	<b>II. CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	1,430,596	1,818,045		3,248,641	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	1,460,685	221,594		1,682,279	
21	Employee Benefit Plans - Accrued, Not Paid	3		15,448		15,448	
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	4					
25	Other Additions (See Tab entitled "TAXREC")	5	151,437	-151,437		0	
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		52,983		52,983	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			116,986		116,986	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	1,072,272	475,244		1,547,516	
34	Employee Benefit Plans - Paid Amounts	8		13,548		13,548	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617	-55,617		0	
37	Interest Expense Deemed/ Incurred	11	605,477	616,124		1,221,601	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		66,837		66,837	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			0		0	
49							
50	TAXABLE INCOME/ (LOSS)		1,309,352	957,483	Before loss C/F	2,266,835	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-1.9953%		36.62%	
54							
55	REGULATORY INCOME TAX		505,672	343,612	Actual	849,284	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		505,672	343,612	Actual	849,284	
61							
62							
63	<b>III. CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	25,052,968	7,586,602		32,639,570	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-313,562		4,686,438	
68	Taxable Capital		20,052,968	7,273,040		27,953,132	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		60,159	23,700		83,859	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	25,052,968	6,521,653		31,574,621	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	0		10,000,000	
77	Taxable Capital		15,052,968	6,521,653		21,574,621	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869	14,674		48,543	
82	Less: Federal Surtax 1.12% x Taxable Income	21	14,665	-14,665		0	
83							
84	Net LCT		19,204	29,338		48,543	
85							
86	<b>III. INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		37.50%				
89							
90	Income Tax (proxy tax is grossed-up)	22	809,075		Actual 2003	849,284	
91	LCT (proxy tax is grossed-up)	23	30,727		Actual 2003	25,507	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159		Actual 2003	87,533	
93							
94							
95	<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2002</b>	25	899,961		Actual 2003	962,324	
96	<b>RAM DECISION</b>						
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		15,448			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		-151,437			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		52,983			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		13,548			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		313,431			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
118	Other deductions "Material" Item TAXREC 2	12		66,837			
119							
120	Total TRUE-UPS before tax effect	26		-421,205			
121							
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return		x	35.54%			

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Halton Hills</b>							
7	<b>Reporting period: 2003</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							<b>\$</b>	
123								
124	Income Tax Effect on True-up adjustments			=	-149,696			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-149,696			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.54%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>(232,231)</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,309,352			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.66%			
139								
140	REVISED REGULATORY INCOME TAX			=	480,008			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	480,008			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	505,672			
147								
148	Regulatory Income Tax Variance			=	(25,663)			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	20,052,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base			=	25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	15,052,968			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			=	0.2250%			
167								
168	Gross Amount			=	33,869			
169	Less: Federal surtax			-	14,665			
170	Revised Net LCT			=	19,204			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	19,204			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)			=	35.54%			
176								
177	<b>Income Tax (grossed-up)</b>			+	(39,813)			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	<b>(39,813)</b>			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	<b>(232,231)</b>			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	<b>(272,044)</b>			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
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)			=	908,170			
194	Interest phased-in (Cell C36)			=	605,477			
195								
196	Variance due to phase-in of debt component of MARR in rates			=	302,693			
197	according to the Board's decision							
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)			=	1,221,601			
202	Actual Interest Paid			=	908,170			
203								
204	Variance caused by excess debt			=	313,431			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>			=	<b>313,431</b>			
207								
208	<b>Total Interest Variance</b>			=	<b>-10,738</b>			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - 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	+	36,226,346		36,226,346	
32	Distribution Revenue	+	1,136,036		1,136,036	
33	Other Income	+			0	
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	-	28,473,695		28,473,695	
40	Administration	-	3,711,107		3,711,107	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,682,279		1,682,279	
44	Ontario Capital Tax	-	133,080		133,080	
45	Reg Asset movement	-	113,580		113,580	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	3,248,641	0	3,248,641	
51	Less: Interest expense for accounting purposes	-	1,221,601		1,221,601	
52	Provision for payments in lieu of income taxes	-	856,051		856,051	
53	<b>Net Income (loss)</b>	=	1,170,989	0	1,170,989	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	856,051	0	856,051	
60	Federal large corporation tax	+	49,221		49,221	
61	Depreciation & Amortization	+	1,682,279	0	1,682,279	
62	Employee benefit plans-accrued, not paid	+	15,448	0	15,448	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		116,986	0	116,986	
67	Material addition items from TAXREC 2	+	52,983	0	52,983	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		2,772,968	0	2,772,968	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	2,772,968	0	2,772,968	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,470,492		1,470,492	
98	Cumulative eligible capital deduction	-	77,024		77,024	
99	Employee benefit plans-paid amounts	-	13,548		13,548	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	66,837	0	66,837	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,627,901	0	1,627,901	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,627,901	0	1,627,901	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	2,316,056	0	2,316,056	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	2,316,056	0	2,316,056	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	558,742		558,742	
143	Net Ontario Income Tax (Must agree with tax return)	+	290,542		290,542	
144	Subtotal	=	849,284	0	849,284	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	849,284	0	849,284	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		36.62%		36.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	849,284	0	849,284	
157	Ontario Capital Tax	+	87,533		87,533	
158	Federal Large Corporations Tax	+	25,507		25,507	
159						
160	Total income and capital taxes	=	962,324	0	962,324	
161						



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	52,983		52,983	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	52,983	0	52,983	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		52,983	0	52,983	
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	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		52,983	0	52,983	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		52,983	0	52,983	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	66,837		66,837	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	66,837	0	66,837	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		66,837	0	66,837	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		66,837	0	66,837	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		66,837	0	66,837	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2003</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,319		4,319	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		0		0	
36	Interest and penalties on unpaid taxes		289		289	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+	68,326		68,326	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+	44,052		44,052	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	116,986	0	116,986	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2003									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to			>700000		
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		34.12%			38.62%		
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003									
27	Income Range		0		200,001					
28	Expected Rates		to		to			>700000		
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2003								
32	Federal (Includes surtax)	2003	13.12%					24.12%		
33	Ontario	2003	6.00%					12.50%		
34	Blended rate	2003	19.12%		34.12%			36.62%		
35										
36	Capital Tax Rate	2003	0.300%							
37	LCT rate	2003	0.225%							
38	Surtax	2003	1.12%							
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2003 Tax Returns									
45	Income Range		0		200,001					
46			to		to			>700,000		
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2003								
50	Federal (Includes surtax)		13.12%		0.00%			24.12%		
51	Ontario		6.00%		0.00%			12.54%		
52	Blended rate		19.12%		0.00%			36.66%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,686,438							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	<b>Utility Name: Halton Hills</b>														<b>Version 2009.1</b>
4	<b>Reporting period: 2003</b>														<b>0</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		<b>Total</b>
10															
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>PILs proxy from April 1, 2005 - input 9/12 of amount</b>														0
14	<b>True-up Variance Adjustment Q4, 2001 (2)</b>	+/-													0
15	<b>True-up Variance Adjustment (3)</b>	+/-											-232,231		-232,231
16	<b>Deferral Account Variance Adjustment Q4, 2001 (4)</b>														0
17	<b>Deferral Account Variance Adjustment (5)</b>	+/-											-39,813		-39,813
18	<b>Adjustments to reported prior years' variances (6)</b>	+/-													0
19	<b>Carrying charges (7)</b>	+/-													0
20	<b>PILs billed to (collected from) customers (8)</b>	-	0												0
21															
22	<b>Ending balance: # 1562</b>		0		0		0		0		0		-272,044		-272,044
23															
24															
25															
26	<b>Uncollected PILs</b>														
27															
28	<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.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i)	From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.													
34		Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.													
35		If the Board gave more than one decision in the year, calculate a weighted average proxy.													
36		(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.													
37		(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.													
38		(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.													
39		(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.													
40		(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.													
41															
42	(2)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be													
43		true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.													
44															
45	(3)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.													
46		The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.													
47															
48	(4)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be													
49		true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.													
50															
51	(5)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.													
52		The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.													
53															
54	(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.													
55															
56	(7)	Carrying charges are calculated on a simple interest basis.													
57															
58	(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													
59		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													
60		2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.													
61		The 2005 PILs tax proxy is being recovered on a volumetric basis by class.													
62															
63	(ii)	Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied													
64		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;													
65		plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.													
66															
67		In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,													
68		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.													
69															
70		In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,													
71		for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used													
72		to calculate the recovery for the period January 1 to March 31, 2005.													
73															
74	(9)	Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes													
75		will have to include amounts from 1562 and from 1590.													
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			Colour Code	
4	<b>Reporting period: 2004</b>			Input Cell	
5				Formula in Cell	
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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	715,191
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>1,430,596</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILS TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills						
7	Reporting period: 2004						
8						<b>Column</b>	
9	Days in reporting period:	366	days			<b>Brought</b>	
10	Total days in the calendar year:	366	days			<b>From</b>	
11						<b>TAXREC</b>	
12		\$		\$		\$	
13							
14	<b>II) CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	1,430,596	1,079,237		2,509,833	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	1,460,685	351,780		1,812,465	
21	Employee Benefit Plans - Accrued, Not Paid	3		40,768		40,768	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5	151,437	-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6		0		0	
27	Other Additions (not "Material") "TAXREC"	6		0		0	
28	"Material" Items from "TAXREC 2" worksheet	6		38,593		38,593	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			771,801		771,801	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	1,072,272	488,785		1,561,057	
34	Employee Benefit Plans - Paid Amounts	8		20,269		20,269	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617	-55,617		0	
37	Interest Expense Deemed/ Incurred	11	605,477	565,466		1,170,943	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		24,694		24,694	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			824,837		824,837	
49							
50	TAXABLE INCOME/ (LOSS)		1,309,352	262,308	Before loss C/F	1,571,660	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-2.5600%		36.06%	
54							
55	REGULATORY INCOME TAX		505,672	10,894	Actual	516,565	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		505,672	10,894	Actual	516,565	
61							
62							
63	<b>III) CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	25,052,968	9,446,982		34,499,950	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-315,157		4,684,843	
68	Taxable Capital		20,052,968	9,131,825		29,815,107	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		60,159	29,286		89,445	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	25,052,968	3,973,803		29,026,771	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	35,995,000		45,995,000	
77	Taxable Capital		15,052,968	39,968,803		0	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	-0.0250%		0.2000%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		33,869	-33,869		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	14,665	-14,665		0	
83							
84	Net LCT		19,204	-19,204		0	
85							
86	<b>III) INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		37.50%				
89							
90	Income Tax (proxy tax is grossed-up)	22	809,075		Actual 2004	516,565	
91	LCT (proxy tax is grossed-up)	23	30,727		Actual 2004	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159		Actual 2004	92,560	
93							
94							
95	<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION</b>	25	899,961		Actual 2004	609,125	
96							
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		40,768			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		-151,437			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		38,593			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		20,269			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		-55,617			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		262,773			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
118	Other deductions "Material" Item TAXREC 2	12		24,694			
119							
120	<b>Total TRUE-UPS before tax effect</b>	26		-324,195			



A	B	C	D	E	F	G	H
1	<b>PILS TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills						
7	Reporting period: 2004						
8						<b>Column</b>	
9	Days in reporting period:	366	days			<b>Brought</b>	
10	Total days in the calendar year:	366	days			<b>From</b>	
11						<b>TAXREC</b>	
12			\$	\$		\$	
13							
121							
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return		x	34.94%			
123							
124	Income Tax Effect on True-up adjustments		=	-113,274			
125							
126	Less: Miscellaneous Tax Credits	14		0			
127							
128	Total Income Tax on True-ups			-113,274			
129							
130	Income Tax Rate used for gross-up (exclude surtax)			34.94%			
131							
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>			<b>(174,107)</b>			
133							
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>						
135							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)		=	1,309,352			
137							
138	REVISED CORPORATE INCOME TAX RATE		x	36.06%			
139							
140	REVISED REGULATORY INCOME TAX		=	472,152			
141							
142	Less: Revised Miscellaneous Tax Credits		-	0			
143							
144	Total Revised Regulatory Income Tax		=	472,152			
145							
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)		-	505,672			
147							
148	Regulatory Income Tax Variance		=	(33,519)			
149							
150	<b>Ontario Capital Tax</b>						
151	Base		=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39		-	5,000,000			
153	Revised deemed taxable capital		=	20,052,968			
154							
155	Rate - Tab Tax Rates cell C54		x	0.3000%			
156							
157	Revised Ontario Capital Tax		=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)		-	60,159			
159	Regulatory Ontario Capital Tax Variance		=	0			
160							
161	<b>Federal LCT</b>						
162	Base			25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40		-	50,000,000			
164	Revised Federal LCT		=	(24,947,032)			
165							
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			0.2000%			
167							
168	Gross Amount			0			
169	Less: Federal surtax		-	0			
170	Revised Net LCT		=	0			
171							
172	Less: Federal LCT reported in the initial estimate column (Cell C82)		-	19,204			
173	Regulatory Federal LCT Variance		=	(19,204)			
174							
175	Actual Income Tax Rate used for gross-up (exclude surtax)			34.94%			
176							
177	<b>Income Tax (grossed-up)</b>		+	(51,521)			
178	<b>LCT (grossed-up)</b>		+	(30,727)			
179	<b>Ontario Capital Tax</b>		+	0			
180							
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>		=	<b>(82,248)</b>			
182							
183	<b>TRUE-UP VARIANCE (from cell I132)</b>		+	<b>(174,107)</b>			
184							
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>		=	<b>(256,354)</b>			
186	(Deferral Account Variance + True-up Variance)						
187							
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)			908,170			
194	Interest phased-in (Cell C36)			605,477			
195							
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision			302,693			
197							
198							
199	<b>Other Interest Variances (I.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>						
200							
201	Interest deducted on MoF filing (Cell K36+K41)			1,170,943			
202	Actual Interest Paid			908,170			
203							
204	Variance caused by excess debt			262,773			
205							
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>			<b>262,773</b>			
207							
208	<b>Total Interest Variance</b>			<b>39,920</b>			
209							
210							
211							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Halton Hills					
8	Reporting period: 2004					
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 :		0	< - 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	+	30,683,803		30,683,803	
32	Distribution Revenue	+	8,073,276		8,073,276	
33	Other Income	+	1,146,428	104,433	1,041,995	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	30,683,803		30,683,803	
40	Administration	-	4,310,467	39,050	4,271,417	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,814,270	1,805	1,812,465	
44	Ontario Capital Tax	-	80,169		80,169	
45	Recovery of regulatory assets - expense	-	441,387		441,387	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,573,411	63,578	2,509,833	
51	Less: Interest expense for accounting purposes	-	1,170,943		1,170,943	
52	Provision for payments in lieu of income taxes	-	412,562		412,562	
53	<b>Net Income (loss)</b>	=	989,906	63,578	926,328	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	412,562	0	412,562	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
62	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		792,532	20,731	771,801	
67	Material addition items from TAXREC 2	+	38,593	0	38,593	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		3,098,725	22,536	3,076,189	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	3,098,725	22,536	3,076,189	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
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	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,489,425		1,489,425	
98	Cumulative eligible capital deduction	-	71,632		71,632	
99	Employee benefit plans-paid amounts	-	20,269		20,269	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		824,837	0	824,837	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	24,694	0	24,694	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	2,430,857	0	2,430,857	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	2,430,857	0	2,430,857	
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		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	319,232	19,195	300,037	
143	Net Ontario Income Tax (Must agree with tax return)	+	228,386	11,858	216,528	
144	Subtotal	=	547,618	31,053	516,565	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	547,618	31,053	516,565	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.29%		22.29%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.77%		13.77%	
151	Blended Income Tax Rate		36.06%		36.06%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	547,618	31,053	516,565	
157	Ontario Capital Tax	+	92,560		92,560	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	640,178	31,053	609,125	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	38,593		38,593	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	38,593	0	38,593	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	Provision for bad debts		38,593	0	38,593	
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	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		0			
12						
13						
76			0	0	0	
77	Total Material additions		38,593	0	38,593	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		38,593	0	38,593	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	24,694		24,694	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	24,694	0	24,694	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		24,694	0	24,694	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		24,694	0	24,694	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		24,694	0	24,694	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		366			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	20,731	20,731	0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	5,414		5,414	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		325,000		325,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	441,387		441,387	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	792,532	20,731	771,801	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	44,467		44,467	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-	9,276		9,276	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	441,387		441,387	
63		-			0	
64	Assessment Notice	-	4,707		4,707	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	824,837	0	824,837	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2004									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to				>700000	
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%			26.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		34.12%			38.62%		
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004									
27	Income Range		0	250,001	400,001					
28	Expected Rates		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)	2004	13.12%	22.12%	22.12%			22.12%		
33	Ontario	2004	5.50%	5.50%	9.75%			14.00%		
34	Blended rate	2004	18.62%	27.62%	31.87%			36.12%		
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2004 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to			>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%	22.29%			22.29%		
51	Ontario		5.50%	5.50%	13.77%			13.77%		
52	Blended rate		18.62%	27.62%	36.06%			36.06%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,684,843							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2004														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											-174,107		-174,107
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-82,248		-82,248
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-256,354		-256,354
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
29															
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.														
34															
35															
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
43															
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
46															
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
49															
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
59															
60															
61															
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWts, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
64															
65															
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
68															
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.														
71															
72															
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.														
75															
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-0381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Halton Hills</b>			<u>Colour Code</u>	
4	<b>Reporting period: 2005</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
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)			25,052,968	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			715,262	715,262
48	Amount allowed in 2002			715,262	715,262
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	715,262	672,347
52	Other Board-approved changes to MARR or incremental revenue				108,653
53					0
54	<b>Total Regulatory Income</b>				<b>2,211,524</b>
55					
56	Equity			12,526,484	
57					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,723	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,447	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,447	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
<b>PILS TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial Estimate</b>		<b>M of F Filing Variance K-C</b>	<b>M of F Filing Variance Explanation</b>	<b>Tax Returns</b>	
<b>TAX CALCULATIONS (TAXCALC)</b>							
("Wires-only" business - see Tab TAXREC)	0					<b>Version 2009.1</b>	
Utility Name: Halton Hills							
Reporting period: 2005							
Days in reporting period:	365	days				<b>Column Brought</b>	
Total days in the calendar year:	365	days				<b>From TAXREC</b>	
		\$		\$		\$	
<b>II) CORPORATE INCOME TAXES</b>							
Regulatory Net Income REGINFO E53	1	2,211,524		248,572		2,460,096	
BOOK TO TAX ADJUSTMENTS							
<b>Additions:</b>							
Depreciation & Amortization	2	1,682,279		200,022		1,882,301	
Employee Benefit Plans - Accrued, Not Paid	3	15,448		13,772		29,220	
Tax reserves - beginning of year	4			70,004		70,004	
Reserves from financial statements - end of year	4			0		0	
Regulatory Adjustments - increase in income	5			0		0	
Other Additions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet	6	52,983		-52,983		0	
Other Additions (not "Material") "TAXREC"	6			0		0	
"Material" Items from "TAXREC 2" worksheet	6			0		0	
Other Additions (not "Material") "TAXREC 2"	6			0		0	
<b>Items on which true-up does not apply "TAXREC 3"</b>				1,336,415		1,336,415	
<b>Deductions: Input positive numbers</b>							
Capital Cost Allowance and CEC	7	1,562,567		91,111		1,653,678	
Employee Benefit Plans - Paid Amounts	8	13,548		3,172		16,720	
Items Capitalized for Regulatory Purposes	9	0		0		0	
Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
Interest Expense Deemed/ Incurred	11	908,170		280,664		1,188,834	
Tax reserves - end of year	4			0		0	
Reserves from financial statements - beginning of year	4			0		0	
Contributions to deferred income plans	3			0		0	
Contributions to pension plans	3			0		0	
Interest capitalized for accounting but deducted for tax	11			0		0	
Other Deductions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet	12	66,837		-66,837		0	
Other Deductions (not "Material") "TAXREC"	12	35,200		-35,200		0	
Material Items from "TAXREC 2" worksheet	12			36,467		36,467	
Other Deductions (not "Material") "TAXREC 2"	12			0		0	
<b>Items on which true-up does not apply "TAXREC 3"</b>				1,354,775		1,354,775	
TAXABLE INCOME/ (LOSS)		1,375,912		151,650	Before loss C/F	1,527,562	
BLENDED INCOME TAX RATE							
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		-2.3488%		33.77%	
REGULATORY INCOME TAX		496,979		18,896	Actual	515,876	
Miscellaneous Tax Credits	14			0	Actual	0	
<b>Total Regulatory Income Tax</b>		496,979		18,896	Actual	515,876	
<b>III) CAPITAL TAXES</b>							
<b>Ontario</b>							
Base	15	25,052,968		9,997,986		35,050,954	
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		-544,072		6,955,928	
Taxable Capital		17,552,968		9,453,914		28,095,026	
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
Ontario Capital Tax		52,659		31,626		84,285	
<b>Federal Large Corporations Tax</b>							
Base	18	25,052,968		-25,052,968		0	
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		-4,005,000		45,995,000	
Taxable Capital		0		-29,057,968		0	
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
Net LCT		0		0		0	
<b>III) INCLUSION IN RATES</b>							
Income Tax Rate used for gross- up (exclude surtax)		36.12%					
Income Tax (proxy tax is grossed-up)	22	777,989			Actual 2005	515,876	
LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
Ontario Capital Tax (no gross-up since it is deductible)	24	52,659			Actual 2005	84,285	
<b>Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION</b>	25	830,648			Actual 2005	600,161	
<b>IV) FUTURE TRUE-UPS</b>							
<b>IV a) Calculation of the True-up Variance</b>				DR/(CR)			
<b>In Additions:</b>							
Employee Benefit Plans - Accrued, Not Paid	3			13,772			
Tax reserves deducted in prior year	4			70,004			
Reserves from financial statements-end of year	4			0			
Regulatory Adjustments	5			0			
Other additions "Material" Items TAXREC	6			-52,983			
Other additions "Material" Items TAXREC 2	6			0			
<b>In Deductions - positive numbers</b>							
Employee Benefit Plans - Paid Amounts	8			3,172			
Items Capitalized for Regulatory Purposes	9			0			
Regulatory Adjustments	10			0			
Interest Adjustment for tax purposes (See Below - cell I206)	11			280,664			
Tax reserves claimed in current year	4			0			
Reserves from F/S beginning of year	4			0			
Contributions to deferred income plans	3			0			
Contributions to pension plans	3			0			
Other deductions "Material" Items TAXREC	12			-66,837			
Other deductions "Material" Item TAXREC 2	12			36,467			
Total TRUE-UPS before tax effect	26		=	-222,673			

	A	B	C	D	E	F	G	H
1	<b>PILS TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</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>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Halton Hills							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
121								
122	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	35.00%			
123				=	-77,936			
124	Income Tax Effect on True-up adjustments							
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-77,936			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>(119,901)</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,375,912			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	496,979			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	496,979			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	496,979			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	17,552,968			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	52,659			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	52,659			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(24,947,032)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	<b>0</b>			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	<b>(119,901)</b>			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	<b>(119,901)</b>			
186	(Deferral Account Variance + True-up Variance)							
187								
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)				908,170			
194	Interest phased-in (Cell C36)				605,447			
195								
196	Variance due to phase-in of debt component of MARR in rates				302,724			
197	according to the Board's decision							
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)				1,188,834			
202	Actual Interest Paid				908,170			
203								
204	Variance caused by excess debt				280,664			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				<b>280,664</b>			
207								
208	<b>Total Interest Variance</b>				<b>22,060</b>			
209								
210								
211								

	A	B	C	D	E	F	G
1	<b>PILs TAXES - EB-2008-0381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>		
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>		
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>		
4		<b>0</b>	<b>Return</b>				
5					<b>Version 2009.1</b>		
6	<b>Section A: Identification:</b>						
7	Utility Name: Halton Hills						
8	Reporting period: 2005						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12							
13	Please enter the Materiality Level :		<b>0</b>	< - 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	+	36,847,936		36,847,936		
32	Distribution Revenue	+	8,883,939		8,883,939		
33	Other Income	+	1,116,930	47,698	1,069,232		
34	Miscellaneous income	+			0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	<b>Costs and Expenses:</b>						
39	Cost of energy purchased	-	36,847,936		36,847,936		
40	Administration	-	9,240,451		9,240,451		
41	Customer billing and collecting	-			0		
42	Operations and maintenance	-			0		
43	Amortization	-	1,884,106	1,805	1,882,301		
44	Ontario Capital Tax	-	68,445		68,445		
45	Capitalized	-	-4,702,453		-4,702,453		
46	Recovery of Regulatory Assets	-	1,004,331		1,004,331		
47		-			0		
48		-			0		
49							
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,505,989	45,893	2,460,096		
51	Less: Interest expense for accounting purposes	-	1,188,834		1,188,834		
52	Provision for payments in lieu of income taxes	-	646,313		646,313		Does this include LCT?
53	<b>Net Income (loss)</b>	=	670,842	45,893	624,949		
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	+	646,313	0	646,313		Does this include LCT?
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	1,884,106	1,805	1,882,301		
62	Employee benefit plans-accrued, not paid	+	29,220	0	29,220		
63	Tax reserves - beginning of year	+	70,004	0	70,004		
64	Reserves from financial statements- end of year	+	0	0	0		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		1,336,415	0	1,336,415		
67	Material addition items from TAXREC 2	+	0	0	0		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	<b>Subtotal</b>		3,966,058	1,805	3,964,253		
71							
72	<b>Other Additions: (Please explain the nature of the additions)</b>						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital items expensed	+			0		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	<b>Total Other Additions</b>	=	0	0	0		
81							
82	<b>Total Additions</b>	=	3,966,058	1,805	3,964,253		
83							
84	<b>Recap Material Additions:</b>						
85			0	0	0		

	A	B	C	D	E	F	G
1	<b>PILs TAXES - EB-2008-0381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>		
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>		
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>		
4		<b>0</b>	<b>Return</b>				
5					<b>Version 2009.1</b>		
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	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	1,587,060		1,587,060		
98	Cumulative eligible capital deduction	-	66,618		66,618		
99	Employee benefit plans-paid amounts	-	16,720		16,720		
100	Items capitalized for regulatory purposes	-			0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	0	0	0		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		1,354,775	0	1,354,775		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	36,467	0	36,467		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	3,061,640	0	3,061,640		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-			0		
117		-			0		
118					0		
119		-			0		
120	Total Other Deductions	=	0	0	0		
121							
122	Total Deductions	=	3,061,640	0	3,061,640		
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		0	0	0		
132	Total Other Deductions		0	0	0		
133							
134	TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	321,448	9,733	311,715		
143	Net Ontario Income Tax (Must agree with tax return)	+	210,536	6,375	204,161		
144	Subtotal	=	531,984	16,108	515,876		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		
146	Total Income Tax	=	531,984	16,108	515,876		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		20.41%		20.41%		Divide federal income tax by the taxable
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.37%		13.37%		Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		33.77%		33.77%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	531,984	16,108	515,876		
157	Ontario Capital Tax	+	84,285		84,285		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	616,269	16,108	600,161		
161							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-0381</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>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Halton Hills</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)		70,004		70,004	
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 - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		70,004	0	70,004	
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 - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
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	



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</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>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Halton Hills</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	36,467		36,467	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	36,467	0	36,467	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		36,467	0	36,467	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		36,467	0	36,467	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		36,467	0	36,467	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Halton Hills</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	1,297		1,297	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	5,787		5,787	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		325,000		325,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	1,004,331		1,004,331	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	1,336,415	0	1,336,415	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	25,444		25,444	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	1,004,331		1,004,331	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	1,354,775	0	1,354,775	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-0381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Halton Hills									
5	Reporting period: 2005									
6										
7										
8	Table 1									
9	Rates Used in 2005 RAM PILs Applications for 2005									
10	Income Range		0		400,001					
11	RAM 2005		to		to					
12		Year	400,000		1,128,000					
13	Income Tax Rate									
14	Proxy Tax Year	2005								
15	Federal (Includes surtax)		13.12%		17.75%		22.12%			
16	and Ontario blended		5.50%		9.75%		14.00%			
17	Blended rate		18.62%		27.50%		36.12%			
18										
19	Capital Tax Rate		0.300%							
20	LCT rate		0.175%							
21	Surtax		1.12%							
22	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000							
23	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000							
24	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
25										
26	Table 2									
27	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
28	Income Range		0	250,001	400,001					
29	Expected Rates		to	to	to					
30		Year	250,000	400,000	1,128,000					
31	Income Tax Rate									
32	Current year	2005								
33	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%		22.12%			
34	Ontario	2005	5.50%	5.50%	9.75%		14.00%			
35	Blended rate	2005	18.62%	27.62%	31.87%		36.12%			
36										
37	Capital Tax Rate	2005	0.300%							
38	LCT rate	2005	0.200%							
39	Surtax	2005	1.12%							
40	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000							
41	Federal Large Corporations Tax Exemption *** 2005	MAX \$50MM	50,000,000							
42	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
43										
44	Table 3									
45	Input Information from Utility's Actual 2005 Tax Returns									
46	Income Range		0	250,001	400,001					
47			to	to	to					
48		Year	250,000	400,000	1,128,000					
49	Income Tax Rate									
50	Current year	2005								
51	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
52	Ontario		5.50%	5.50%	14.00%		14.00%			
53	Blended rate		18.62%	27.62%	36.12%		36.12%			
54										
55	Capital Tax Rate		0.300%							
56	LCT rate		0.200%							
57	Surtax		1.12%							
58	Ontario Capital Tax Exemption *	MAX \$7.5MM	6,955,928							
59	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
60	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-0381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2005														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		246,317		139,188		-112,822		-225,670		-602,260		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	246,317		899,961		1,146,278		961,540		224,990		276,883		3,755,969
13	PILs proxy from April 1, 2005 - input 9/12 of amount										622,986				622,986
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			747		0								747
15	True-up Variance Adjustment (3)	+/-			0		-132,648		-232,231		-174,107		-119,901		-658,887
16	Deferral Account Variance Adjustment Q4, 2001 (4)										0				0
17	Deferral Account Variance Adjustment (5)	+/-			0		-5,088		-39,813		-82,248		0		-127,149
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-			4,029		4,526		-4,020		-9,100		-10,071		-14,636
20	PILs billed to (collected from) customers (8)	-	0		-1,011,866		-1,265,078		-798,324		-959,111		-232,679		-4,267,058
21															
22	Ending balance: # 1562		246,317		139,188		-112,822		-225,670		-602,260		-688,028		-688,028
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(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.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(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														
59	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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															