

March 22, 2010

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

Dear Ms. Walli,

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

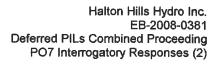
Please find Halton Hills Hydro Inc.'s Responses to Board Staff Interrogatories in proceeding EB-2008-0381.

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

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





Intentionally Blank

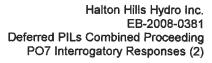


Halton Hills Hydro Inc. Response to Board Staff Interrogatories March 22, 2010 EB-2008-0381

Account 1562, Deferred PILs

TABLE OF CONTENTS

Tab Number	
	Letter to Board Secretary and Table of Contents
1	Halton Hills Hydro Inc. Responses to Board Staff Interrogatories
2	Appendix A
3	Appendix B
4	Appendix C





Intentionally Blank

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.

Version 2009.1

0

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

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 Year end: 12/31/2001 12/31/2002 12/31/2003 12/31/2004 12/31/2005 4/30/2006 Total Opening balance: = 0 246,317 139,188 -85,575 0 14,361 -95,323 +/-**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 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 0 0 (4) **Deferral Account Variance** +/-Adjustment (5) -32.304 0 0 -4.128-20.945 -57,377 Adjustments to reported +/prior years' variances (6) 0 +/-Carrying charges **(7)** 4,029 -1,590 1,522 4,526 -2,995-2,448 PILs billed to (collected from) customers 0 -1.011.866 -1,265,078 -798,324 -959.111 (8) -232,679 -4,267,058 Ending balance: # 1562 246,317 139,188 -85,575 14,361 -95,323 26,866 26,866

March 15, 2010 - 2 -

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 0

Convention: + for increase; - for decrease

Year start: Year end:		10/1/2001 12/31/2001	1/1/200 12/31/200		1/1/2003 12/31/2003	1/1/2004 12/31/2004	1/1/2005 12/31/2005	1/1/2006 4/30/2006	Total
Opening balance:	=	0	246,31	7	139,188	-112,822	-52,860	-281,344	0
Board-approved PILs tax proxy from Decisions (1)	+/-	246,317	899,96		1,146,278	961,540	224,990	276,883	3,755,969
PILs proxy from April 1, 2005 - input 9/12 of amount		,			.,,	33.,3.3	622,986		622,986
True-up Variance Adjustment Q4, 2001 (2)	+/-		74	7	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	9	4,526	-4,020	-2,115	-4,690	-2,270
PILs billed to (collected from) customers (8)	-	0	-1,011,86	6	-1,265,078	-798,324	-959,111	-232,679	4,267,058
Ending balance: # 1562		246,317	139,18	8	-112,822	-52,860	-281,344	-210,604	-210,604

March 15, 2010 - 3 -

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 supports the set of models of the standard filed that supports the set of models of the standard filed that supports the set of models of the standard filed that supports the set of models of the standard filed that supports the set of models of the set of models.

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. <u>Re: Issue #1:</u> 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. <u>Re: Issue #3:</u> 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.

<u>IR#4</u>: 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.

<u>Response</u>: 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.

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

<u>Response</u>: 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.
- 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

Year	Affiliate/Associated	Loan Receivable	Rate of Interest	Long Term Investments		
2001	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	
2002	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	
2003	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	
2004	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	
2005	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 111110 1 70	\$	1.00	
	EnerConnect Inc.	\$ -		\$	39,221.00	
2006	Southwestern Energy Inc.	\$ -		\$	171,853.00	
2000	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 111116 170	\$	1.00	
	EnerConnect Inc.	\$ -		\$	40,818.00	
2007	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	
	rianon rimo ribro Optio ino.	ψ 000,000.00	1 111110 - 1 70	Ψ	000,000.00	

	Halton Hills Energy Inc. EnerConnect Inc.	\$ - \$ -		(1.00
2008	Southwestern Energy Inc. Halton Hills Energy Services Inc. Halton Hills Fibre Optic Inc. Halton Hills Energy Inc.	\$ - \$ 171,853.00 \$ 693,698.00 \$ -	Non-interest Bearing Prime - 1%	<u> </u>	5 171,853.00 6 - 6 693,698.00 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 Boardapproved 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		Indusing using ST	/ISED Dec 31/99 come Statement Unbundled Rates ARTING FROM MALIZED RATES		December 31, 1999 Income Statement using DEC 31/99 Unbundled Rates	% Change
TOTAL ANNUAL REVENUE		0044	The second secon		- STATISTICAL PROPERTY OF A	Ollango
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		\$	**************************************	*	1,010,020	0.00%
Large Users		\$				0.00%
Streetlighting		\$	150,480	\$	150,480	0.00%
Sentinel Lights		\$	34,762	\$	34,762	0.00%
Common Ligino		 -	0.1,7-0.2		· · · · · · · · · · · · · · · · · · ·	
		\$	30,832,799	\$	29,957,504	2.92%
COST OF POWER						
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	٠.	\$	4,691,053	\$	4,691,053	
Intermediate Users		\$	-	\$	-	
Large Users		\$	-	\$	-	
Streetlighting		\$	124,127	\$	124,127	
Sentinel Lights		\$	26,076	\$	26,076	
		\$	26,441,767	\$	26,441,767	
DISTRIBÙTION REVENUE	(A)	\$	4,391,032	\$	3,515,737	
	-		٧	٨		
Operating Expenses						
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	
		\$	3,135,363	\$	3,135,363	
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	
Depreciation and Amortization		Ψ	1,440,403	Ψ	1,440,403	
		\$	(243,352)	\$	(1,118,647)	
Other Operating Revenue - Late Payment Charges		\$	251,251	\$	251,251	
Operating Income (Loss), Before Taxes		\$	7,899	\$	(867,396)	
Income Taxes		. \$	-	\$	-	
Net Operating Income (Loss)		.\$	7,899	\$	(867,396)	
				<u> </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.

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2)

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.

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2)

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.

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2)

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.

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2)

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).

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2)

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.

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2) Appendix A

Appendix A

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2) Appendix A

Intentionally Blank

_	Λ	ь	_		
1	A PILs TAXES - EB-2008-381	В	С	D	Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				version 2009.1
3				Colour Code	
4	Reporting period: 2002			Input Cell	
5	g portou: 2002			Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
14	Was the utility recently acquired by Hydro One				
15			Y/N		
10					
17			Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2002	
20			Date	12 01-2002	_
	MARR NO TAX CALCULATIONS				Regulatory
27					Income
28					
	USE BOARD-APPROVED AMOUNTS				
30	Rate Base (wires-only)			25.052.968	
O2				1	
0	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
45	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in			2,143,707	
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	Total Regulatory Income				1,430,596
55	E-mith.			40 500 45 1	
	Equity			12,526,484	
57 58	Return at target ROE			1,237,617	
59	Noturn at target NOL			1,231,011	
60	Debt			12,526,484	
61				.2,020,104	
_	Deemed interest amount in 100% of MARR			908,170	
63					
	Phase-in of interest - Year 1 (2001)			302,784	
65					
	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61			005 477	
68 69	()			605,477	
	((D43+D47+D46)/D41) D61 (due to Bill 210) Phase-in of interest - 2005			908,170	
71	. 1000 III 01 IIII01001 2000			300,170	
72					

March 22, 2010 REGINFO

	Δ.	В			F		
1	A PILs TAXES - EB-2008-381	B ITEM	C Initial	D E M of F	M of F	G Tax	Н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS	IIEW	Estimate	Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)			Variance	Variance	110141110	
4	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5	0					Version 2009.1	
6	Utility Name: Halton Hills						
	Reporting period: 2002						
8	Davis in reporting ported:	365	dovo			Column	
_	Days in reporting period: Total days in the calendar year:		days days			Brought From	
11	Total days III the calendar year.	303	uays			TAXREC	
12			\$	\$		\$	
13							
14	I) CORPORATE INCOME TAXES						
15							
16	Regulatory Net Income REGINFO E53	1	1,430,596	1,104,835		2,535,431	
_	BOOK TO TAX ADJUSTMENTS						
	Additions:						
	Depreciation & Amortization	2	1,460,685	181,508		1,642,193	
	Employee Benefit Plans - Accrued, Not Paid	3		36,264		36,264	
22	Tax reserves - beginning of year	4		0		0	
	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5	151.437	-151,437		0	\vdash
25	Other Additions (See Tab entitled "TAXREC")	υ	131,437	-101,437		U	
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	Items on which true-up does not apply "TAXREC 3"			4,649		4,649	
31 32	Deductions: Input positive numbers						
33	Deductions: Input positive numbers Capital Cost Allowance and CEC	7	1,072,272	627,486		1,699,758	
	Employee Benefit Plans - Paid Amounts	8	1,072,272	18,743		18,743	
	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	
	Reserves from financial statements - beginning of year Contributions to deferred income plans	3		0		0	
41	Contributions to deferred income plans 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 47	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12		171,683		171,683 0	
48	Items on which true-up does not apply "TAXREC 3"	12		0		0	
49	items on which true-up does not apply TAXNEC 3						
50	TAXABLE INCOME/ (LOSS)		1,062,413	484,381	Before loss C/F	1,546,794	
51	,						
	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		410.304	-144,106	Actual	266,198	\vdash
56	REGULATORT INCOME TAX		410,304	-144,100	Actual	200,190	
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	Total Regulatory Income Tax		410,304	-144,106	Actual	266,198	
61 62							
	II) CAPITAL TAXES		+				
64	.,		+				
65	Ontario						
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	\blacksquare
68 69	Taxable Capital		20,052,968	-441,396		29,611,572	
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	\vdash
71	•			3.000370		2.200076	
72	Ontario Capital Tax		60,159	28,676	Overpaid	88,835	
73	<u> </u>						
74	Federal Large Corporations Tax	40	05 050 000	0.070.000		20.020.774	
75 76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	25,052,968 10,000,000	3,973,803		29,026,771 10,000,000	
77	Taxable Capital	13	15,052,968	3,973,803		19,026,771	
78	and the second s		.0,002,000	2,010,000		.0,020,111	
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
80							oxdot
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	04	33,869	8,941		42,810	
82 83	Less: Federal Surtax 1.12% x Taxable Income	21	11,899	-11,899		0	
84	Net LCT		21,970	20,840		42,810	\vdash
85				20,010		.2,0.0	
				•			

_				_				
L_	A A	В	C	D	E	F	G	Н
2	PILs TAXES - EB-2008-381 PILs DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		Estillate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	(Wiles-Only Business - See Tab TAXILEO)				11-0	Explanation	Version 2009.1	
6	Utility Name: Halton Hills						VC151011 2000.1	
7	Reporting period: 2002							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89	Income Tax (proxy tax is grossed-up)	- 00	050 400			A - 1 1 0000	000.400	
91	LCT (proxy tax is grossed-up)	22 23	656,486 35,152			Actual 2002 Actual 2002	266,198 41,444	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			Actual 2002	83,789	
93	Ontario Capital Tax (110 gross-up since it is deductible)	24	00,139			Actual 2002	05,709	
94								
95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	751,797			Actual 2002	391,431	\vdash
96	RAM DECISION		701,707				001,401	\vdash
97	TAIL DESIGNATION						1	
98								
	IV) FUTURE TRUE-UPS						1	
	IV a) Calculation of the True-up Variance				DR/(CR)			
	In Additions:				- \ ' - /			
	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			
	Regulatory Adjustments	5			-151,437			
	Other additions "Material" Items TAXREC	6			0			
	Other additions "Material" Items TAXREC 2	6			26,588			
	In Deductions - positive numbers							
	Employee Benefit Plans - Paid Amounts	8			18,743			
	Items Capitalized for Regulatory Purposes	9			0			
	Regulatory Adjustments	10			-55,617			
	Interest Adjustment for tax purposes (See Below - cell I204)	11			-44,269			
	Tax reserves claimed in current year	4			0			
	Reserves from F/S beginning of year Contributions to deferred income plans	3			0			
	Contributions to deferred income plans Contributions to pension plans	3			0			
	Other deductions "Material" Items TAXREC	12			0			
	Other deductions "Material" Item TAXREC 2	12			171,683			
119	Other deductions (Material Rent 170/RES)				17 1,000			
	Total TRUE-UPS before tax effect	26		=	-179,125			
121					,			
	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			х	37.26%			
123	, ,						<u> </u>	
124	Income Tax Effect on True-up adjustments			=	-66,735			
125								
	Less: Miscellaneous Tax Credits	14			0			
127								
	Total Income Tax on True-ups				-66,735			
129		 						
	Income Tax Rate used for gross-up (exclude surtax)	1			37.26%			
131	TOUE UP VARIANCE AD HISTMENT	-			(400.004)		1	\vdash
132	TRUE-UP VARIANCE ADJUSTMENT	1			(106,361)		1	\vdash
133	IV b) Calculation of the Deferral Account Variance caused by	-					1	
13/	· · ·							
135	changes in legislation	 						
100	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
136	estimate column)			=	1,062,413			
137		l			.,. 32,		1	
	REVISED CORPORATE INCOME TAX RATE			Х	38.38%			
139		1						
	REVISED REGULATORY INCOME TAX			=	407,714			
141								
142	Less: Revised Miscellaneous Tax Credits			•	0		1	
143								
144	Total Revised Regulatory Income Tax			=	407,714			
145								
١	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell				440.00			
	C58)	 		-	410,304		1	
147	Populatory Income Tay Variance	1			/0 F00\			
	Regulatory Income Tax Variance	 		=	(2,590)			\vdash
149		l	l				1	

_	A DIL - TAYES ED 0000 004	В	C	D	E M of F	F	G T	Н
	PILs TAXES - EB-2008-381 PILs DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		LStillate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	C)				,	Version 2009.1	
	Utility Name: Halton Hills							
	Reporting period: 2002			-				
9	Dave in various wariant	365	dovo				Column	
10	Days in reporting period: Total days in the calendar year:	365	days days	-			Brought From	
11	Total days in the calendar year.	303	uays	-			TAXREC	
12			\$		\$		\$	
13					·			
150	Ontario Capital Tax							
	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			
	Rate - Tab Tax Rates cell C54			х	0.3000%			
156	Itale - Tab Tax Itales cell co-				0.000070			
	Revised Ontario Capital Tax			=	60,159			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell			1				
158	C70)			-	60,159			
	Regulatory Ontario Capital Tax Variance			=	0			
160	Fodovel I CT	1	 	-				
	Federal LCT Base	1	 	-	25,052,968		-	
163	Less: Exemption from tab Tax Rates, Table 2, cell C40	1	 	-	10,000,000		+	
	Revised Federal LCT			=	15,052,968			
165					, ,			
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
	Gross Amount				33,869			
169	Less: Federal surtax Revised Net LCT			-	11,899 21,970			
170 171	Revised Net LC I			=	21,970			
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	21,970			
	Regulatory Federal LCT Variance			=	0			
174								
	Actual Income Tax Rate used for gross-up (exclude surtax)				37.26%			
176	to a constant of the constant				(4.420)			
	Income Tax (grossed-up) LCT (grossed-up)			+	(4,128)			
	Ontario Capital Tax			+	0			
180	- Thaile Capital Fax				-			
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(4,128)			
182								
	TRUE-UP VARIANCE (from cell I130)			+	(106,361)			
184	Total Defended Assessed Forting (Bestiting Forting Debtit)				(110,100)			
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	(110,490)			
187	(Deletral Account Variance + True-up Variance)							
188								
189								
	V) INTEREST PORTION OF TRUE-UP							
	Variance Caused By Phase-in of Deemed Debt	1						
192		1	 		4 070 005			
	Total deemed interest (REGINFO) Interest phased-in (Cell C36)	1	 		1,278,625 852,416		-	
195	interest phased in (Oeii Oso)	1	1		052,410			
	Variance due to phase-in of debt component of MARR in rates		1		426,209			
197								
198								
	Other Interest Variances (i.e. Borrowing Levels							
	Above Deemed Debt per Rate Handbook)	1	 		000 4 47			
201	Interest deducted on MoF filing (Cell K36+K41) Total deemed interest (REGINFO CELL D61)	1	 		808,147 852,416		-	
203	Total accinculations (INLOHAI O OLLE DOT)	1	1		002,410			
	Variance caused by excess debt	1		1	0		1	
205	,	<u> </u>		L			<u> </u>	
	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				-44,269			
207		1					<u> </u>	
	Total Interest Variance		<u> </u>	1	426,209		1	
209 210		1	1	-				
211			1					
		1	1				1	1

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381		M of F	Non-wires		Г
	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Eliminations	Return	
4	(IOI WITES-OTHY DUSTITESS - See S. 72 OLD ACI)		Return		Return	
5	•		Netuiii		Version 2009.1	
	Section A: Identification:				VE131011 2003.1	
	Utility Name: Halton Hills					
	Reporting period: 2002					
	Taxation Year's start date:					
_	Taxation Year's start date:					
			205	dava		
	Number of days in taxation year:		365	days		
12						
	Please enter the Materiality Level :		0	< - enter materiality	ievei	
14	(0.25% x Rate Base x CER)	Y/N				
15	,	Y/N				
16	Control of the contro	Y/N				
	Does the utility carry on non-wires related operation?	Y/N				
	(Please complete the questionnaire in the Background questionnaire v	vorkshe	et.)			
19	N					
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
	Section B: Financial statements data:					
	Input unconsolidated financial statement data submitted with Tax returns.					
	The actual categories of the income statements should be used.					
	If required please change the descriptions except for amortization, interest of	expense	and provision for in	come tax		
26						
	Please enter the non-wire operation's amount as a positive number, the pro			l amounts		
	in the "non-wires elimination column" as negative values in TAXREC and TA	AXREC	2.			
29						
	Income:	ļ				
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	
	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
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	Net Income Before Interest & Income Taxes EBIT	=	2,535,431	0	2,535,431	
	Less: Interest expense for accounting purposes	-	808,147		808,147	
52	Provision for payments in lieu of income taxes	-	305,000		305,000	
	Net Income (loss)	=	1,422,284	0	1,422,284	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)		.,,		.,,	
54	per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	305,000	0	305,000	
60	Federal large corporation tax	+	50,519		50,519	
	Depreciation & Amortization	+	1,642,193	0	1,642,193	
	Employee benefit plans-accrued, not paid	+	36,264	0	36,264	
	Tax reserves - beginning of year	+	0	0	0	
	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"	1 1	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	Subtotal		2,065,213	0	2,065,213	
71						
72	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	-	2,065,213	0	2,065,213	
83					,	
_	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0		0	
91			0		0	
_	Total Other additions >materiality level		0	0	0	
-	,					

	A	В	С	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	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,616,937		1,616,937	
	Cumulative eligible capital deduction	-	82,821		82,821	
	Employee benefit plans-paid amounts	-	18,743		18,743	
	Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-	0	0	0	
	Tax reserves - end of year Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-	U	U	0	
	Contributions to deferred income plans Contributions to pension plans	-			0	
	Items on which true-up does not apply "TAXREC 3"	_	0	0	0	
	Interest capitalized for accounting deducted for tax	-	0	0	0	
	Material deduction items from TAXREC 2	-	171 602	0	171,683	
	Other deduction items (not Material) from TAXREC 2	-	171,683	0	171,083	
112	Sales assession nome (not material) nom 17000LO 2		0	0	- 0	
113	Subtotal	=	1,890,184	0	1,890,184	
	Other deductions (Please explain the nature of the deductions)		,,.		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	Charitable donations - tax basis	-			0	
	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						
	Recap Material Deductions:		0		2	
125			0	0	0	
126 127			0	0	0	
128			0	0	0	
129			0	0	0	
_	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions less than materiality level		0	0	0	
	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	
	NET TAXABLE INCOME	=	693,654	0	693,654	
140	FROM ACTUAL TAX RETURNS					
	FROM ACTUAL TAX RETURNS	⊢. ⊢	181.123		181.123	
	Net Federal Income Tax (Must agree with tax return) Net Ontario Income Tax (Must agree with tax return)	+	181,123 85,075		181,123 85,075	
144	Subtotal	=	266,198	0	266,198	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	200,190	U	200,198	
	Total Income Tax	=	266,198	0	266,198	
147			200,.00		200,.00	
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax Rate (Must agree with tax return)	i i	26.11%		26.11%	
	Net Ontario Income Tax Rate (Must agree with tax return)		12.26%		12.26%	
151	Blended Income Tax Rate		38.38%	********	38.38%	
152						
	Section F: Income and Capital Taxes					
154						
	RECAP					
	Total Income Taxes	+	266,198	0	266,198	
	Ontario Capital Tax	+	83,789		83,789	
	Federal Large Corporations Tax	+	41,444		41,444	
159	Total income and conital toyon		004.404		004 404	
160 161	Total income and capital taxes	=	391,431	0	391,431	
101		1				

PILE TAXES - EB-2008-381		A	В	С	D	Е	F
Tax And Accounting Reserves	1						
For MoF Column of TAXCALC			LINE				
Return					Liiiiiialions		
S						Keturn	
1				Retuili		Version 2000 1	
Tutility Name: Halton Hills		0				version 2009.1	
Separating period: 2002		Heller Manager Hale or 1991-					
10 TAX RESERVES							
10 TAX RESERVES		Reporting period: 2002					
11 Beginning of Year:		TAY DE0EDVE0					
12 Beginning of Year:		TAX RESERVES					
13 Reserve for doubtful accounts ss. 20(1)(ii)							
14 Reserve for doubtful accounts ss. 20(1)(m)		Beginning of Year:				_	
15 Reserve for upoid as services ss 20(1)(m)							
16 Reserve for unpaid amounts ss. 20(1)(n)							
17 Debt and share issue expenses ss.20(1)(e) 0 0 0 18 Other - Please describe 0 0 0 0 0 0 0 0 0							
18 Other - Please describe							
19 Other - Please describe							
20							
22 Total (carry forward to the TAXREC worksheet)		Other - Please describe					
23 24 End of Year:							
24							
24	22	Total (carry forward to the TAXREC worksheet)		0	0	0	
25 Reserve for doubtful accounts ss. 20(1)(ii)	23						
26 Reserve for doubtful accounts ss. 20(1)(i) 0 27 Reserve for goods & services ss.20(1)(in) 0 28 Reserve for unpaid amounts ss. 20(1)(in) 0 29 Debt and share issue expenses ss.20(1)(ie) 0 31 Other - Please describe 0 32 0 33 Hosert line above this line 0 35 Total (carry forward to the TAXREC worksheet) 0 0 36 37 0 37 Aug. 0 0 38 FINANCIAL STATEMENT RESERVES 0 0 39 Beginning of Year: 0 0 41 0 0 0 0 42 Environmental 0 0 43 Inventory obsolescence 0 0 46 Property taxes 0 0 47 Other - Please describe 0 0 48 Other - Please describe 0 0 49 0 Total (carry forward to the TAXREC worksheet) 0 0 51 Environmental 0 0 0 48 Other - Please describe 0 0 50 Total (carry forward to the TAXREC worksheet) 0 0 <t< td=""><td></td><td>End of Year:</td><td></td><td></td><td></td><td></td><td></td></t<>		End of Year:					
Reserve for goods & services ss.20(1)(m)	25					0	
28 Reserve for unpaid amounts ss.20(1)(e) 0 29 Debt and share issue expenses ss.20(1)(e) 0 31 Other - Please describe 0 32 0 33 Insert line above this line 0 35 Total (carry forward to the TAXREC worksheet) 0 36 0 37 1 Stal (carry forward to the TAXREC worksheet) 38 FINANCIAL STATEMENT RESERVES 0 39 40 Beginning of Year: 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 Total (carry forward to the TAXREC worksheet) 0 51 Environmental 0 52 End of Year: 0 53 Fivinonmental 0 64 Other - Please describe 0 70 Other - Please describe 0 64 Other - Please describe							
29 Debt and share issue expenses ss.20(1)(e) 0 0 0 0 0 0 0 0 0	27	Reserve for goods & services ss.20(1)(m)					
Other - Please describe	28	Reserve for unpaid amounts ss.20(1)(n)				0	
31 Other - Please describe	29	Debt and share issue expenses ss.20(1)(e)				0	
32	30	Other - Please describe				0	
33 Insert line above this line	31	Other - Please describe				0	
34 Insert line above this line	32					0	
35 Total (carry forward to the TAXREC worksheet)	33					0	
35 Total (carry forward to the TAXREC worksheet)	34	Insert line above this line					
36 37 38 FINANCIAL STATEMENT RESERVES 39 40 Beginning of Year:				0	0	0	
38 FINANCIAL STATEMENT RESERVES		,					
39 40 Beginning of Year:							
39 40 Beginning of Year:	38	FINANCIAL STATEMENT RESERVES					
40 Beginning of Year:							
41		Beginning of Year:					
43 Environmental						0	
43 Environmental 0 0 0 0 0 0 0 0 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 Total (carry forward to the TAXREC worksheet) 0 51 0 52 End of Year: 0 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 0 63 Total (carry forward to the TAXREC worksheet) 0 0		Environmental					
45 Inventory obsolescence 0 0 0 0 0 0 0 0 0							
46 Property taxes 0 0 0 0 0 0 0 0 0							
47 Other - Please describe 0 0 0 0 0 0 0 0 0							
48 Other - Please describe 0 49 0 50 Total (carry forward to the TAXREC worksheet) 0 51 0 52 End of Year: 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 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
49							
50 Total (carry forward to the TAXREC worksheet) 0 0 0 51		Other Tiedde dedelibe					
51 52 End of Year:		Total (carry forward to the TAYPEC workshoot)		0	0		
52 End of Year: 0 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 0 63 Total (carry forward to the TAXREC worksheet) 0 0		Total (carry lorward to the TAAREC WORKSHEEL)		U	U	U	
53		End of Years					
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 Total (carry forward to the TAXREC worksheet) 0 0		CIIU UI TEAI.				0	
55							
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 0 63 Total (carry forward to the TAXREC worksheet) 0 0		Environmental					
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 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
59 Other - Please describe 0 60 Other - Please describe 0 61 St. Insert line above this line 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
60 Other - Please describe 0 61 0 62 Insert line above this line 63 Total (carry forward to the TAXREC worksheet) 0 0							
61 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0							
62 Insert line above this line 63 Total (carry forward to the TAXREC worksheet) 0 0 0		Other - Please describe					
63 Total (carry forward to the TAXREC worksheet) 0 0 0	-					0	
64		Total (carry forward to the TAXREC worksheet)		0	0	0	
	64						

March 22, 2010 Tax Reserves

	A	В	С	D	E	F
1	n .		Ŭ			
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	- · · · · · · · · · · · · · · · · · · ·					
8	Utility Name: Halton Hills					
	Reporting period: 2002					
	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17		+			0	
	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22	Caiantifia recognish expanditures deducted	+			0	
24	Scientific research expenditures deducted per financial statements	+			0	
	per financial statements Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+	26,588		26,588	
37		+			0	
38		+			0	
39 40	Other Additional (places symbols in detail the neture of the items)	+			0	
41	Other Additions: (please explain in detail the nature of the item)	+			0	
42		_			0	
43		+			0	
44		+			0	
45		+				
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 54			0	0	0	
55			0	0	0	
56			0	0	0	
57			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	Dravision for had debte		0	0	0	
68	Provision for bad debts		26,588 0	0	26,588 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	
	Total Material additions		26,588	0	26,588	l
77						
77 78	Other additions less than materiality level Total Additions		0 26,588	0	0 26,588	

_			0		-	_
<u> </u>	A	В	С	D	E	F
1	DII - TAVEO ED 0000 004	LINE	M -4 F	Non-order	Maria	
	PILS TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
	Reporting period: 2002					
	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
80						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	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		-				
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		- 1			0	
99	Total Deductions		171,683	0	171,683	
100			,	-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	Recap of Material Deductions:					
102	Troods of majorial socialities		0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
	Bad debts		1,631	0	1,631	
108	Dad debio		0	0		
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0		
_			0	0	0	
113						
114 115			0	0		
_	New touchte to address from					
	Non-taxable load transfers		170,052	0	170,052	
117			0	0	0	
118			0	0	0	
	Total Deductions exceed materiality level		171,683	0	171,683	
	Other deductions less than materiality level		0	0	0	
	Total Deductions		171,683	0	171,683	
122						

	Λ	В	<u> </u>	D	-	_
1	Α	Ь	С	U	E	F
2	PILs TAXES - EB-2008-381					
	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	()	Return			
8	Utility Name: Halton Hills				Version 2009.1	
9	•					
10						
	Reporting period: 2002					
	Number of days in taxation year:		365			
13 14						
15						
_	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18	And a					
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates Loss on disposal of utility assets	+			0	
	Loss on disposal of utility assets Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
	Non-deductible meals	+	4,423		4,423	
33	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+			0	
	Donations - amount per books		226		226	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
39	Imputed interest expense on Regulatory Assets				0	
	Ontario capital tax adjustments	+			0	
41		+			0	
42	onangeo in regulatory Accet Salances	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	,	+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	4,649	0	4,649	
48	5					
50	Deduct:	-				
	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	<u> </u>			0	
54		-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59		-			0	
60 61		-			0	
62		-			0	
63		-			0	
_	Ontario capital tax adjustments to current or prior year	-			0	
65	, jour	-			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 72		-			0	
73	Total Deductions on which true-up does not apply	-	0	0	0	
74	Total Deductions on which true-up does not apply	-	U	U	U	
75						
		1			1	

March 22, 2010 TAXREC 3 No True-up

Corporate Tax Rates Xersion 200	File Tax AKES - File 2008-381	TAXES - EB-2008-381			1			•	
Corporate Tax Rates Exemptions Deductions, or Thresholds Utility Name: Halton Hills Reporting period: 2002	Corporate Tax Rates Exemptions Debugs De	Table 1	_		В	С	D	E	F
Exemptions	Exemptions, Deductions, or Thresholds	Table 1 Table 2 Table 3 Table 4 Table 4 Table 4 Table 4 Table 4 Table 5 Table 6 Tabl	1						/auala:: 0000
Willy Name: Halton Hills Reporting period: 2002 Table 1	Valies V	Table 1 S Used in 2002 RAM PLs Applications for 2002 me Range	2		Throchold			,	ersion 2009
Reporting period: 2002 Table 1	Reporting period: 2002 Table 1	Table 1 S Used in 2002 RAM PILS Applications for 2002 me Range 0 200,001 12002 10 700,000 me Tax Rate 2002 13.12% 26.12% 26.12% 26.12% 26.12% 34.12% 36.62% tal Tax Rate 0.300% 1.12% 34.12% 36.62% tal Tax Rate 0.225% 26.12% ax 1.12% 1.12% 26.12% 26.12% tal Tax Rate 0.300% 1.12% 26.12% tal Tax Rate 0.300% 1.12% 26.12% ax 1.12% 1.12% 26.12% ax 1.12% 26.12% 26.12% tal Tax Rate 0.300% 1.12% 26.12% ax 1.12% 26.12% 26.12% ax 1.12% 200,000 20.0001 by Table 1 200,000 20.0001 ax 200,000 ax 200,000 ax 200,000 ax 200,000 ax 200,000	4		intestiola	•			
Rates Used in 2002 RAM PILs Applications for 2002	Table 1 Table 2 Table 3 Table 4 Table 4 Table 4 Table 4 Table 5 Table 6 Tabl	Table 1 S Used in 2002 RAM PILs Applications for 2002 me Range	5						
Rates Used in 2002 RAM PILs Applications for 2002 100	Rates Used in 2002 RAM PILs Applications for 2002	Sued In 2002 RAM PILS Applications for 2002 12002 10	6						
Income Range	Income Range	12002 Year 200,000 700,000	7						Table 1
RAM 2002	Table 2	12002	8		_s Applicati	ons for 2002			
Vear 200,000 700,000	New Year 200,000 700,000	Year 200,000 700,000	9			0			700 000
Income Tax Rate	Income Tax Rate	me Tax Rate	10 11	KAM 2002	Voor				>/00,000
Proxy Tax Year	Proxy Tax Year	Sy Tax Year 2002		Income Tax Rate	I Cai	200,000		700,000	
Federal (Includes surtax)	Federal (Includes surtax)	13.12% 26.12% 2			2002				
Blended rate	Separate	19.12% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 38.62% 34.12% 34.12% 38.62% 34.12% 3				13.12%		26.12%	26.12%
Capital Tax Rate	Capital Tax Rate	tal Tax Rate	15					6.00%	12.50%
Capital Tax Rate	LCT rate	rate 0.225%	16	Blended rate		19.12%		34.12%	38.62%
LCT rate	LCT rate	rate 0.225%	17	0 11 17 0 1		0.0000/			
Surtax	Surtax	Act							
Ontario Capital Tax	Ontario Capital Tax	A							
Exemption *** \$SMM \$,000,000	SSMM	### ### ### ### ### ### ### ### ### ##			MAX				
Federal Large	Federal Large	MAX 10,000,000	21			5,000,000			
State Stat	Corporations Tax Exemption ***	## ## ## ## ## ## ## ## ## ## ## ## ##			MAY				
Exemption ** **Exemption amounts must agree with the Board-approved 2002 RAM PILs filing	Table 2	### Comption amounts must agree with the Board-approved 2002 RAM soliting Table 2		Corporations Tax		10,000,000			
PILs filing	PILs filling	Table 2 Table 3 Table 3 Table 3 Table 3 Table 3 Table 3 Table 4 Table 4 Table 4 Table 4 Table 5	22		• -				
Table 2 Table 3 Tabl	Table 2	Table 2 Control Contr		•	nust agre	e with the E	soard-appr	oved 2002	KAM
Table 2 Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002 Income Range	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002	Part	23	PILs filing					
Table 2 Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002	Part	24						
Income Range	Income Range	Table 3	25						Table 2
Expected Rates Year 200,000 700,000 700,000	Expected Rates	Tax Rate Para P			for 2002 ar		Exemptions		
Name	Name	Year 200,000 700,000				-			
Income Tax Rate	Income Tax Rate	me Tax Rate ent year	28 29	Expected Rates	V				>700,000
Current year 2002 13.12% 26.12% 26.12% 26.12% 26.12% 26.00% 6.00% 6.00% 12.50% 8 8 8 8 8 8 8 8 8	Current year	rent year aral (Includes surtax) 2002 13.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.00% 6.00% 12.50% arded rate 2002 19.12% 32.12% 38.62% arate 2002 19.12% 32.12% 38.62% arate 2002 19.25% arx 2002 1.12% 2002 1.12% 2002 20.25% 2003 2004 2005 2007 2008 2008 2009 2		Income Tay Rate	rear	200,000		700,000	
Pederal (Includes surtax) 2002 13.12% 26.12% 26.12% 26.12% 30.00 30.00 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 38.62% 32.12% 32.12% 32.12% 32.12% 38.62% 32.1	Federal (Includes surtax) 2002	2002 13.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.00% 2.00%	31		2002				
Ontario 2002 6.00% 6.00% 12.50%	District Comparison Compa	2002 6.00% 6.00% 12.50% 32.12% 38.62% 38.62% 32.12% 38.62				13,12%		26,12%	26,12%
Blended rate 2002 19.12% 32.12% 38.62%	Blended rate	19.12 19.12 19.12 32.12 38.62 19.12 19.12 32.12 38.62 19.12 19.12 32.12 38.62 19.12 19.12 32.12 38.62 19.12 19.12 32.12 32.12 38.62 19.12 19.12 32.12 32.12 32.12 19.12 19.12 19.12 32.12 32.12 32.12 19.12 19.12 19.12 19.12 32.12 32.12 19.12 19.12 19.12 19.12 32.12 32.12 19.12 19.12 19.12 19.12 32.12 32.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.12 19.1	33						
Capital Tax Rate	Capital Tax Rate	tal Tax Rate	34						
CCT rate 2002 0.225%	CT rate	Tate	35						
Surtax 2002 1.12%	Surtax	Ax							
Ontario Capital Tax	District Capital Tax	MAX							
Examption	Exemption *** 2002 \$5MM	### 2002 \$5MM 5,000,000 ### 2002 ### 2002 ### 2002 ### 2002 ### 2002 ### 2002 ### 2002 ### 2002 ### 200,000 ### 200,00	38			1.12%			
Federal Large	MAX	aral Large porations Tax \$10MM \$10,000,000 \$10,000,000 \$10,000 \$10,000,000 \$10,000 \$10,000,000 \$10,000 \$10,000,000 \$10	39			5,000,000			
Corporations Tax	Corporations Tax Exemption *** 2002	## 2002 ## 2002 ## 2002 ## 200,000 ## 200,00	יטט						
Exemption *** 2002 \$10MM \$10MM \$10	Exemption *** 2002	Storm Stor				10.000.000			
Table 3 Tabl	Table 3 Tabl	Table 3 Tabl	40		\$10MM	,,			
Table 3 Input Information from Utility's Actual 2002 Tax Returns Income Range O 200,001 to 700,000 Income Tax Rate Current year O Ederal (Includes surtax) D Federal (Includes surtax) Ontario Capital Tax Rate O Corporations Tax Exemption * SSMM Federal Large Corporations Tax Exemption * SIMMX Federa	Table 3 Input Information from Utility's Actual 2002 Tax Returns Income Range	Table 3 t Information from Utility's Actual 2002 Tax Returns me Range	41		ions mus	t comply wi	ith the Boa	rd's instru	ictions
Table 3 Input Information from Utility's Actual 2002 Tax Returns Income Range O Year Year 200,000 To0,000 Income Tax Rate Ocurrent year Discreption Income Tax Rate Ontario Blended rate 19,12% Income Tax Rate Income Tax Rate Ontario Ontario Income Tax Rate Ontario Income Tax Rate Income Tax	Input Information from Utility's Actual 2002 Tax Returns	t Information from Utility's Actual 2002 Tax Returns me Range	2	regarding regulated act	tivities.				
Input Information from Utility's Actual 2002 Tax Returns 200,001 to 200,001 to 700,000	Input Information from Utility's Actual 2002 Tax Returns	t Information from Utility's Actual 2002 Tax Returns me Range	13	3 .3					Table 3
to to 700,000	to to 700,000	to Year 200,000 700,000 >700,000	14	Input Information from Utilit	y's Actual 2	002 Tax Retu	rns		Table 5
Year 200,000 700,000	Year 200,000 700,000 Income Tax Rate 2002	Year 200,000 700,000	45					200,001	
Income Tax Rate 2002	Income Tax Rate 2002 13.12% 22.12% 26.11%	me Tax Rate ent year 2002 13.12% 22.12% 26.11% ario 6.00% 9.75% 12.26% anded rate 19.12% 31.87% 38.38% tal Tax Rate 0.300% rate 20.225% ax 1.12% ax 1.10 Capital Tax mption * stal Large porations Tax mption * stal Large porations Tax mption * stal Capital Tax mption * stal C	46			-		,	>700,000
Current year 2002	Current year 2002	2002 13.12% 22.12% 26.11%	47		Year	200,000		700,000	
Pederal (Includes surtax)	Tederal (Includes surtax)	13.12% 22.12% 26.11% 26.11% 6.00% 9.75% 12.26% 26.11% 6.00% 9.75% 12.26% 26.11% 6.00% 9.75% 12.26% 26.11% 6.00% 9.75% 12.26% 26.11% 9.75% 12.26%			00				
Ontario	District Signature Signa	### 12.00% 9.75% 12.26% ### 19.12% 31.87% 38.38% ### 19.12% 31.87% 38.38% ### 19.12% 31.87% 38.38% ### 10.300% ### 10.225% ### 10.225% ### 11.12% ### 12.26	49		2002	40.4007		00.4004	00.1101
2 Blended rate	Second	19.12% 31.87% 38.38%	50 51						
4 Capital Tax Rate 0.300% 5 LCT rate 0.225% Surtax 1.12% Ontario Capital Tax MAX	Capital Tax Rate	tal Tax Rate 0.300% ax 1.12% ax 1.12% ario Capital Tax MAX \$5MM 4.668,892 aral Large borations Tax mption * \$10,000,000 arions	51 52						
Capital Tax Rate	CT rate	rate 0.225%	53	Dienueu rate		13.1270		31.0770	30.30%
5 LCT rate 0.225% 5 Surtax 1.12% Ontario Capital Tax Federal Large Corporations Tax Exemption * 10,000,000 10,000,000 2 * Include copies of the actual tax return allocation calculations in your submission; Ontario CT23 page 11; federal T2 Schedule 36	CT rate	rate 0.225%		Capital Tax Rate		0.300%			
Surtax 1.12% Ontario Capital Tax	Surtax 1.12% Ontario Capital Tax	ax 1.12% urio Capital Tax MAX 4,668,892 prial Large porations Tax nption * \$10,000,000 prion * \$10,000,000 clude copies of the actual tax return allocation calculations in your							
Ontario Capital Tax Federal Large Corporations Tax Exemption * MAX \$5MM \$10,000,000 Tolude copies of the actual tax return allocation calculations in your submission; Ontario CT23 page 11; federal T2 Schedule 36	Ontario Capital Tax Exemption * \$5MM	Irio Capital Tax Inption * STATE SHAM A,668,892 A,668,892 BAX STORM ANAX STORM 10,000,000 10,000,000 Clude copies of the actual tax return allocation calculations in your							
Federal Large Corporations Tax Samular Standard	Somm Federal Large MAX 10,000,000 Exemption * * Include copies of the actual tax return allocation calculations in your	mption * \$5MM Spring Sprin		Ontario Capital Tax					
Corporations Tax \$10MM 10,000,000 \$2 Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11: federal T2 Schedule 36	Corporations Tax \$10MM 10,000,000 \$ * Include copies of the actual tax return allocation calculations in your	porations Tax \$10MM 10,000,000 10,000 column 10,000 column 10,000,000 column 10,000 co	57		\$5MM	7,000,092			
Corporations Tax \$10MM 10,000,000	Exemption * * Include copies of the actual tax return allocation calculations in your	sorations Tax mption * \$10MM 10,000,000			MAX	40.000.000			
3 * Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11: federal T2 Schedule 36	* Include copies of the actual tax return allocation calculations in your	clude copies of the actual tax return allocation calculations in your	58			10,000,000			
submission: Ontario CT23 page 11: federal T2 Schedule 36	1 · · ·	·				madages = 0	antino art		
submission: Ontario CT23 page 11; federal T2 Schedule 36	submission: Ontario CT23 page 11; federal T2 Schedule 36	mission: Ontario CT23 page 11; federal T2 Schedule 36	59	•					n your
			^	submission: Ontario C	T23 page	11; federal	T2 Schedu	ıle 36	

March 22, 2010 Tax Rates

	Α	В	С	D	E	F	G	Н	I	J	K	L	M	Ν	0
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				Sign Convention	on: 4	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
	Board-approved PILs tax	+/-													
	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-													
	Adjustment (3)												-106,361		-106,361
	Deferral Account Variance														
	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-													
	Adjustment (5)												-4,128		-4,128
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
	from) customers (8)		0												0
21															
	Ending balance: # 1562		0		0		0		0		0		-110,490		-110,490
23						•				-				,	

26 Uncollected PILs

24 25

28

29

33

34

35

36 37 38

39

40 41

42

43 44

45 46 47

48

49

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

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

- (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.
- (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
- (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- (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.

- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 50 (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.

 - (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.
- 54 55 56 57 (7) Carrying charges are calculated on a simple interest basis.

to calculate the recovery for the period January 1 to March 31, 2005.

- (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 58 59 60 components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on 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. 61 62 63 64 65 The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
 - (ii) Collections should equal; (a) the actual volumes/ load (kWhs. kWs. Kya) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,
 - for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
- 70 71 72 73 74 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
- (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

PILs 1562 Calculation March 22, 2010

	A	В	С	D	Е
1	PILs TAXES - EB-2008-381	Ь	C	D D	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				70101011 200011
	Utility Name: Halton Hills			Colour Code	
	Reporting period: 2003			Input Cell	
5	Dava in reporting pariod:	365	dove	Formula in Cell	
	Days in reporting period: Total days in the calendar year:	365	days days		
8	rotar dayo in tho caronaar your		uaje		
9	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
	confirm that it is not subject to regular corporate		\//\		
13	tax (and therefore subject to PILs)?		Y/N		
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
	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)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
	shared among the corporate group?	LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2003	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
30	USE BOARD-APPROVED AMOUNTS				
	Rate Base (wires-only)			25,052,968	
J2	Common Equity Ratio (CER)			50.00%	
7					
50	1-CER			50.00%	
-	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
45	Total Incremental revenue			2,145,787	
46	Input: Board-approved dollar amounts phased-in			, ,	
47	Amount allowed in 2001			715,405	715,405
48	Amount allowed in 2002			715,191	
49 50	Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board)			715,191	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	Total Regulatory Income				1,430,596
55	Fauity			10 506 404	
57	Equity			12,526,484	
-	Return at target ROE			1,237,617	
59	o				
-	Debt	-	-	12,526,484	
61	Decreed interest areaunt in 4000/ of MADD			000 470	
63	Deemed interest amount in 100% of MARR			908,170	
-	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61			60E 477	
69	Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210)			605,477	
	Phase-in of interest - 2005			908,170	
71					
72					

March 22, 2010 REGINFO

1	A PILs TAXES - EB-2008-381	B ITEM	C Initial	D	E M of F	F M of F	G H Tax
3	PILs DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	Version 2009.1
6 7 8	Utility Name: Halton Hills Reporting period: 2003						Column
9	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From
11	Total days in the calendar year.	303	s s		\$		TAXREC
13	I) CORPORATE INCOME TAXES		.		Ψ		Ψ
15	Regulatory Net Income REGINFO E53	1	1,430,596		1,818,045		3,248,641
17	BOOK TO TAX ADJUSTMENTS		1,100,000		1,010,010		0,210,011
19	Additions: Depreciation & Amortization	2	1,460,685		221,594		1,682,279
	Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year	3			15,448 0		15,448
23 24	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5	151,437		0 -151,437		0
25 26	Other Additions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	6			0		0
27 28	Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet	6			0 52,983		0 52,983
29 30	Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	6		_	0 116,986		116,986
31 32	Deductions: Input positive numbers						
33 34	Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts	7 8	1,072,272		475,244 13,548		1,547,516 13,548
35 36	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	9	0 55,617		-55,617		0
37 38	Interest Expense Deemed/ Incurred Tax reserves - end of year	11 4	852,416		369,185 0		1,221,601 0
40	Reserves from financial statements - beginning of year Contributions to deferred income plans	3			0		0
42	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11			0		0
43 44	Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	12			0		0
45 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12 12			0 66,837		0 66,837
47 48	Other Deductions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	12		_	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 54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.9953%		36.62%
55 56	REGULATORY INCOME TAX		410,304		438,980	Actual	849,284
57 58	Miscellaneous Tax Credits	14			0	Actual	0
59 60	Total Regulatory Income Tax		410,304		438,980	Actual	849,284
61 62							
63 64	II) CAPITAL TAXES						
66	Ontario Base	15	25,052,968		7,586,602		32,639,570
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	5,000,000 20,052,968		-313,562 7,273,040		4,686,438 27,953,132
	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
	Federal Large Corporations Tax	40	25 052 069		6 524 652		24 574 624
76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	18	25,052,968 10,000,000 15,052,968		6,521,653 0 6,521,653		31,574,621 10,000,000 21,574,621
78	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)	20	33,869		14,674		48,543
82 83	Less: Federal Surtax 1.12% x Taxable Income	21	11,899		-11,899		0
84 85	Net LCT		21,970		26,573		48,543
86 87	III) INCLUSION IN RATES						
88 89	Income Tax Rate used for gross- up (exclude surtax)		37.50%				
90 91	Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	22 23	656,486 35,152			Actual 2003 Actual 2003	849,284 25,507
92 93	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			Actual 2003	87,533
94 95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	751,797			Actual 2003	962,324
96 97	RAM DECISION						
98 99	IV) FUTURE TRUE-UPS						
100 101	IV a) Calculation of the True-up Variance In Additions:				DR/(CR)		
102 103	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3 4			15,448 0		
104 105	Reserves from financial statements-end of year Regulatory Adjustments	4 5			0 -151,437		
106 107	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			0 52,983		
109	In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	8			13,548		
110 111	Items Capitalized for Regulatory Purposes Regulatory Adjustments	9 10			-55,617		
112 113	Interest Adjustment for tax purposes (See Below - cell I206) Tax reserves claimed in current year	11 4			-57,024 0		
115	Reserves from F/S beginning of year Contributions to deferred income plans	4			0		
116 117	Contributions to pension plans Other deductions "Material" Items TAXREC	3 12			0		
118 119	Other deductions "Material" Item TAXREC 2	12			66,837		
120 121	Total TRUE-UPS before tax effect	26		=	-50,750		

	A	В	С	D	E	F	G	Н
1	PILS TAXES - EB-2008-381 PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		Latinate		Variance	Variance	returns	
5	("Wires-only" business - see Tab TAXREC) 0				K-C	Explanation	Version 2009.1	
6 7	Utility Name: Halton Hills Reporting period: 2003							
8							Column	
10	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From	
11 12	-		\$		\$		TAXREC \$	
13			9				9	
122 123	Income Tax Rate (excluding surtax) from 2003 Utility's tax return			х	35.54%			
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								
130 131	Income Tax Rate used for gross-up (exclude surtax)				35.54%			
132 133	TRUE-UP VARIANCE ADJUSTMENT				(27,981)			
	IV b) Calculation of the Deferral Account Variance caused by							
134 135	changes in legislation							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			-	1,062,413			
137								
138 139	REVISED CORPORATE INCOME TAX RATE	-		х	36.66%			
	REVISED REGULATORY INCOME TAX			=	389,481			
142	Less: Revised Miscellaneous Tax Credits			-	0			
143 144	Total Revised Regulatory Income Tax			=	389,481			_
145	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell				, .			
146	C58)			-	410,304			
147 148	Regulatory Income Tax Variance			=	(20,823)			
149					(20,020)			
150 151	Ontario Capital Tax Base			=	25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			-	5,000,000 20,052,968			
154								
155 156	Rate - Tab Tax Rates cell C54		,	Х	0.3000%			
157	Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell			=	60,159			
158	C70)			-	60,159			
159 160	Regulatory Ontario Capital Tax Variance			=	0			
161	Federal LCT				25.052.069			
163	Base Less: Exemption from tab Tax Rates, Table 2, cell C40			-	25,052,968 10,000,000			
164 165	Revised Federal LCT			=	15,052,968			
166 167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
168	Gross Amount				33,869			
169 170	Less: Federal surtax Revised Net LCT			-	11,899 21,970			
171	Less: Federal LCT reported in the initial estimate column (Cell C82)							
	Regulatory Federal LCT Variance			=	21,970 0			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.54%			
176								
178	Income Tax (grossed-up) LCT (grossed-up)			+	(32,304)			
179 180	Ontario Capital Tax			+	0			
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(32,304)			
182 183	TRUE-UP VARIANCE (from cell I132)			+	(27,981)			
184 185				-	(60,285)			
186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			-	(00,265)			
187 188				\vdash		<u> </u>		
189								
191	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							
192	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			
197 198	according to the Board's decision							
199	Other Interest Variances (i.e. Borrowing Levels							
200 201	Above Deemed Debt per Rate Handbook) 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	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				-57,024			
207								
208 209	Total Interest Variance				426,209			
210						T		\Box
211				ш				ш

	A	В	С	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	
5	0		Return		Varaian 2000 4	
_	Section A: Identification:				Version 2009.1	
7	Utility Name: Halton Hills					
_	Reporting period: 2003					
9	Taxation Year's start date:					
_	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12	Please enter the Materiality Level :		0	< - enter materiality	lovol	
14	(0.25% x Rate Base x CER)	Y/N	0	C - enter materiality	ievei	
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	worksh	eet.)			
19 20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Note: Carry forward Wifes-Only Data to Tab TAXOALC Coldmit K					
22	Section B: Financial statements data:					
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	expens	e and provision for i	ncome tax		
26 27	Please enter the non-wire operation's amount as a positive number, the pro	naram n	utomatically treate	all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and T			an announts		
29						
30	Income:					
31	Energy Sales	+	36,226,346		36,226,346	
32	Distribution Revenue	+	1,136,036		1,136,036	
33	Other Income Miscellaneous income	+			0	
35	Miscellaneous income	+			0	
36	Revenue should be entered above this line				J	
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	28,473,695		28,473,695	
40	Administration	-	3,711,107		3,711,107	
42	Customer billing and collecting 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	
50	Net Income Before Interest & Income Taxes EBIT	=	3,248,641	0	3,248,641	
51	Less: Interest expense for accounting purposes	-	1,221,601	Ů	1,221,601	
52	Provision for payments in lieu of income taxes	-	856,051		856,051	
53	Net Income (loss)	=	1,170,989	0	1,170,989	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss)					
55	per financial statements on Schedule 1 of the tax return.)					
_	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:		050.05	_	050.05	
_	Provision for income tax Federal large corporation tax	+	856,051 49,221	0	856,051 49,221	
	Depreciation & Amortization	+	1,682,279	0	1,682,279	
_	Employee benefit plans-accrued, not paid	+	15,448	0		
	Tax reserves - beginning of year	+	0	0	0	
	Reserves from financial statements- end of year	+	0	0		
	Regulatory adjustments on which true-up may apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		116,986	0	116,986	
	Material addition items from TAXREC 2	+	52,983	0	52,983	
69	Other addition items (not Material) from TAXREC 2	+	0	0	0	
70	Subtotal		2,772,968	0	2,772,968	
71	*******		,,		, :=,:30	
	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
75 76	Capital items expensed	+	0		0	
77		+	U		0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81	T		6 === :			
82	Total Additions	=	2,772,968	0	2,772,968	
83	Recap Material Additions:					
85	Treath material readitions.		0	0	0	
				·	· ·	

	A	В	С	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	
5		0	Return			
86			0	0	Version 2009.1	
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 94	Other additions (less than materiality level) Total Other Additions		0	0	0	
95	Total Otto / Additiono		Ü		Ü	
96	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	1,470,492		1,470,492	
	Cumulative eligible capital deduction	-	77,024		77,024	
	Employee benefit plans-paid amounts Items capitalized for regulatory purposes	-	13,548		13,548	
	Regulatory adjustments :	+ -			0	
102		-			0	
103		-			0	
	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-	0	0	0	
	Items on which true-up does not apply "TAXREC 3" Interest capitalized for accounting deducted for tax	-	U	0	0	
	Material deduction items from TAXREC 2	-	66,837	0	66.837	
	Other deduction items (not Material) from TAXREC 2	-	00,037	0	0	
112						
113		=	1,627,901	0	1,627,901	
	Other deductions (Please explain the nature of the deductions)					
	Charitable donations - tax basis	-			0	
117	Gain on disposal of assets	-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,627,901	0	1,627,901	
123	Recap Material Deductions:					
125	Necap Material Deductions.		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 Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133			U		0	
	TAXABLE INCOME	=	2,316,056	0	2,316,056	
135	DEDUCT:					
	Non-capital loss applied positive number	-	0		0	
137		-			0	
138	NET TAXABLE INCOME	=	2,316,056	0	2,316,056	
140		+	2,010,000	U	2,310,030	
	FROM ACTUAL TAX RETURNS	1				
142	Net Federal Income Tax (Must agree with tax return)	+	558,742		558,742	
	Net Ontario Income Tax (Must agree with tax return)	+	290,542		290,542	
144		=	849,284	0	849,284	
	Less: Miscellaneous tax credits (Must agree with tax returns) Total Income Tax	-	849,284	0	0 849,284	
146		=	049,284	U	049,284	
	FROM ACTUAL TAX RETURNS	+				
_	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	
	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151			36.62%		36.62%	
152		+				
153 154	Section F: Income and Capital Taxes	+				
	RECAP	+				
	Total Income Taxes	+	849,284	0	849,284	
157	Ontario Capital Tax	+	87,533		87,533	
	Federal Large Corporations Tax	+	25,507		25,507	
159		-	000.004		000.001	
160 161		=	962,324	0	962,324	
101	1					

	A	В	С	D	Е	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	⊏ Wires-only	Г
	Tax and Accounting Reserves	LINL	Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax	Liiiiiiiations	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		rtotarri	
5	0				Version 2009.1	
6						
7	Utility Name: Halton Hills					
	Reporting period: 2003					
9						
	TAX RESERVES					
11						
	Beginning of Year:					
13	20(1)(1)				0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m) Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
20	5 1 10000 00001100				0	
21					0	
	Total (carry forward to the TAXREC worksheet)	<u> </u>	0	0	0	
23						
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
32					0	
	Insert line above this line				U	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36	Total (carry forward to the 1777(CEO worksheet)		U	U	U	
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
49	Other I leade describe				0	
	Total (carry forward to the TAXREC worksheet)	<u> </u>	0	0	0	
51	- 1 (Saily 10 mails to the 17 bit Lo Worker)				- O	
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
60	Other - Please describe				0	
	Inpart line above this line				0	
	Insert line above this line Total (carry forward to the TAXREC worksheet)		0	0	0	
64	Total (Carry Torward to the TAANEC WORKSHEEL)		U	U	U	<u> </u>
7						

March 22, 2010 Tax Reserves

	А	В	С	D	E	F
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)	LINE	Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiations	Return	
5	RATEPAYERS ONLY		Return		11000	
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
	Reporting period: 2003					
	Number of days in taxation year: Materiality Level:		365			
12	Materiality Level:		U			
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17		+			0	
	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22	Taxable capital gains	+			0	
	Scientific research expenditures deducted	+			0	
24		+			0	
	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
	Debt issue expense Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	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	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	52,983	0	52,983	
47						
	Recap of Material Additions:					
49 50			0	0		
51			0	0		
52			0	0		
53			0	0		
54			0	0		
55			0	0		
56			0	0		
57			0	0		
58			0	0		
59			0	0		
60 61			0	0		
62			0	0		
63			0	0		
64			0	0		
65			0	0		
66			0	0		
	Provision for bad debts		52,983	0	- /	
68			0	0		
69			0	0		
70			0	0		
71 72			0	0		
73			0	0		
74			0	0		
75			0	0		
<u> </u>				- J	ŭ	

						Ap
	A	В	С	D	Е	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RATEPAYERS ONLY		Return			
	Shareholder-only Items should be shown on TAXREC 3		11010111		Version 2009.1	
7	onareholder-only items should be shown on TAXILO 5				Version 2003.1	
	Utility Name: Halton Hills					
40	Reporting period: 2003		005			
	Number of days in taxation year:		365			
	Materiality Level:		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	
	Total Additions		52,983	0		
80			52,500		32,300	
	Deduct:	1				
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	66,837		66,837	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	0		0	
97	NOTI-LAXADIE TOAU TRATISTETS		U		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	
	Bad debts		66,837	0	66,837	
108			0,007	0	00,007	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0		
113			0	0		
114			0	0		
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
	Total Deductions exceed materiality level		66,837	0	v	
	Other deductions less than materiality level		00,037	0		
			· ·			
	i otal Deductions		00,037	U	00,037	
	Total Deductions		66,837	0		_

	A	В	С	D	E I	F
1	^	ь	C		L	'
	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			
	Utility Name: Halton Hills				Version 2009.1	
9						
10						
	Reporting period: 2003		205			
12	Number of days in taxation year:		365			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18						
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	-
23	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	<u> </u>			0	
	Loss in equity of subsidiaries and amiliates Loss on disposal of utility assets	+			0	
_	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,319		4,319	
33	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+			0	
	Donations - amount per books		0		0	
	Interest and penalties on unpaid taxes		289		289	
_	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
_	Ontario capital tax adjustments	+			0	
	Changes in Regulatory Asset balances	+	68,326		68,326	
42	January Process Bullaness	+	55,525		0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+	44,052		44,052	
45		+			0	
46		+				
	Total Additions on which true-up does not apply	=	116,986	0	116,986	
48	D. Luci					
	Deduct:					
50 51	CCA adjustments	-			0	
	CEC adjustments	-			0	-
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
_	Income from joint ventures or partnerships	-			0	
59		-			0	-
60		-			0	
61 62		-			0	
63		-			0	
	Ontario capital tax adjustments to current or prior year	-			0	
65	ontaino oupliar tax aujuotinonto to outretti or prior year	-			0	
	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	Total Deductions on which two and does not cont	-			0	
74	Total Deductions on which true-up does not apply	=	0	0	0	
75						
10	<u>I</u>	1				

March 22, 2010 TAXREC 3 No True-up

C E U	A					 			
C E U		В	С	D	Е	F	G	Н	L
E	PILs TAXES - EB-2008-381 Corporate Tax Rates				V	/ersion 2009.1	ĺ		
U	exemptions, Deductions, or	Threshold	S		V	5151011 £003.1			
R	Itility Name: Halton Hills								
	Reporting period: 2003								
	and the state of t		(- 0000			Table 1			
	Rates Used in 2002 RAM PIL	_s Applicati			200.004				
	ncome Range RAM 2002		0 to		200,001 to	>700000			
ť	.AIVI 2002	Year	200,000		700,000	>100000			
	ncome Tax Rate								
	Proxy Tax Year	2002							
	ederal (Includes surtax)		13.12%		26.12%	26.12%			
_	and Ontario blended		6.00%		6.00%	12.50%			
_	Blended rate		19.12%		34.12%	38.62%			
Ļ	and the Dat		0.0000/						
	Capital Tax Rate		0.300% 0.225%						
	CT rate Surtax		1.12%						
_	Ontario Capital Tax	MAX							
	Exemption **	\$5MM	5,000,000						
	ederal Large	·							
C	Corporations Tax	MAX	10,000,000						
	exemption **	\$10MM							
	*Exemption amounts r	nust agre	e with the	Board-appi	roved 200	2 RAM			
F	PILs filing	_							
1	-								
						Table 2			
	xpected Income Tax Rates	for 2003 a	nd Canital Ta	x Exemptions	for 2003	I able 2			
	ncome Range	. 5. 2003 al	и Сарнагта 0	A EXCHIPITORS	200,001				
	Expected Rates		to		to	>700000			
Ĺ		Year	200,000		700,000				
lr	ncome Tax Rate								
	Current year	2003							
_	ederal (Includes surtax)	2003	13.12%			24.12%			
_	Ontario	2003	6.00%			12.50%			
	Blended rate	2003	19.12%		34.12%	36.62%			
	Conital Tay Data	2000	0.2000/						
	Capital Tax Rate CT rate	2003 2003	0.300% 0.225%						
_	Curtax	2003	1.12%						
_	Ontario Capital Tax	MAX							
	Exemption *** 2003	\$5MM	5,000,000						
	ederal Large								
C	Corporations Tax	MAX	10,000,000						
Е	xemption *** 2003	\$10MM							
	**Allocation of exempt		t comply w	vith the Boa	ard's instr	uctions			
r	egarding regulated act	tivities.							
						Table 3			
lr	nput Information from Utilit	y's Actual 2	2003 Tax Reti	urns					
lr	ncome Range		0		200,001				
			to		to	>700,000			
Ļ		Year	200,000		700,000				
_	ncome Tax Rate	0000							
	Current year	2003	12.400/		0.000/	24.4204			
_	ederal (Includes surtax)		13.12%		0.00%	24.12%			
_	Ontario Blandad rata		6.00%		0.00%	12.54%			
	Blended rate		19.12%		0.00%	36.66%			
Г	Capital Tax Rate		0.300%						
0	CT rate		0.300%						
С	Surtax		1.12%						
C		MAX							
L	Intario Capital Tax	\$5MM	4,686,438						
L	Ontario Capital Tax Exemption *	ΨOIVIIVI .							
S	Ontario Capital Tax Exemption * Eederal Large	-							
C L S C E	xemption *	MAX	10,000,000						
	xemption * ederal Large corporations Tax xemption *	MAX \$10MM							
	xemption * ederal Large Corporations Tax	MAX \$10MM		ocation cal	culations	in your			
C E F C E *	xemption * ederal Large corporations Tax xemption *	MAX \$10MM actual tax	return alle			in your			

March 22, 2010 Tax Rates

	A I	В	С	D	E	F	G	Н	1 1	J	К	L	M	N	0
1	PILs TAXES - EB-2008-381		Ŭ		_	-			·		10	_			
2	Analysis of PILs Tax Account	1562:													
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2003				Sign Convention	on: +	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
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)		_												0
	True-up Variance	+/-													
15	Adjustment (3)		_										-27,981		-27,981
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)		_		_				_						0
	Deferral Account Variance	+/-													
17	Adjustment (5)		_										-32,304		-32,304
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
	from) customers (8)		0										_		0
21															
	Ending balance: # 1562		0		0		0		0		0		-60,285		-60,285
23															

26 Uncollected PILs

40 41

43 44

63 64 65

67

70 71

72 73

74

75

76

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.

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 37
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- 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.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 48 49 50 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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 55
 - (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.
- 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, 2001and 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 61 62 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - (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.

PILs 1562 Calculation

	П п		T D	
A A BU - TAYER ED 2000 201	В	С	D	E
PILS TAXES - EB-2008-381				Version 2009.1
2 REGULATORY INFORMATION (REGINFO)			Colour Codo	
3 Utility Name: Halton Hills			Colour Code	
4 Reporting period: 2004 5			Input Cell	
	000	dans	Formula in Cell	
6 Days in reporting period:	366	days		
7 Total days in the calendar year:	366	days		
8				
9 BACKGROUND				
10 Has the utility reviewed section 149(1) ITA to				
11 confirm that it is not subject to regular corporate				
12 tax (and therefore subject to PILs)?		Y/N		
14 Was the utility recently acquired by Hydro One				
15 and now subject to s.89 & 90 PILs?		Y/N		
10 and now subject to 5.09 & 90 FILS!		1/11		
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	4000/	
21 Please identify the % used to allocate the OCT and LCT exemption			100%	
22 Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24 Accounting Year End		Date	12-31-2004	
ZO TOOOGHUNG TOUT ENG		Date	12 01 2004	
26 MARR NO TAX CALCULATIONS				Regulatory
27 SHEET #7 FINAL RUD MODEL DATA				Income
28 (FROM 1999 FINANCIAL STATEMENTS)				
29 USE BOARD-APPROVED AMOUNTS				
30				
31 Rate Base (wires-only)			25,052,968	
OL .			J	
33 Common Equity Ratio (CER)			50.00%	
35 1-CER			50.00%	
-00			0.000/	
37 Target Return On Equity			9.88%	
39 Debt rate			7.25%	
41 Market Adjusted Revenue Requirement			2,145,787	
72			2,143,767	
43 1999 return from RUD Sheet #7			0	0
45 Total Incremental revenue			2,145,787	
46 Input: Board-approved dollar amounts phased-in			2,143,707	
			745 405	745 405
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 Total Regulatory Income				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			552,.51	
66 Phase-in of interest - Year 2 (2002)			605,477	
67 ((D43+D47+D48)/D41)*D61			000,477	
68 Phase-in of interest - Year 3 (2003) and forward			605,477	
69 ((D43+D47+D48)/D41)*D61 (due to Bill 210)			003,477	
70 Phase-in of interest - 2005			908,170	
			900,170	
71				
	1	1	1	

March 22, 2010 REGINFO

	A	В	С	D	E	F	G	Н
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns	-
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	Utility Name: Halton Hills						Version 2009.1	
7	Reporting period: 2004							
8	Days in reporting period:	366	days				Column Brought	
10	Total days in the calendar year:	366	days				From	
11			\$		\$		TAXREC \$	_
13								
14 15	I) CORPORATE INCOME TAXES							-
16	Regulatory Net Income REGINFO E53	1	1,430,596		1,079,237		2,509,833	
17	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	3	1,460,685		351,780 40,768		1,812,465 40,768	
22	Tax reserves - beginning of year	4			0		0	
24	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
25	Other Additions (See Tab entitled "TAXREC")				0			
26 27	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6		-	0		0	
28 29	"Material Items from "TAXREC 2" worksheet	6			38,593		38,593	
30	Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"				771,801		771,801	
31								
32	Deductions: Input positive numbers 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 36	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	9	55,617		-55,617		0	
37	Interest Expense Deemed/ Incurred	11	1,278,625		-107,682		1,170,943	
	Tax reserves - end of year Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41 42	Interest capitalized for accounting but deducted for tax	3 11			0		0	
43		12			0		0	
44 45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46 47	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12			24,694	-	24,694	
48	Items on which true-up does not apply "TAXREC 3"	14			824,837		824,837	\vdash
49			000 004		005 450	5 () 0 (4 574 000	
50 51	TAXABLE INCOME/ (LOSS)		636,204		935,456	Before loss C/F	1,571,660	
52	BLENDED INCOME TAX RATE	40	04.400/		4.04000/		20,000/	
53 54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		1.9400%		36.06%	-
55 56	REGULATORY INCOME TAX		217,073		299,492	Actual	516,565	
57				-				_
58 59	Miscellaneous Tax Credits	14			0	Actual	0	
60	Total Regulatory Income Tax		217,073		299,492	Actual	516,565	
61 62								
63	II) CAPITAL TAXES							
64 65	Ontario							
66	Base	15	25,052,968		9,446,982		34,499,950	
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	5,000,000 20,052,968		-315,157 9,131,825		4,684,843 29,815,107	
69								
70 71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
72	Ontario Capital Tax		60,159		29,286		89,445	
73 74	Federal Large Corporations Tax							
75	Base	18	25,052,968		3,973,803		29,026,771	
76 77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	19	10,000,000 15,052,968		35,995,000 39,968,803		45,995,000	
78							· ·	
79 80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	\vdash
81		0.4	33,869		-33,869		0	
82 83	Less: Federal Surtax 1.12% x Taxable Income	21	7,125		-7,125		0	\vdash
84 85	Net LCT		26,744		-26,744	-	0	H
86	III) INCLUSION IN RATES							
87 88	Income Tax Rate used for gross- up (exclude surtax)		33.00%					H
89								
90	Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	22	323,989 39,916			Actual 2004 Actual 2004	516,565 0	
92		24	60,159			Actual 2004 Actual 2004	92,560	
93								\vdash
95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	424,064			Actual 2004	609,125	
96 97	RAM DECISION							$\vdash \exists$
98								
99	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance				DR/(CR)			\vdash
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3		I	40,768			\vdash
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments Other additions "Material" Items TAXREC	5			-151,437 0			\vdash
107	Other additions "Material" Items TAXREC 2	6			38,593			
	In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	8			20,269			\vdash
110	Items Capitalized for Regulatory Purposes	9			0			
	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10 11			-55,617 -107,682			\vdash
113	Tax reserves claimed in current year	4			0			
115	Reserves from F/S beginning of year Contributions to deferred income plans	3			0			\vdash
116	Contributions to pension plans	3			0			
117 118		12 12			24,694			\vdash
119		26						
121	Total TRUE-UPS before tax effect	- 20			46,260			Н
_								

\Box	A	В	С	D	E	F	G	Н
	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate	-	Filing Variance	Filing Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0 Utility Name: Halton Hills						Version 2009.1	\vdash
	Reporting period: 2004							
8							Column	
	Days in reporting period: Total days in the calendar year:	366 366	days days				Brought From	
11	Total dayo iii iilo odionadi yodi.						TAXREC	
12			\$		\$		\$	\vdash
	Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x	34.94%			
123								
124 125	Income Tax Effect on True-up adjustments			=	16,163			
126	Less: Miscellaneous Tax Credits	14			0			
127	T-4-1 T T				40,400			
128 129	Total Income Tax on True-ups				16,163			
130	Income Tax Rate used for gross-up (exclude surtax)				34.94%			
131 132	TRUE-UP VARIANCE ADJUSTMENT				24,844			Ь——
133	TRUE-UF VARIANCE ADJUSTMENT				24,044			
40.4	IV b) Calculation of the Deferral Account Variance caused by							
134 135	changes in legislation							\vdash
100	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
136	estimate column)			=	636,204			\vdash
137 138	REVISED CORPORATE INCOME TAX RATE			х	36.06%			\vdash
139								
140 141	REVISED REGULATORY INCOME TAX			=	229,415			\vdash
142	Less: Revised Miscellaneous Tax Credits			-	0			
143				1				
144 145	Total Revised Regulatory Income Tax			=	229,415			\vdash
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell			1				П
	C58)			-	217,073			L
147 148	Regulatory Income Tax Variance			-	12,342			
149					1			
150	Ontario Capital Tax 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			х	0.3000%			
156	Nate - Tab Tax Nates Cell CO4			^_	0.3000 /8			
157	Revised Ontario Capital Tax			=	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			_	60,159			1 1
159	Regulatory Ontario Capital Tax Variance			=	00,133			
160								
	Federal LCT Base				25,052,968			\vdash
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164 165	Revised Federal LCT			=	(24,947,032)			Щ.
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
	Gross Amount Less: Federal surtax				0			\vdash
170	Revised Net LCT			=	0			
171	Less: Federal LCT reported in the initial estimate column (Cell C82)				26.744			\vdash
	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance			=	26,744 (26,744)			\vdash
174								
175 176	Actual Income Tax Rate used for gross-up (exclude surtax)			-	34.94%			\vdash
177	Income Tax (grossed-up)			+	18,971			
178	LCT (grossed-up)			+	(39,916)			
179 180	Ontario Capital Tax			+	0			\vdash
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(20,945)			
182	TRUE-UP VARIANCE (from cell I132)			ļ				\vdash
183 184	TROE-OF VARIANCE (HORITCENTISZ)			+	24,844			-1
185	Total Deferral Account Entry (Positive Entry = Debit)			=	3,898			
186 187	(Deferral Account Variance + True-up Variance)			 				
188								∟┤
189				Ĺ				口
	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt			-				\vdash
192				<u> </u>				
193	Total deemed interest (REGINFO)				1,278,625			\square
194 195	Interest phased-in (Cell C36)				852,416			\vdash
196	Variance due to phase-in of debt component of MARR in rates				426,209			
197	according to the Board's decision							$\vdash \exists$
198 199	Other Interest Variances (i.e. Borrowing Levels			 				\vdash
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41) Total deemed interest (REGINFO CELL D61)				1,170,943			$\vdash \vdash \mid$
202	Total deethed interest. (REGINFO CELL D01)				1,278,625			
204	Variance caused by excess debt				0			
205	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				-107,682			\vdash
207	innerest Augustinent for Tax Purposes (carry forward to Cell (112)			 				
208	Total Interest Variance				426,209			ш
209 210				 				\vdash
211								

	Λ.	ь		D	г	
1	A PILs TAXES - EB-2008-381	LINE	C M of F	D Non-wires	E Wires-only	Г
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return		Version 2009.1	
	Section A: Identification:				Version 2009.1	
7	Utility Name: Halton Hills					
	Reporting period: 2004					
9 10	Taxation Year's start date: Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12				,		
	Please enter the Materiality Level :		0	< - enter materiality	level	
14 15	(0.25% x Rate Base x CER)	Y/N Y/N				
16	(0.25% x Net Assets) 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	works	heet.)			
19 20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Note: Carry forward Wifes-Only Data to Tab TAXCALC Column K					
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					_
24	The actual categories of the income statements should be used.	t ovnon	so and provision to	r incomo tov		
25 26	If required please change the descriptions except for amortization, interes	t expen	se anu provision 10.	micome tax		
27	Please enter the non-wire operation's amount as a positive number, the pl			all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and	TAXRE	C2.			-
29	Income:					
30	Income: Energy Sales	+	30,683,803		30,683,803	
32	Distribution Revenue	+	8,073,276		8,073,276	
33	Other Income	+	1,146,428		1,041,995	
34 35	Miscellaneous income	+			0	
36	Revenue should be entered above this line	+			0	
37	Iteveriue should be entered above this line					
38	Costs and Expenses:					
39	Cost of energy purchased	-	30,683,803		30,683,803	
40	Administration Customer billing and collecting	-	4,310,467	39,050	4,271,417	
42	Operations and maintenance	-			0	
43	Amortization	-	1,814,270	1,805	1,812,465	
44	Ontario Capital Tax	-	80,169		80,169	
45 46	Recovery of regulatory assets - expense	-	441,387		441,387	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	2,573,411	63,578	2,509,833	
51 52	Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes	-	1,170,943 412,562		1,170,943 412,562	
	Net Income (loss)	=	989,906	63,578	926,328	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)					
54 55	per financial statements on Schedule 1 of the tax return.)					
_	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
_	BOOK TO TAX ADDITIONS:		440 500		440 500	
	Provision for income tax Federal large corporation tax	+	412,562	0	412,562	
	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
62	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
	Tax reserves - beginning of year	+	0		0	
	Reserves from financial statements- end of year Regulatory adjustments on which true-upmay apply (see A66)	+	0	0	0	
_	Items on which true-up does not apply "TAXREC 3"		792,532	20,731	771,801	
	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	Subtotal		2 000 705	00 500	2 076 400	
70	Subtotal		3,098,725	22,536	3,076,189	
72	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
75 76	Capital items expensed	+	0		0	
77		+			0	
78		+			0	
79	Total Other Addition	+			0	
80 81	Total Other Additions	=	0	0	0	
82	Total Additions	=	3,098,725	22,536	3,076,189	
83				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
	Recap Material Additions:					
85 86			0		0	
00			0	0	U	

TAX RETURN RECONCILATION (TAXREC; 1		A	В	С	D	E	F
Tax	1						
S	2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
Section Sect						Return	
Second Comparison of the Com		0		Return			
Section Sect				0	0		
10							
1							
19 19 20 20 20 20 20 20 20 2							
10							
Section Sect	92	Total Other additions >materiality level		0	0	0	
Section Sect							
See		Total Other Additions		0	0	0	
1,489,425 1,48		DOOK TO TAY DEDUCTIONS.					
Section			_	1 489 425		1 489 425	
99 Employee benefit plane-paid amounts							
100 Imms capitalized for regulatory purposes -			-				
102 CCA			-	·		0	
103 Other deductions			-				
101 Tar Reserves - end of year							
105 Reserves from financial statements- beginning of year - 0 0 0 0 0 0 0 0 0			-				
105 Contributions to pension plans							
107 Contributions to pension plans				0	0		
108 Interest orpatizated for accounting deduced for tax							
109 Interest capitalized for accounting deducted for tax				824,837	0	-	
110 Material deduction items (not Material) from TAXREC 2			-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
111 Other deduction items (not Material) from TAXREC 2			-	24,694	0	-	
113 Subtotal	111		-			0	
114 Other deductions Please explain the nature of the deductions							
115 Charitable donations - tax basis			=	2,430,857	0	2,430,857	
116 Gair on disposal of assets - 0 0						0	
117		- 1 1111 1 111 1 1 1 1 1 1 1 1 1 1 1 1					
118		Gain on disposal of assets					
119							
121	119		-				
Total Deductions	120	Total Other Deductions	=	0	0	0	
123							
124 Recap Material Deductions:		Total Deductions	=	2,430,857	0	2,430,857	
125		ID Marchillo I					
126		Recap Material Deductions:		0	0	0	
127							
128							
130 Total Other Deductions exceed materiality level 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	128			0	0	0	
131 Other Deductions less than materiality level 0 0 0 0 0 0 0 132 Total Other Deductions 0 0 0 0 0 0 0 133 Total Other Deductions 0 0 0 0 0 0 0 133 Total Other Deductions 0 0 0 0 0 0 0 135 Dot Dot T:				0			
132 Total Other Deductions 0 0 0 0 0 133 134 TAXABLE INCOME = 1,657,774 86,114 1,571,660 135 DEDUCT:							
133							
TAXABLE INCOME		Total Other Deductions		0	0	0	
135 DEDUCT:		TAXABLE INCOME	=	1 657 774	86 114	1 571 660	
136 Non-capital loss applied positive number - 0 0 0 0 0 0 0 0 0			_	1,001,114	30,114	1,077,000	
137 Net capital loss applied positive number -			-	0		0	
139 NET TAXABLE INCOME			-				
140							
141 FROM ACTUAL TAX RETURNS		NET TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
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 - 0 0 0 148 FROM ACTUAL TAX RETURNS - - 0 22.29% 149 Net Federal Income Tax Rate (Must agree with tax return) 22.29% 22.29% 13.77% 13.77% 13.77% 13.77% 13.77% 15.77%		FROM ACTUAL TAY RETURNS					
143 Net Ontario Income Tax (Must agree with tax return)			+	319 232	19 195	300.037	
Subtotal							
145 Less: Miscellaneous tax credits (Must agree with tax returns) - 0 0 146 Total Income Tax = 547,618 31,053 516,565 147							
147 148 FROM ACTUAL TAX RETURNS 22.29% 149 Net Federal Income Tax Rate (Must agree with tax return) 22.29% 150 Net Ontario Income Tax Rate (Must agree with tax return) 13.77% 151 Blended Income Tax Rate 36.06% 152 36.06% 153 Section F: Income and Capital Taxes 56.06% 154 4.0 155 RECAP 547,618 31,053 516,565 157 Ontario Capital Tax 4.0 92,560 92,560 158 Federal Large Corporations Tax 4.0 0 159 0 0 160 Total income and capital taxes = 640,178 31,053 609,125	145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
148 FROM ACTUAL TAX RETURNS 149 Net Federal Income Tax Rate (Must agree with tax return) 22.29% 150 Net Ontario Income Tax Rate (Must agree with tax return) 13.77% 151 Blended Income Tax Rate 36.06% 152 36.06% 153 Section F: Income and Capital Taxes 154 4 155 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		Total Income Tax	=	547,618	31,053	516,565	
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 4 547,618 31,053 516,565 157 Ontario Capital Tax 4 92,560 92,560 158 Federal Large Corporations Tax 4 0 0 159 160 Total income and capital taxes = 640,178 31,053 609,125		EDOM ACTUAL TAX DETUDIO					
150 Net Ontario Income Tax Rate (Must agree with tax return) 13.77% 13.77% 13.77% 151 Blended Income Tax Rate 36.06% 36.06% 36.06% 152				20.000		22.2007	
151 Blended Income Tax Rate 36.06% 36.06%			-				
152							
153 Section F: Income and Capital Taxes		and the second second second		20.0070		22,00,0	
154		Section F: Income and Capital Taxes					
156 Total Income Taxes	154						
157 Ontario Capital Tax + 92,560 158 Federal Large Corporations Tax + 0 159 0 160 Total income and capital taxes = 640,178 31,053 609,125							
158 Federal Large Corporations Tax + 0 0 159 - - - 160 Total income and capital taxes = 640,178 31,053 609,125					31,053		
159							
160 Total income and capital taxes = 640,178 31,053 609,125		rederal Large Corporations Tax	+	0		0	
		Total income and capital taxes	=	640 178	31 053	609 125	
[101]	161	Totalonio and ouplier taxoo	-	0.10,170	01,000	300,120	

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
	Utility Name: Halton Hills					
	Reporting period: 2004					
9						
	TAX RESERVES					
11	Devianta a of Vern					
13	Beginning of Year:				0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss. 20(1)(ii)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
32					0	
	Insert line above this line				U	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36	Total (carry forward to the TAXINEO worksheet)			U	U U	
37						
	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
	Environmental				0	-
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49	Total (complete the TAYPEO				0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
	End of Year:					
53	ENU OF TEAT:				0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
61					0	
62	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

March 22, 2010 Tax Reserves

	Δ.	_	0		-	Appendix
<u> </u>	A	В	С	D	E	F
1	DU					
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Halton Hills					
	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12	•					
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17	Auu.	+			0	
	Gain on sale of eligible capital property	+			0	
10	Lace and displaced of acceptance of acceptan					
19	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22		+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0]1
27	Capital items expensed	+			0	
	Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense				0	
	Write down of capital property	+			0	
		-			0	
35	Amounts received in respect of qualifying environment trust	+	00.500			
	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						
	Recap of Material Additions:					
49			0	0	0	
50			0	0		
51			0	0	0	
52			0	0		
53			0	0		
54			0	0		
55			0	0		
56			0	0		
57			0	0		
58			0	0		
59			0	0		
60			0	0		
61			0	0		
62			0	0		
63			0	0		
64			0	0		
65			0	0		<u> </u>
66			0	0	0	
67	Provision for bad debts		38,593	0	38,593	
68			0	0	,	
69			0	0		
70			0	0		
71			0	0		
72			0	0		
73			0	0		
74			0	0		
_ ′ 4			U	U	U	

						Appendix
	A	В	С	D	Е	F
1						
_	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
		LIINE		Eliminations		
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	•					
	Utility Name: Halton Hills					
	Reporting period: 2004					
			000			
	Number of days in taxation year:		366			
	Materiality Level:		0			
12						
13						
75			0	0	0	
76						
			0	0		
77	Total Material additions		38,593	0		
78	Other additions less than materiality level		0	0	0	
79	Total Additions		38,593	0	38,593	
80			,			
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	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	
	Bad debts		24.004		24,694	
		-	24,694		,	
88	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92	Other moonie nom initiational statements	-			U	
					0	
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Daductions		24.004	0	ŭ	
	Total Deductions	=	24,694	0	24,694	
100						
	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0		
105			0	0	0	
106			0	0	0	
	Bad debts		24,694	0		
108			0	0	0	
109			0	0	0	
110			0	0		
111			0	0		
110						
112			0	0		
113			0	0		
114			0	0	0	
115			0	0	0	
116			0	0		
117			0	0		
118			0	0		
119	Total Deductions exceed materiality level		24,694	0		
120	Other deductions less than materiality level		0	0	0	
	Total Deductions		24,694	0		
122			,551		2 .,001	
122						

	A	В	С	D	E	F
1			J	J	_	•
	PILs TAXES - EB-2008-381					
	TAX RETURN RECONCILIATION (TAXREC 3)		M . (F	Ni		
	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires Eliminations	Wires-only Tax	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations		
6 7	(for "wires-only" business - see s. 72 OEB Act)	0	Tax Return		Return	
	Utility Name: Halton Hills	•	Retuin		Version 2009.1	
9	,					
10						
	Reporting period: 2004 Number of days in taxation year:		366			
13	Number of days in taxation year.		300			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
17 18	Add:					
	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
21	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+	20,731	20,731	0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments Dividends credited to investment account	+			0	
	Non-deductible meals	+	5,414		5,414	
	Non-deductible club dues	+	2,		0	
34	Non-deductible automobile costs	+			0	
	Donations - amount per books		325,000		325,000	
	Interest and penalties on unpaid taxes Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments				0	
39	Ontario depitar tax dejustinents	+			0	
	Changes in Regulatory Asset balances	+	441,387		441,387	
	Imputed interest expense on Regulatory Assets	+			0	
42	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Other Additions. (please explain in detail the nature of the item)	+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	792,532	20,731	771,801	
48	Deduct:					
50	Deuuci.					
	CCA adjustments	-			0	
52	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs	-	44,467		44,467 0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60 61	Ontario capital tax adjustments to current or prior year	-	9,276		9,276	
_	Changes in Regulatory Asset balances	-	441,387		441,387	
63		-	111,007		0	
64	Assessment Notice	-	4,707		4,707	
65		-			0	
66 67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	Care acceptant in dottin the nature of the north	-			0	
70		-			0	
71		-			0	
72	Total Daductions on which true up does not see by	-	004.007		0	
73 74	Total Deductions on which true-up does not apply	=	824,837	0	824,837	
75						
		1				

March 22, 2010 TAXREC 3 No True-up

STAKES - EB-2008-381 proprate Tax Rates services and the services are serviced in comparison. Deductions, or Thresholds ity Name: Halton Hills brorting period: 2004 Table 1 Table 2 Table 3	A	В	С	D	ΙE	F
Table 1 Table 2 Table 3 Tab	ILs TAXES - EB-2008-381	ь	C	D	E	ŗ
Table 1 Set Used in 2002 RAM PILs Applications for 2002 To	Corporate Tax Rates				٧	ersion 2009.
Table 1 Section Continue C		r Threshold	ls			
Table 1 Secure						
Secretar	Reporting period: 2004					
One Range						Table 1
Magnetic	Rates Used in 2002 RAM PI	Ls Applica	tions for 2002			
Year 200,000 700,000	Income Range		_			
Description	RAM 2002	Voor				>700000
13.12% 26.12% 2	Income Tax Rate	rear	200,000		700,000	
13.12% 26.12% 2	Proxy Tax Year	2002				
19.12% 34.12% 38.62%	Federal (Includes surtax)		13.12%		26.12%	26.12%
Dital Tax Rate	and Ontario blended					
Trate	Blended rate		19.12%		34.12%	38.62%
Trate	Conital Tay Bata		0.2000/			
tax	LCT rate					
Paris Capital Tax Paris	Surtax					
Secretar	Ontario Capital Tax	MAX				
Propositions Tax Proposition Tax Propositi	Exemption **	\$5MM	5,000,000			
### Storm 10,000,000 10,000	Federal Large	MAX				
Table 2 Decided Income Tax Rates for 2004 and Capital Tax Exemptions for 2004	Corporations Tax		10,000,000			
Table 2 Table 3 Tab			a suith the	Deard som	**************************************	2 DAM
Table 2 Dected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004	•	illust agre	e with the	Боаги-арр	noveu 200	ZRAW
Decided Income Tax Rates for 2004 and Capital Tax Exemptions for 2004	rics illing					
Decided Income Tax Rates for 2004 and Capital Tax Exemptions for 2004						
Deceded Range	Everated Income Tay Date	- 4 2004 -	and Conital Ta	Evenetie	(2004	Table 2
Secret S		S for 2004 a				
Year 250,000 400,000 1,128,000 1	Expected Rates		_	•	,	>1.128.000
Prent year 2004		Year		1.7		,,
	Income Tax Rate					
tario	Current year					
Second S	Federal (Includes surtax)					
Dital Tax Rate 2004 0.300%	Ontario Blended rate				_	
Trate	bierided rate	2004	10.02%	21.02%	31.07%	30.12%
Trate	Capital Tax Rate	2004	0.300%			
Samption *** 2004 \$5MM \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,	LCT rate					
######################################	Surtax	2004	1.12%			
leral Large motion *** 2004 \$5MM \$50,000,000 Personal large motion *** 2004 PAllocation of exemptions must comply with the Board's instructions garding regulated activities. Table 3 Internation from Utility's Actual 2004 Tax Returns Personal Properties of the actual tax return allocation calculations in your pour pour pour pour pour pour pour p	Ontario Capital Tax		5 000 000			
### \$50MM \$50,000,000 ### \$50MM \$50MM \$50,000,000 ### \$50MM	Exemption *** 2004	\$5MM	0,000,000			
Allocation of exemptions must comply with the Board's instructions garding regulated activities. Table 3 Interpretation from Utility's Actual 2004 Tax Returns Interpretation from Utility from Interpretation from Interpretation from Utility from Interpretation from Interpretation from Interpretation from	Federal Large	MAX	50,000,000			
Allocation of exemptions must comply with the Board's instructions garding regulated activities. Table 3 ut Information from Utility's Actual 2004 Tax Returns ome Range		\$50MM	50,000,000			
Table 3 Tabl		tions mus	st comply w	vith the Bo	ard's instr	uctions
Table 3 Sut Information from Utility's Actual 2004 Tax Returns	<u>-</u>		, , , , , , , , , , , , , , , , , , ,	50		
State Stat						Table 3
Come Range	Input Information from Utili	tv's Actual	2004 Tax Ret	urns		I able 3
Year 250,000 400,000 1,128,000 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2005	Income Range				400,001	
Dome Tax Rate			to	to		>1,128,000
2004		Year	250,000	400,000	1,128,000	
13.12% 22.12% 22.29% 2		0004				
13.77% 1	Current year	2004	12 120/	22 4 20/	22.200/	22 200/
18.62% 27.62% 36.06% 36.06%	Pederal (Includes surtax) Ontario					
Dital Tax Rate O.300% Trate O.200% tax 1.12% Araio Capital Tax Amption * Bernal Large Approactions Tax Amption * Bernation *	Blended rate					
Trate 0.200% tax 1.12% ario Capital Tax \$\frac{\text{MAX}}{\text{\$5MM}}\$ 4,684,843 leral Large \$\frac{\text{MAX}}{\text{\$50MM}}\$ 45,995,000 arion * \$\text{\$conditions Tax} \$\$conditions Tax			. 3.02 /0	_1.02/0	55.5576	55.5576
Trate 0.200% tax 1.12% ario Capital Tax \$\frac{\text{MAX}}{\text{\$5MM}}\$ 4,684,843 leral Large \$\frac{\text{MAX}}{\text{\$50MM}}\$ 45,995,000 arion * \$\text{\$conditions Tax} \$\$conditions Tax	Capital Tax Rate		0.300%			
Arrio Capital Tax Amption * Ideral Large Amption * I	LCT rate					
#mption * \$5MM 4,084,843 Heral Large	Surtax		1.12%			
leral Large MAX \$50MM 45,995,000 emption * clude copies of the actual tax return allocation calculations in your	Ontario Capital Tax		4,684,843			
sporations Tax smption * 45,995,000 clude copies of the actual tax return allocation calculations in your	Exemption *	\$5MM	,,			
soumm * soumm			45 995 000			
nclude copies of the actual tax return allocation calculations in your	Exemption *	\$50MM	45,995,000			
		actual ta	x return all	ocation ca	culations	in your
omission. Omano G123 page 11; Teueral 12 Schedule 30	-					your
	ubillioololl. UlltallO C	123 page	ii, ieuera	12 301160	iui c 30	

March 22, 2010 Tax Rates

													^	ppci	ndix A
	A	В	С	D	E	F	G	Н	I	J	K	L	М	Ν	0
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				Sign Conventi	on: -	F 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
	Board-approved PILs tax	+/-	- -										•		
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-	- -		<u>-</u>		-						•		
15	Adjustment (3)												24,844		24,844
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-	- -		<u>-</u>		-						•		
17	Adjustment (5)												-20,945		-20,945
	Adjustments to reported	+/-					-								
18	prior years' variances (6)														0
	Carrying charges (7)	+/-			- -		_						•		0
	PILs billed to (collected	-			-		-								
20	from) customers (8)		0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		3,898		3,898
23]														

26 27 Uncollected PILs

48

49

50

63 64

65

67

68

70 71

72

76

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 30 For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

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

- 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 37 If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- 38 39 40 41
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 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 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
 - (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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
 - (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.
- 54 55 56 57 (7) Carrying charges are calculated on a simple interest basis.
- 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, 2001and 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 61 62 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - a) 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.

PILs 1562 Calculation March 22, 2010

				_	
	A	В	С	D	E
1	PILs TAXES - EB-2008-0381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
	Utility Name: Halton Hills			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
15	tax (and therefore subject to r iss):		1/11		
	Was the utility recently acquired by Hydro One				
			27/21		
15	and now subject to s.89 & 90 PILs?		Y/N		
10					
17			Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
			3.7/3.1		
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
			1/11	4000/	
	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	
-20	, too salining 1 out with		2410	12 01 2000	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS			DEEMED	
	OSE BOARD-ALL ROVED AMOUNTS			DELIVIED	
30					
31	Rate Base (wires-only)			35,272,411	
02					
33	Common Equity Ratio (CER)			50.00%	
0					
35	1-CER			50.00%	
0					
37	Target Return On Equity			9.88%	
				7.050/	
39	Debt rate			7.25%	
	Market Adiusted Devenue Deguirement			2.024.002	
41	Market Adjusted Revenue Requirement			3,021,082	
43	1999 return from RUD Sheet #7			0	0
43	1999 Tetum Hom Rod Sheet #1			U	0
				0.004.000	
15					
45	Total Incremental revenue			3,021,082	II.
	I otal Incremental revenue Input: Board-approved dollar amounts phased-in			3,021,082	
46	Input: Board-approved dollar amounts phased-in				1.007.027
46 47	Input: Board-approved dollar amounts phased-in Amount allowed in 2001			1,007,027	
46 47 48	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002				
46 47	Input: Board-approved dollar amounts phased-in Amount allowed in 2001			1,007,027	
46 47 48	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210			1,007,027	
46 47 48 49 50	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board)		04.000	1,007,027 1,007,027	1,007,027 0 0
46 47 48 49 50 51	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	1,007,027 1,007,027	1,007,027 0 0 946,607
46 47 48 49 50 51 52	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board)		94.00%	1,007,027 1,007,027	1,007,027 0 0
46 47 48 49 50 51	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	1,007,027 1,007,027	1,007,027 0 0 946,607
46 47 48 49 50 51 52 53	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue		94.00%	1,007,027 1,007,027	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	1,007,027 1,007,027	1,007,027 0 0 946,607
46 47 48 49 50 51 52 53 54 55	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income		94.00%	1,007,027 1,007,027	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income		94.00%	1,007,027 1,007,027	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue		94.00%	1,007,027 1,007,027 1007028	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income		94.00%	1,007,027 1,007,027 1007028	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income		94.00%	1,007,027 1,007,027 1007028	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income		94.00%	1,007,027 1,007,027 1007028	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income		94.00%	1,007,027 1,007,027 1007028	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 60 61	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 60 61	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 60 61 62 63 64 65 66	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002)		94.00%	1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 60 61 62 63 64 65 66 67 68	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 60 61 62 63 64 65 66 67 68 69	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210)		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208 852,416	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 60 61 62 63 64 65 66 67 68 69	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210)		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208 852,416	1,007,027 0 0 946,607 108,653 0
46 47 48 49 50 51 52 53 54 55 56 57 58 60 61 62 63 64 65 66 67 68 69 70	Input: Board-approved dollar amounts phased-in Amount allowed in 2001 Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue Total Regulatory Income Equity Return at target ROE Debt Deemed interest amount in 100% of MARR Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210)		94.00%	1,007,027 1,007,027 1,007,027 1007028 17,636,206 1,742,457 17,636,206 1,278,625 426,208 852,416	1,007,027 0 0 946,607 108,653 0

March 22, 2010 REGINFO

1	A PILs TAXES - EB-2008-0381	B ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
3	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns	
5	("Wires-only" business - see Tab TAXREC) 0				K-C	Explanation	Version 2009.1	
7	Utility Name: Halton Hills Reporting period: 2005							
	Days in reporting period:	365	days				Column Brought	
11	Total days in the calendar year:	365	days				From TAXREC	
12			\$		\$		\$	
14 15	I) CORPORATE INCOME TAXES							
16 17	Regulatory Net Income REGINFO E53	1	3,069,314		-609,218		2,460,096	
18 19	BOOK TO TAX ADJUSTMENTS Additions:							
21	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	2	1,682,279 15,448		200,022 13,772		1,882,301 29,220	
23	Tax reserves - beginning of year Reserves from financial statements - end of year	4			70,004 0		70,004 0	
24 25	Regulatory Adjustments - increase in income Other Additions (See Tab entitled "TAXREC")	5			0		0	
26 27	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6	52,983		-52,983 0		0	
28 29	"Material Items from "TAXREC 2" worksheet Other Additions (not "Material") "TAXREC 2"	6			0		0	
30 31	Items on which true-up does not apply "TAXREC 3"				1,336,415		1,336,415	
32	Deductions: Input positive numbers Capital Cost Allowance and CEC	7	1,562,567		91,111		1,653,678	
	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8	13,548		3,172		16,720	
	Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred	10	1,278,625		-89,791		1,188,834	
38	Tax reserves - end of year Reserves from financial statements - beginning of year	4	.,,0,020		0		0	
40 41	Contributions to deferred income plans Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax Other Deductions (See Tab entitled "TAXREC")	11			0		0	
44	Other Deductions (not "Material") "TAXREC" Other Deductions (not "Material") "TAXREC"	12 12	66,837 35,200		-66,837 -35,200		0	
46 47	Other Deductions (not "Material") "TAXXEC 2" Other Deductions (not "Material") "TAXREC 2"	12	30,200		36,467 0		36,467 0	
48	Items on which true-up does not apply "TAXREC 3"				1,354,775		1,354,775	
50 51	TAXABLE INCOME/ (LOSS)		1,863,247		(335,685)	Before loss C/F	1,527,562	
52	BLENDED INCOME TAX RATE	13	36.12%		-2.3488%		33.77%	
54 55	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13				A		
56	REGULATORY INCOME TAX		673,005		-157,129	Actual	515,876	
57 58 59	Miscellaneous Tax Credits	14			0	Actual	0	
60	Total Regulatory Income Tax		673,005		-157,129	Actual	515,876	
61 62								
63 64	II) CAPITAL TAXES							
65 66	Ontario Base	15	35,272,411		-221,457		35,050,954	
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	7,500,000 27,772,411		-544,072 -765,529		6,955,928 28,095,026	
70 71	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	Federal Large Corporations Tax							
76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	35,272,411 50,000,000		-35,272,411 -4,005,000		45,995,000	
78	Taxable Capital		0		-39,277,411		0	
79 80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83 84	Net LCT		0		0		0	
	III) INCLUSION IN RATES							
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 92	LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	23 24	83,317			Actual 2005 Actual 2005	0 84,285	
93 94								
96	Total PILs for Rate Adjustment MUST AGREE WITH 2005 RAM DECISION	25	1,136,863			Actual 2005	600,161	
97 98								$\vdash \vdash$
99	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions: Employee Benefit Plans - Accrued, Not Paid	3		_	13,772			
103	Tax reserves deducted in prior year Reserves from financial statements-end of year	4			70,004			
105	Regulatory Adjustments Other additions "Material" Items TAXREC	5			-52,983			
107	Other additions "Material" Items TAXREC 2 In Deductions - positive numbers	6		H	0			
109	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8			3,172 0			
111	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10			-89,791			
113	Tax reserves claimed in current year Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans Contributions to pension plans	3			0			
117	Commission persion i paris Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12			-66,837 36,467			
119	Total TRUE-UPS before tax effect	26			147,782			
121	Income Tax Rate (excluding surtax) from 2005 Utility's tax return	- 20			35.00%			
123					33.00%			

	A	В	С	D	E	F	G	Н
	PILS TAXES - EB-2008-0381 PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial		M of F	M of F Filing	Tax	
3	TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Variance	Returns	
5	("Wires-only" business - see Tab TAXREC) 0				K-C	Explanation	Version 2009.1	
6	Utility Name: Halton Hills						Version 2005.1	
7 8	Reporting period: 2005						Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From TAXREC	
12			\$		\$		\$	
13 124	Income Tax Effect on True-up adjustments			=	51,724			
125								
126 127	Less: Miscellaneous Tax Credits	14			0			
128 129	Total Income Tax on True-ups				51,724			
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131 132	TRUE-UP VARIANCE ADJUSTMENT				79,575			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,863,247			
138	REVISED CORPORATE INCOME TAX RATE			х	36.12%			
139 140	REVISED REGULATORY INCOME TAX			=	673,005			
141 142	Less: Revised Miscellaneous Tax Credits				0			
143								
144 145	Total Revised Regulatory Income Tax			=	673,005			
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	673,005			
148	Regulatory Income Tax Variance			=	0			
149	Ontario Capital Tax							
151	Base			=	35,272,411			
152 153	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			=	7,500,000 27,772,411			
154								
155 156	Rate - Tab Tax Rates cell C54			х	0.3000%			
157	Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell			=	83,317			
	C70)			-	83,317			
159 160	Regulatory Ontario Capital Tax Variance			=	0			
161	Federal LCT				05.070.444			
162 163	Base Less: Exemption from tab Tax Rates, Table 2, cell C40			-	35,272,411 50,000,000			
164 165	Revised Federal LCT			=	(14,727,589)			
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			
	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance			=	0			
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			
179 180	Ontario Capital Tax			+	0			
181 182	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
	TRUE-UP VARIANCE (from cell I132)			+	79,575			
184	Total Deferral Account Entry (Positive Entry = Debit)			=	79,575			
186	(Deferral Account Variance + True-up Variance)				10,010			
187 188								
189								
	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							
192					4 070 005			
194	Total deemed interest (REGINFO) Interest phased-in (Cell C36)				1,278,625 1,278,625			
195 196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision				0			
198 199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)				4.400.001			
202	Interest deducted on MoF filing (Cell K36+K41) Total deemed interest (REGINFO CELL D61)				1,188,834 1,278,625	Deemed Proxy Interest		
203 204	Variance caused by excess debt				0			
205								
206 207	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				-89,791			
208	Total Interest Variance				0			
209 210				H				\vdash
211								

_	Α	B	C	D	Ε	F G
	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		Return	
5	V		Return		Version 2009.1	
6	Section A: Identification:				Version 2003.1	
7	Utility Name: Halton Hills					
	Reporting period: 2005					
	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12	rumber of days in taxation your.		000	aayo		
	Please enter the Materiality Level :		0	< - enter materiality	/ level	
14	(0.25% x Rate Base x CER)	Y/N	•	Contor materiality	10401	
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
	Does the utility carry on non-wires related operation?	Y/N				
	(Please complete the questionnaire in the Background questionnaire		heet.)			
19	, , ,		<u>'</u>			
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
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	t expens	se and provision for	income tax		
26			*			
27	Please enter the non-wire operation's amount as a positive number, the pr			all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and					
29						
	Income:					
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	Costs and Expenses:					
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	Net Income Before Interest & Income Taxes EBIT	=	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	45.000	646,313	Does this include LCT?
53	Net Income (loss)	=	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	ber imanicial statements on schedule 1 of the tax return.)					
	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	646,313	0	646,313	Does this include LCT?
	Federal large corporation tax	+	0		0	
	Depreciation & Amortization	+	1,884,106	1,805	1,882,301	
	Employee benefit plans-accrued, not paid	+	29,220	0	29,220	
	Tax reserves - beginning of year	+	70,004	0	70,004	
	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-upmay apply (see A66)	+			0	
	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	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		3,966,058	1,805	3,964,253	
71						
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79	Total Oil on A Little	+			0	
80	Total Other Additions	=	0	0	0	
81	Total Additions		0.000.050	1.00=	0.004.050	
82	Total Additions	=	3,966,058	1,805	3,964,253	
83	Pagen Material Additions:					
	Recap Material Additions:					
85			0	0	0	
86 87			0	0	0	
01			U	U	U	

A	В	С	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	
5	,	Return		Varaian 2000 4	
		0	0	Version 2009.1	
88		0	0	0	
89		0	0	0	
90		0	0		
91 Color and different materiality for the		0	0	0	
92 Total Other additions >materiality level		0	0	0	
93 Other additions (less than materiality level) 94 Total Other Additions		0	0	0	
95		U	U	Ü	
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	-	10,720		10,720	
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	-	U	U	0	
107 Contributions to deferred income plans	-			0	
	-	1,354,775	0	1,354,775	
108 Items on which true-up does not apply "TAXREC 3"		1,354,175	U	1,304,775	
109 Interest capitalized for accounting deducted for tax	-	00.40=		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	1	0.004.040		0.004.010	
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		0.004.040		2 221 212	
122 Total Deductions	=	3,061,640	0	3,061,640	
123					
124 Recap Material Deductions:		0	0	0	
125		0	0	0	
126		0	0	0	
127		0	0	0	
128 129		0	0	0	
		0	0	0	
130 Total Other Deductions exceed materiality level 131 Other Deductions less than materiality level		0	0	0	
132 Total Other Deductions		0	0	0	
133		U	U	U	
134 TAXABLE INCOME	1	1,575,260	47,698	1,527,562	
135 DEDUCT:	=	1,373,260	47,098	1,527,562	
136 Non-capital loss applied positive number	-	0		0	
137 Net capital loss applied positive number	-	U		0	
138 positive number	 -			0	
139 NET TAXABLE INCOME	=	1,575,260	47,698	1,527,562	
140		1,070,200	47,050	1,521,5002	
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	10,100	0	
146 Total Income Tax	=	531,984	16,108	515,876	
147	1 -	331,304	10,100	313,010	
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%	Divide Chiano income tax by the taxable
152		55.11 /6		33.11/0	
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	10,100	84,285	
158 Federal Large Corporations Tax	+	04,203		04,203	
159	T .	U		0	
160 Total income and capital taxes	=	616,269	16,108	600,161	
161	1 -	010,209	10,100	500,101	
1 - 1	1	ı.			

				Deferre	EB-20 d PILs Combined Pro	008-0381
	Λ	В	С			pendix A
1	A PILs TAXES - EB-2008-0381	LINE	M of F	D Non-wires		- Г
2	Tax and Accounting Reserves	LINE	Corporate	Eliminations	Wires-only Tax	
3	For MoF Column of TAXCALC		Tax	EIIIIIIIIIIIIII	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		Keturn	
5	· · · · · · · · · · · · · · · · · · ·		Retuin		Versien 2000 4	
	0				Version 2009.1	
6	11/20/2 11 1/2 11/20					
7	Utility Name: Halton Hills					
8	Reporting period: 2005					
9						
	TAX RESERVES					
11				1		
	Beginning of Year:					
13					0	
	Reserve for doubtful accounts ss. 20(1)(I)		70,004		70,004	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
_	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		70,004	0	70,004	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(I)		0		0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
32	Curio i ricade decoribe				0	
33					0	
	Insert line above this line				- U	
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36	Total (carry forward to the TAXINEO worksheet)		0	0	U	
37						
	FINANCIAL STATEMENT RESERVES					
39	FINANCIAL STATEMENT RESERVES					
	Danis de la citata de Maria					
	Beginning of Year:				0	
41 42					0	
	For the one enter				0	
	Environmental				0	
	Allowance for doubtful accounts		0		0	
_	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						
	1		Î.		i l	

March 22, 2010 Tax Reserves

						Append
	A	В	С	D	E	F
1						
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
		LIINE				
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	charcholder only items should be shown on TAXILEO				VC131011 2003.1	
8	Utility Name: Halton Hills					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
	Materiality Level:		0			
	materiality Level.		U			
12						
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:				_	
17		+			0	
18	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
					_	
	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
	Scientific research expenditures deducted	+			0	
						1
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt				0	
		+				
	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
	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	Cure riadian (predector)				0	
		+			•	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
		+				
46	Total Additions	=	0	0	0	
47						
	Recap of Material Additions:					
49	recoup of Material Additions.					
			0	0		
50			0	0	0	<u> </u>
51			0	0	0	
52			0	0		
						1
53			0	0		
54			0	0	0	
55			0	0	0	
56			0	0		
57			0	0		
58			0	0	0	
59			0	0		
60			0	0		1
						ļ
61			0	0		
62			0	0	0	l
63			0	0		
64			0	0		ļ
65			0	0	0	
66			0	0	0	
67			0	0		ļ
68			0	0		
69			0	0	0	
70			0	0		
71			0	0		
72			0	0	0	
73			0	0		
74						1
74			0	0	0	<u> </u>

						Appendix
	A	В	С	D	Е	F
1						
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
		LIINL		Eliminations	,	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	•					
8	Utility Name: Halton Hills					
	Reporting period: 2005					
			265			
	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0		
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	36,467		36,467	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	0		0	
97	Non-taxable load transfers	-	U		0	
98		-			0	
99	Total Deductions	=	36,467	0	36,467	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0		
103			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		
110			0	0	0	
111			0	0		
111						
112			0	0		
113			0	0		
114			0	0	0	1
115			0	0	0	
116			0	0		
117			0	0		
118			0	0		
	Total Deductions exceed materiality level		36,467	0		
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		36,467	0	36,467	
122			,			
		1			1	

	A	В	С	D	E	F
1	, , , , , , , , , , , , , , , , , , ,		J		_	•
	PILs TAXES - EB-2008-0381					
	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 8	Utility Name: Halton Hills)	Return		Version 2009.1	
9	Othity Name. Haiton Hills				Version 2009.1	
10						
11	Reporting period: 2005					
	Number of days in taxation year:		365			
13						
14 15						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18						
19	Recapture of capital cost allowance	+			0	
	CCA adjustments CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	1,297		1,297	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
_	Dividends credited to investment account	+			0	
	Non-deductible meals	+	5,787		5,787	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs Donations - amount per books	+	325,000		325,000	
	Interest and penalties on unpaid taxes		323,000		0	
	Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments				0	
39		+	4 004 004		0	
	Changes in Regulatory Asset balances Imputed interest expense on Regulatory Assets	+	1,004,331		1,004,331	
42	Imputed interest expense on Regulatory Assets	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44		+			0	
45		+			0	
46	Total Additions on which two we do so not soul.	+	1,336,415	0	4 226 445	
48	Total Additions on which true-up does not apply	=	1,330,415	0	1,336,415	
	Deduct:					
50						
	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments Gain on disposal of assets per financial statements	-	25,444		0 25,444	
55	Financing fee amorization - considered to be interest expense for PILs	-	25,444		25,444	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-	325,000		325,000	
	Income from joint ventures or partnerships	-			0	
59	Outsuis semital tons adjustments to seminal seminal seminal	-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	
	Changes in Regulatory Asset balances	-	1,004,331		1,004,331	
63	<u> </u>	-	.,,		0	
64		-			0	
65		-			0	
66		-			0	
67 68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	outer academone. It reads explain in detail the nature of the item)	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	1,354,775	0	1,354,775	
74 75						
13	<u>. </u>	1				

March 22, 2010 TAXREC 3 No True-up

A B C D E F PILs TAXES - EB-2008-0381 Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Halton Hills
Corporate Tax Rates Version 2009. Exemptions, Deductions, or Thresholds
Exemptions, Deductions, or Thresholds
Utility Name: Halton Hills Reporting period: 2005
reporting period. 2003
Table 1
Rates Used in 2005 RAM PILs Applications for 2005
Income Range 0 400,001
0 RAM 2005 to >1,128,000
1 Year 400,000 1,128,000
2 Income Tax Rate
3 Proxy Tax Year 2005
4 Federal (Includes surtax) 13.12% 17.75% 22.12%
5 and Ontario blended 5.50% 9.75% 14.00%
6 Blended rate 18.62% 27.50% 36.12%
7
8 Capital Tax Rate 0.300%
9 LCT rate 0.175%
0 Surtax 1.12%
Ontario Capital Tax MAX 7,500,000 7,500,000
Exemption ** \$7.5MM
Federal Large MAX 50,000,000
Corporations Tax \$50MM 50,000,000
**Exemption amounts must agree with the Board-approved 2005 RAM
1
PILs filing
4
Table 2
Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005
7 Income Range 0 250,001 400,001
8 Expected Rates to to >1,128,000
9 Year 250,000 400,000 1,128,000
0 Income Tax Rate
1 Current year 2005
2 Federal (Includes surtax) 2005 13.12% 22.12% 22.12% 22.12%
3 Ontario 2005 5.50% 5.50% 9.75% 14.00%
4 Blended rate 2005 18.62% 27.62% 31.87% 36.12%
5
6 Capital Tax Rate 2005 0.300%
7 LCT rate 2005 0.200%
8 Surtax 2005 1.12%
Ontario Capital Tax MAX 7,500,000
9 Exemption ^^ 2005 \$7.5MM
Federal Large MAX 50,000,000
Corporations Tax \$50,000,000 \$50,000,000
- Amount of exemptions must comply min the Board of men deficite
regarding regulated activities.
Table 3
Input Information from Utility's Actual 2005 Tax Returns
5 Income Range 0 250,001 400,001
6 to to >1,128,000
7 Year 250,000 400,000 1,128,000
8 Income Tax Rate
9 Current year 2005
0 Federal (Includes surtax) 13.12% 22.12% 22.12% 22.12%
1 Ontario 5.50% 5.50% 14.00% 14.00%
2 Blended rate 18.62% 27.62% 36.12% 36.12%
3
4 Capital Tax Rate 0.300%
5 LCT rate 0.200%
6 Surtax 1.12%
Ontario Capital Tax MAX 6,955,928
/ Exemption \$7.5MM
Federal Large
Corporations Tax 45,995,000
Corporations Tax \$50MM 45,995,000
Corporations Tax 45,995,000
Corporations Tax \$50MM 45,995,000 Exemption * Include copies of the actual tax return allocation calculations in your
Corporations Tax Exemption * 45,995,000

March 22, 2010 Tax Rates

													, ,	PPO.	IUIX A
	A	В	С	D	Е	F	G	Н	I	J	K	L	М	Ν	0
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				Sign Conventi	on: -	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		246,317		139,188		-85,575		14,361		-95,323		0
	Board-approved PILs tax	+/-	-										-		
12	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														
13	- input 9/12 of amount										622,986				622,986
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)				747		0								747
	True-up Variance	+/-													
15	Adjustment (3)				0		-106,361		-27,981		24,844		79,575		-29,923
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)										0				0
	Deferral Account Variance	+/-													
17	Adjustment (5)				0		-4,128		-32,304		-20,945		0		-57,377
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-			4,029		4,526		-2,995		-2,448		-1,590		1,522
	PILs billed to (collected	-													
20	from) customers (8)		0		-1,011,866		-1,265,078		-798,324		-959,111		-232,679		-4,267,058
21															
	Ending balance: # 1562		246,317		139,188		-85,575		14,361		-95,323		26,866		26,866
23															

26 27 Uncollected PILs

28

29 30

45

46 47

48

49

50

54 55

63 64

65

67

68

70 71

72 73 74

76

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

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

- 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. If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- 36 37 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 40 41
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 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 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
 - (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.
 - (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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
 - (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.
- 56 57 (7) Carrying charges are calculated on a simple interest basis.
- 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, 2001and 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 61 62 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - a) 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.

PILs 1562 Calculation March 22, 2010

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2) Appendix B

Appendix B

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2) Appendix B

Intentionally Blank

_					
_	A	В	С	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
3	REGULATORY INFORMATION (REGINFO) Utility Name: Halton Hills			Colour Code	
4	Reporting period: 2002			Input Cell	
5	Reporting period. 2002			Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
10	·				
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%	
24	Accounting Year End		Date	12-31-2002	
20					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28 29	(FROM 1999 FINANCIAL STATEMENTS) USE BOARD-APPROVED AMOUNTS				
30	USE BOARD-AFFROVED AMOUNTS				
31	Rate Base (wires-only)			25,052,968	
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
				1	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
45	Total Incremental revenue			2,145,787	
46	Input: Board-approved dollar amounts phased-in				
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 53	Other Board-approved changes to MARR or incremental revenue			-	0
54	Total Regulatory Income				1,430,596
55	Total Negalatory Income				1,750,350
56	Equity			12,526,484	
57	•			, ,	
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61	Doomod interest amount in 1000/ of MADD			000.470	
62 63	Deemed interest amount in 100% of MARR			908,170	
_	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61				
_	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
68				605,477	-
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72	1			1	1

March 22, 2010 REGINFO

_			,				
<u> </u>	Α	В	С	D E	F		Н
	PILs TAXES - EB-2008-381	ITEM	Initial	M of F	M of F	Tax	
	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate	Filing	Filing	Returns	
	TAX CALCULATIONS (TAXCALC)			Variance	Variance		
	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5	0					Version 2009.1	
	Utility Name: Halton Hills Reporting period: 2002						—
8	Reporting period: 2002					Column	
9	Days in reporting period:	365	days			Brought	
10	Total days in the calendar year:	365	days			From	
11	Total days III tile calelidal year.	303	days			TAXREC	_
12			\$	\$		\$	
13			Ÿ	Ψ		Ψ	_
	I) CORPORATE INCOME TAXES						_
15	<u>,, </u>						
	Regulatory Net Income REGINFO E53	1	1,430,596	1,104,835		2,535,431	
17	,						
18	BOOK TO TAX ADJUSTMENTS						
19	Additions:						
	Depreciation & Amortization	2	1,460,685	181,508		1,642,193	
	Employee Benefit Plans - Accrued, Not Paid	3		36,264		36,264	
	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		0 500		0	
28	"Material Items from "TAXREC 2" worksheet	6		26,588		26,588	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	Items on which true-up does not apply "TAXREC 3"			4,649		4,649	
31	Deductions Inner positi	 					_
32	Deductions: Input positive numbers						
	Capital Cost Allowance and CEC	7	1,072,272	627,486		1,699,758	
	Employee Benefit Plans - Paid Amounts	8	0	18,743		18,743	
	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	9 10	0 55,617	V		0	_
	Interest Expense Deemed/ Incurred	11	605,477	-55,617 202,670		808,147	
38		4	605,477	202,670		0	
	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	_
41	Contributions to deterred income plans	3		0		0	_
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")			, and the second		Ü	_
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	Items on which true-up does not apply "TAXREC 3"			0		0	
49							
50	TAXABLE INCOME/ (LOSS)		1,309,352	237,442	Before loss C/F	1,546,794	
51							
	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-0.2438%		38.38%	
54							
	REGULATORY INCOME TAX		505,672	-239,474	Actual	266,198	
56							
57	10 H				<u> </u>		
58	Miscellaneous Tax Credits	14		0	Actual	0	
59	Total Barrelatani la como Tarr	 	505.0==	200 :=:		600 105	_
60	Total Regulatory Income Tax	 	505,672	-239,474	Actual	266,198	_
61 62							_
62	II) CAPITAL TAXES						_
64	II) CAFITAL TAXES	1	 			 	
65	Ontario	1	+			+	
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		23,011,372	_
68	Taxable Capital	- 10	20,052,968	-441,396		29,611,572	_
69		l	20,002,000	771,550	1	_0,0.1,012	_
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	_
71	y,, ,		7	2.222070			_
72	Ontario Capital Tax		60,159	28,676	Overpaid	88,835	
73	·						
74	Federal Large Corporations Tax						
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	0 4 4 1071 (
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	No. LOT	-	10.00	20.555		10.015	
84 85	Net LCT	 	19,204	23,606		42,810	
		ı	1	1			

		_		_				
1	A PILs TAXES - EB-2008-381	B ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS	IIEW	Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)		Latinate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Explanation	Version 2009.1	
	Utility Name: Halton Hills							
	Reporting period: 2002							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
	III) INCLUSION IN RATES							
87	In a second for a		07.500/					
88 89	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
	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 Actual 2002	41,444	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			Actual 2002	83,789	
93	Official Coupling Tax (no gross up since it is deductible)	27	00,100			Hotadi 2002	00,100	
94								
95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	899,961			Actual 2002	391,431	
96	RAM DECISION							
97								
98								
	IV) FUTURE TRUE-UPS							
	IV a) Calculation of the True-up Variance				DR/(CR)			
	In Additions:							
	Employee Benefit Plans - Accrued, Not Paid	3			36,264			1
	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			26,588			
	In Deductions - positive numbers							
	Employee Benefit Plans - Paid Amounts	8			18,743			
	Items Capitalized for Regulatory Purposes	9			0			
	Regulatory Adjustments	10			-55,617			
	Interest Adjustment for tax purposes (See Below - cell I204)	11 4			0			
	Tax reserves claimed in current year Reserves from F/S beginning of year	4			0			
	Contributions to deferred income plans	3			0			
	Contributions to deferred income plans Contributions to pension plans	3			0			
	Other deductions "Material" Items TAXREC	12			0			
	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			х	37.26%			
123								
	Income Tax Effect on True-up adjustments			=	-83,228			
125								
126	Less: Miscellaneous Tax Credits	14			0		1	
127	Tatalla accesa Tara an Tara ann				20.055			
	Total Income Tax on True-ups				-83,228		1	
129	Income Tay Pata used for groon up (evalude eviter)				27.000/		+ +	
130	Income Tax Rate used for gross-up (exclude surtax)				37.26%			
	TRUE-UP VARIANCE ADJUSTMENT				(132,648)		+	
133	TITOL-OF VAININGE ADDOCTIVENT				(132,048)			
133	IV b) Calculation of the Deferral Account Variance caused by						+	
134	changes in legislation							
135	onanges at registation							-
55	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial						+	
136	estimate column)			=	1,309,352			J
137	• /				,,			
	REVISED CORPORATE INCOME TAX RATE			х	38.38%			
139								
	REVISED REGULATORY INCOME TAX			=	502,479			
141								
	Less: Revised Miscellaneous Tax Credits			-	0			
143								
	Total Revised Regulatory Income Tax			=	502,479			
145								
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell				505.075			J
	C58)			-	505,672			
147	Pagulatany Ingoma Tay Variance				(2.400)		+	
148	Regulatory Income Tax Variance			=	(3,192)			
149			l					

			_		_			
1	A PILs TAXES - EB-2008-381	ITEM	C	D	E	F	G	Н
	PILS DEFERRAL AND VARIANCE ACCOUNTS	I I EIVI	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
	TAX CALCULATIONS (TAXCALC)		Latimate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Halton Hills							
8	Reporting period: 2002			-			Column	
9	Days in reporting period:	365	days				Brought	
	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
150	Ontario Capital Tax Base			=	25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
	Revised deemed taxable capital			=	20,052,968			
154	·							
	Rate - Tab Tax Rates cell C54			Х	0.3000%			
156	D : 10 : 0 *17				20.450			
157	Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell			=	60,159			
158	C70)			_	60,159			
	Regulatory Ontario Capital Tax Variance			=	0,100			
160	-3							
	Federal LCT							
	Base				25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			-	10,000,000 15,052,968			
165	Revised Federal LCT			-	15,052,968			
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167	3.7,							
	Gross Amount				33,869			
	Less: Federal surtax			-	14,665			
170	Revised Net LCT			=	19,204			
	Less: Federal LCT reported in the initial estimate column (Cell C82)			h - 1	19,204			
	Regulatory Federal LCT Variance			-	0			
174								
	Actual Income Tax Rate used for gross-up (exclude surtax)				37.26%			
176					(5.000)			
	Income Tax (grossed-up) LCT (grossed-up)			+	(5,088)			
	Ontario Capital Tax			+	0			
180	Ontario Supriar Fux				J			
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(5,088)			
182								
	TRUE-UP VARIANCE (from cell I130)			+	(132,648)			
184	Total Defermed Assessment Frature (Paralities Frature - Daleit)				(427.725)			
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	(137,735)			
187	(Deletral Account variance + True-up variance)							
188								
189								
	V) INTEREST PORTION OF TRUE-UP							
	Variance Caused By Phase-in of Deemed Debt			\perp				
192	Total deemed interest (REGINFO)	1	 	\vdash	908,170			+
	Interest phased-in (Cell C36)				605,477			\vdash
195	minorati pridada iri (doli dod)		1		000,477			
196	Variance due to phase-in of debt component of MARR in rates				302,693			
197	according to the Board's decision							
198				\perp				
	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)			\vdash			+	\vdash
	Interest deducted on MoF filing (Cell K36+K41)	1	 	\vdash	808,147		+	
202			1		908,170			
203	·							
	Variance caused by excess debt				0			
205				Ш				
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)	1	1	\vdash	0			\vdash
207	Total Interest Variance	1	1		302,693		+	+
209	Total interest fariance	1			002,000			\blacksquare
210								
211								

			•	•		
1	A PILs TAXES - EB-2008-381	B LINE	C M of F	D Non-wires	E Wires-only	F
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return		Version 2009.1	
_	Section A: Identification:				version 2009.1	
7	Utility Name: Halton Hills					
	Reporting period: 2002 Taxation Year's start date:					
	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
14	Please enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	0	< - enter materiality	level	
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17 18	Does the utility carry on non-wires related operation? (Please complete the questionnaire in the Background questionnaire v	Y/N	not \			
19	(i lease complete the questionnaire in the background questionnaire i	VOIRSIIC	,			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25 26	If required please change the descriptions except for amortization, interest	expense	and provision for in	come tax		
	Please enter the non-wire operation's amount as a positive number, the pro	gram au	utomatically treats a	ll amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and T.					
29	Income:					
31	Income: Energy Sales	+	39,024,565		39,024,565	
32	Distribution Revenue	+	1,197,549		1,197,549	
33	Other Income	+			0	
34 35	Miscellaneous income	+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses: 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 Amortization	-	1,642,193		0 1,642,193	
44	Ontario Capital Tax	-	149,400		149,400	
45	Reg Assets	-	126,200		126,200	
46 47		-			0	
48		-			0	
49						
_	Net Income Before Interest & Income Taxes EBIT Less: Interest expense for accounting purposes	=	2,535,431 808,147	0	2,535,431 808.147	
52	Provision for payments in lieu of income taxes	-	305,000		305,000	
53	Net Income (loss)	=	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						
_	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1 BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	305,000	0	305,000	
	Federal large corporation tax	+	50,519		50,519	
	Depreciation & Amortization Employee benefit plans-accrued, not paid	+	1,642,193 36,264	0	1,642,193 36,264	
	Tax reserves - beginning of year	+	0	0	0	
	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66) Items on which true-up does not apply "TAXREC 3"	+	4,649	0	0 4,649	
	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	Subtotal		0.005.040		2.005.040	
71	Subtotal		2,065,213	0	2,065,213	
72	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense Capital items expensed	+			0	
	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78 79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82 83	Total Additions	=	2,065,213	0	2,065,213	
	Recap Material Additions:					
85			0	0	0	
86 87			0	0	0	
88			0		0	
89			0	0	0	
90			0	0	0	
_	Total Other additions >materiality level		0	0	0	
		•	Ū	- U	V	

	A	В	С	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			
4	0		Return			
5					Version 2009.1	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	В	С	D	Е	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	Г
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiations	Return	
4	0		Return		Neturn	
5			rtotum		Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,616,937		1,616,937	
98		-	82,821		82,821	
	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	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-			0	
	Items on which true-up does not apply "TAXREC 3"		0	0	0	
	Interest capitalized for accounting deducted for tax	-			0	
	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	0.00000	=	1,890,184	0	1,890,184	
	Other deductions (Please explain the nature of the deductions)				_	
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets	-			0	
117 118		-			0	
119		_			0	
120	Total Other Deductions	=	0	0	0	
121	Total Other Deductions	=	U	U	U	
122	Total Deductions	=	1,890,184	0	1,890,184	
123	Total Deductions	_	1,030,104	0	1,030,104	
	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						
	TAXABLE INCOME	=	1,597,313	0	1,597,313	
	DEDUCT:					
136		-	903,659		903,659	
137	Net capital loss applied positive number	-			0	
138	NET TAYABLE INCOME		000.054	•	0	
	NET TAXABLE INCOME	=	693,654	0	693,654	
140	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax (Must agree with tax return)	+	181,123		181,123	
	Net Ontario Income Tax (Must agree with tax return)	+	85,075		85,075	
144	Subtotal	=	266,198	0	266,198	
145		-	0	Ü	0	
_	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						
	Section F: Income and Capital Taxes					
154						
	RECAP		000 :		000 :	
	Total Income Taxes	+	266,198	0	266,198	
157		+	83,789		83,789	
	Federal Large Corporations Tax	+	41,444		41,444	
159 160	Total income and capital taxes	=	391,431	0	391,431	
161	Total modifie and capital taxes	-	164,160	0	164,160	
1.01	1	1				

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Halton Hills					
8	Reporting period: 2002					
9						
	TAX RESERVES					
11						
	Beginning of Year:					
13					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
	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	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23	Ford of Warm					
	End of Year:					
25	December to a decidate to a constant of the co				0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
31	Other - Please describe				0	
33					0	
	Insert line above this line				U	
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36	Total (carry forward to the TAXINEC worksheet)		U	0	U	
37						
	FINANCIAL STATEMENT RESERVES					
39	THANOIAE OTATEMENT RECERVES					
	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
	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	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
61	t de la dise				0	
	Insert line above this line		-			
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

March 22, 2010 Tax Reserves

	A	В	С	D	E	F
1						
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2) (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Tax Return	
5	RATEPAYERS ONLY		Return		Return	
6	Shareholder-only Items should be shown on TAXREC 3		11010111		Version 2009.1	
7						
	Utility Name: Halton Hills					
	Reporting period: 2002 Number of days in taxation year:		365			
11	Materiality Level:		0			
12	materially 201011		· ·			
13						
14						
15 16	Section C: Reconciliation of accounting income to taxable income Add:					
17	Add:	+			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	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 Gain on settlement of debt	+			0	
30	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 38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
45		+			U	
46	Total Additions	=	26,588	0	26,588	
47			·			
48	Recap of Material Additions:					
49			0	0	0	
50 51			0	0		
52			0	0		
53			0	0		
54			0	0		
55			0	0		
56			0	0	0	
58			0	0	0	
59			0	0		
60			0	0		
61			0	0	0	
62			0	0		
63 64			0	0		
65			0	0		
66			0	0		
67	Provision for bad debts		26,588	0	26,588	
68			0	0		
69			0	0		
70 71			0	0		
72			0	0		
73			0	0		
74			0	0	0	
75			0	0		
76	Total Material and Ottors		0	0		
77	Total Material additions Other additions less than materiality level		26,588 0	0		
	Other additions less than materiality level Total Additions		26,588	0		
			20,000	0	20,000	

	A	В	С	D	E	F
1						
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
	Reporting period: 2002					
	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
80						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	1,631		1,631	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	170,052		170,052	
97		-			0	
98		-			0	
	Total Deductions	=	171,683	0	171,683	
100						
	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106	6.111		0	0	0	
	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	New toyable lead transfers		0	0	170.053	
	Non-taxable load transfers		170,052	0	170,052	
117			0	0	0	
118	T (I D) ()		0	0	0	
	Total Deductions exceed materiality level		171,683	0	171,683	
	Other deductions less than materiality level		0	0	0	
	Total Deductions		171,683	0	171,683	
122						

		_	•			_
1	Α	В	С	D	Е	F
	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	
10						
11	Reporting period: 2002					
	Number of days in taxation year:		365			
13						
14						
15 16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18	7MM.					
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets Depreciation in inventory -end of year	+			0	
	Depreciation in Inventory -end or year Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,423		4,423	
_	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+	000		0	
	Donations - amount per books Interest and penalties on unpaid taxes		226		226	
37	Management bonuses unpaid after 180 days of year end				0	
	Imputed interest expense on Regulatory Assets				0	
39		+			0	
	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Caror ridulations. (produce explain in detail are ridule of the kerny	+			0	
45		+			0	
46		+				
47 48	Total Additions on which true-up does not apply	=	4,649	0	4,649	
	Deduct:					
50	500000					
51	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
55	Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs	-			0	
	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 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 68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	ото честоно. П теазе сърши и чести ите насите от ите пени)	-			0	
70		-			0	
71		-			0	
72	Total Dadustians on orbital trees on d	-			0	
73 74	Total Deductions on which true-up does not apply	=	0	0	0	
75						

March 22, 2010 TAXREC 3 No True-up

2	A	В	С	D	E	F	G	Н
	PILs TAXES - EB-2008-381							
3	Corporate Tax Rates				V	ersion 2009.	1	
	Exemptions, Deductions, or	Threshold	S					
	Utility Name: Halton Hills							
5	Reporting period: 2002							
3								
7						Table 1		
8	Rates Used in 2002 RAM PI	s Applicati	ons for 2002					
9	Income Range		0		200,001			
	RAM 2002		to		to	>700,000		
1		Year	200,000		700,000			
	Income Tax Rate		200,000		. 00,000			
3		2002						
		2002	40.400/		20.420/	26.12%		
	Federal (Includes surtax)		13.12%		26.12%			
5	and Ontario blended		6.00%		6.00%	12.50%		
6	Blended rate		19.12%		34.12%	38.62%		
7								
8	Capital Tax Rate		0.300%					
	LCT rate		0.225%					
0	Surtax		1.12%					
	Ontario Capital Tax	MAX						
1	Exemption **	\$5MM	5,000,000					
	Federal Large	•						
	-	MAX	10,000,000					
2	Corporations Tax	\$10MM	10,000,000					
_	Exemption **							
	**Exemption amounts i	nust agre	e with the E	soard-appr	oved 2002	RAM		
	PILs filing							
3	_							
4								
5						Table 2		
6	Expected Income Tax Rates	for 2002 ar	nd Capital Tax	Exemptions	for 2002			
7	Income Range		0		200,001			
	Expected Rates		to		to	>700,000		
9	_xpootou rtatoo	Year	200,000		700,000			
	Income Tax Rate	i cui	200,000		100,000			
1	Current year	2002						
			40.400/		00.400/	00.400/		
2	Federal (Includes surtax)	2002	13.12%		26.12%	26.12%		
3	Ontario	2002	6.00%		6.00%	12.50%		
4	Blended rate	2002	19.12%		32.12%	38.62%		
5								
36	Capital Tax Rate	2002	0.300%					
37	LCT rate	2002	0.225%					
	Surtax	2002	1.12%					
_	Ontario Capital Tax	MAX	111270					
a	Exemption *** 2002		5,000,000					
,,,		\$5MM						
	Federal Large	MAX	40 000 000					
	Corporations Tax	\$10MM	10,000,000					
10	Exemption *** 2002							
			 In the second second second 	tale alone Done				
	***Allocation of exempt	ions mus	t comply w	ith the Boa	rd's instru	uctions		
1			t comply w	ith the Boa	rd's instru	uctions		
2	***Allocation of exempt		t comply w	ith the Boa	rd's instru			
2	***Allocation of exempt regarding regulated ac	tivities.			rd's instru	Table 3		
2 3 4	***Allocation of exempt regarding regulated ac Input Information from Utilit	tivities.	2002 Tax Retu					
2 3 4	***Allocation of exempt regarding regulated ac	tivities.	2002 Tax Retu 0		200,001	Table 3		
3 4 5	***Allocation of exempt regarding regulated ac Input Information from Utilit	tivities. y's Actual 2	2002 Tax Retu 0 to		200,001 to			
2 3 4 5 6	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range	tivities.	2002 Tax Retu 0		200,001	Table 3		
2 3 4 5 6	***Allocation of exempt regarding regulated ac Input Information from Utilit	tivities. y's Actual 2	2002 Tax Retu 0 to		200,001 to	Table 3		
2 3 4 5 6 7	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range	tivities. y's Actual 2	2002 Tax Retu 0 to		200,001 to	Table 3		
3 4 5 6 7 8	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year	tivities. y's Actual 2 Year	2002 Tax Retu 0 to 200,000		200,001 to 700,000	Table 3 >700,000		
1 2 3 4 5 6 7 8 9	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax)	tivities. y's Actual 2 Year	2002 Tax Retu 0 to 200,000		200,001 to 700,000	Table 3 >700,000 26.11%		
1 2 3 4 5 6 7 8 9	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario	tivities. y's Actual 2 Year	2002 Tax Retu 0 to 200,000 13.12% 6.00%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
1 2 3 4 5 6 7 8 9 0 1 2	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax)	tivities. y's Actual 2 Year	2002 Tax Retu 0 to 200,000		200,001 to 700,000	Table 3 >700,000 26.11%		
1 2 3 4 5 6 7 8 9 0 1 2	***Allocation of exempt regarding regulated ac Input Information from Utilia Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate	tivities. y's Actual 2 Year	0 to 200,000 13.12% 6.00%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
1 2 3 4 5 6 7 8 9 0 1 2 3 4	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate	tivities. y's Actual 2 Year	0 to 200,000 13.12% 6.00% 19.12%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
1 2 3 4 5 6 7 8 9 0 1 2 3 4	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate	tivities. y's Actual 2 Year	0 to 200,000 13.12% 6.00%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
11 12 13 14 15 16 17 18 19 50 51 52 53	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate	tivities. y's Actual 2 Year	0 to 200,000 13.12% 6.00% 19.12%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
11 12 13 14 15 16 17 18 19 50 51 52 53	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate	tivities. y's Actual 2 Year	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
41 42 43 44 45 46 47 48 49 50 51 52 53 54	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax	y's Actual 2 Year 2002	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
41 42 43 44 45 46 47 48 49 50 51 52 53 54	***Allocation of exempt regarding regulated ac Input Information from Utilis Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Surtax Ontario Capital Tax Exemption *	y's Actual 2 Year 2002 MAX \$5MM	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
41 42 43 44 45 46 47 48 49 50 51 52 53 54	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large	Year 2002 MAX \$5MM MAX	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,668,892		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
11 12 13 14 15 16 17 18 19 50 51 52 56 56	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	y's Actual 2 Year 2002 MAX \$5MM	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12%		200,001 to 700,000 22.12% 9.75%	Table 3 >700,000 26.11% 12.26%		
11 12 13 14 15 16 17 18 19 50 51 52 53 54 55 56	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	Year 2002 MAX \$5MM MAX \$10MM	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,668,892	irns	200,001 to 700,000 22.12% 9.75% 31.87%	Table 3 >700,000 26.11% 12.26% 38.38%		
1 2 3 4 5 6 7 8 9 0 1 1 2 3 4 5 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the	Year 2002 MAX \$5MM MAX \$10MM actual tax	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,668,892 10,000,000 return allo	ecation calc	200,001 to 700,000 22.12% 9.75% 31.87%	Table 3 >700,000 26.11% 12.26% 38.38%		
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	Year 2002 MAX \$5MM MAX \$10MM actual tax	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,668,892 10,000,000 return allo	ecation calc	200,001 to 700,000 22.12% 9.75% 31.87%	Table 3 >700,000 26.11% 12.26% 38.38%		
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8	***Allocation of exempt regarding regulated ac Input Information from Utilit Income Range Income Tax Rate Current year Federal (Includes surtax) Ontario Blended rate Capital Tax Rate LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the	Year 2002 MAX \$5MM MAX \$10MM actual tax	0 to 200,000 13.12% 6.00% 19.12% 0.300% 0.225% 1.12% 4,668,892 10,000,000 return allo	ecation calc	200,001 to 700,000 22.12% 9.75% 31.87%	Table 3 >700,000 26.11% 12.26% 38.38%		

March 22, 2010 Tax Rates

	A	В	С	D	E	F	G	Н	I	J	K	L	М	N	0
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				Sign Convention	on: +	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
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount										_				0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)								_		_				0
	True-up Variance	+/-													
15	Adjustment (3)								_		_		-132,648		-132,648
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)								_		_				. 0
	Deferral Account Variance	+/-													
17	Adjustment (5)										_		-5,088		-5,088
	Adjustments to reported	+/-													
18	prior years' variances (6)								_				_		. 0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
20	from) customers (8)		0												0
21															
	Ending balance: # 1562		0		0		0		0		0		-137,735		-137,735
23															
24															

26 Uncollected PILs

35 36 37

38

39

40 41

64

65

76 77

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.

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

- (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.
 - If the Board gave more than one decision in the year, calculate a weighted average proxy. (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 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 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 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 50 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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.
- 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.
- 56 (7) Carrying charges are calculated on a simple interest basis.
- 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, 2001and 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 61 62 63 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4. for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- 67 68 70 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 75 will have to include amounts from 1562 and from 1590.

PILs 1562 Calculation

			1	1	Appendi
	A	В	С	D	E
	PILs TAXES - EB-2008-381				Version 2009.1
	REGULATORY INFORMATION (REGINFO)				
	Utility Name: Halton Hills			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	_	
10					
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
17	Is the utility a non-profit corporation?		Y/N		
	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		1714		
		ООТ	\//N.I		
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
	shared among the corporate group?	LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23	Accounting Voor End		Doto	40.04.0000	
24	Accounting Year End		Date	12-31-2003	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30					
	Rate Base (wires-only)			25,052,968	
υZ					
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
00					
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
44	Manual Adicated December Description			0.445.707	
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
45	Total Ingramental revenue			2,145,787	
	Total Incremental revenue Input: Board-approved dollar amounts phased-in			2,145,767	
				745 405	745 405
47	Amount allowed in 2001			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	Total Regulatory Income				1,430,596
55					
	Equity			12,526,484	
57					
	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				
_	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			230,111	
70	Phase-in of interest - 2005			908,170	
71				000,170	
72					
14				1	

March 22, 2010 REGINFO

TAXCALC

1	A	В	С	D	E	F	G
2	PILS TAXES - EB-2008-381 PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns
3	TAX CALCULATIONS (TAXCALC)		Lounate		Variance	Variance	Returns
5	("Wires-only" business - see Tab TAXREC) 0				K-C	Explanation	Version 2009.1
7	Utility Name: Halton Hills Reporting period: 2003						
8		205	dovo			***************************************	Column Brought
10	Days in reporting period: Total days in the calendar year:	365 365	days days				From
11 12			S		\$		TAXREC \$
13	N CORPORATE INCOME TAYED						
14 15	I) CORPORATE INCOME TAXES						
16 17	Regulatory Net Income REGINFO E53	1	1,430,596		1,818,045		3,248,641
	BOOK TO TAX ADJUSTMENTS Additions:						
20	Depreciation & Amortization	2	1,460,685		221,594		1,682,279
21		3			15,448 0		15,448
23 24	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5	151,437		0 -151,437		0
25	Other Additions (See Tab entitled "TAXREC")		101,407				
26 27	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6			0		0
28 29	"Material Items from "TAXREC 2" worksheet Other Additions (not "Material") "TAXREC 2"	6			52,983		52,983
30	Items on which true-up does not apply "TAXREC 3"				116,986		116,986
31	Deductions: Input positive numbers						
33 34	Capital Cost Allowance and CEC	7	1,072,272		475,244		1,547,516
35	Items Capitalized for Regulatory Purposes	9	0		13,548		13,548
36 37	Interest Expense Deemed/ Incurred	10 11	55,617 605,477		-55,617 616,124		1,221,601
38 39	Tax reserves - end of year	4			0		0
40	Contributions to deferred income plans	3			0		0
41	Interest capitalized for accounting but deducted for tax	3 11			0		0
43 44	Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	12			0		0
45	Other Deductions (not "Material") "TAXREC"	12			0		0
46 47	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12			66,837 0		66,837
48 49	Items on which true-up does not apply "TAXREC 3"				0		0
50	TAXABLE INCOME/ (LOSS)		1,309,352		957,483	Before loss C/F	2,266,835
51 52							
53 54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.9953%		36.62%
55	REGULATORY INCOME TAX		505,672		343,612	Actual	849,284
56 57							
58 59	Miscellaneous Tax Credits	14			0	Actual	0
60	Total Regulatory Income Tax		505,672		343,612	Actual	849,284
61 62							
63 64	II) CAPITAL TAXES						
65 66	Ontario 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 69	Taxable Capital		20,052,968		7,273,040		27,953,132
70 71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%
72	Ontario Capital Tax		60,159		23,700		
73 74	Federal Large Corporations Tax						83,859
							83,859
75	Base	18	25,052,968		6,521,653		31,574,621
75 76 77		18 19	25,052,968 10,000,000 15,052,968				
75 76 77 78 79	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3		10,000,000		6,521,653 0		31,574,621 10,000,000
75 76 77 78 79 80	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000 15,052,968 0.2250%		6,521,653 0 6,521,653 0.0000%		31,574,621 10,000,000 21,574,621 0.2250%
75 76 77 78 79 80 81 82	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	19	10,000,000 15,052,968		6,521,653 0 6,521,653		31,574,621 10,000,000 21,574,621
75 76 77 78 79 80 81 82 83	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	19	10,000,000 15,052,968 0.2250% 33,869		6,521,653 0 6,521,653 0.0000%		31,574,621 10,000,000 21,574,621 0.2250%
75 76 77 78 79 80 81 82 83 84 85 86	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT	19	10,000,000 15,052,968 0.2250% 33,869 14,665		6,521,653 0 6,521,653 0.0000% 14,674 -14,665		31,574,621 10,000,000 21,574,621 0.2250% 48,543 0
75 76 77 78 79 80 81 82 83 84 85 86	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES	19	10,000,000 15,052,968 0.2250% 33,869 14,665		6,521,653 0 6,521,653 0.0000% 14,674 -14,665		31,574,621 10,000,000 21,574,621 0.2250% 48,543 0
75 76 77 78 79 80 81 82 83 84 85 86 87 88	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES	20 21	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204		6,521,653 0 6,521,653 0.0000% 14,674 -14,665		31,574,621 10,000,000 21,574,621 0,2250% 48,543 0
75 76 77 78 79 80 81 82 83 84 85 86 87 88 90 91	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	20 21 22 22 23	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727		6,521,653 0 6,521,653 0.0000% 14,674 -14,665	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 48,543
75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	20 21 22	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075		6,521,653 0 6,521,653 0.0000% 14,674 -14,665		31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543
75 76 77 78 79 80 81 82 83 84 85 86 87 88 90 91 92 93	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	20 21 21 22 23 24	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 6,521,653 0.0000% 14,674 -14,665	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 25,507 87,533
75 76 77 78 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	20 21 22 22 23	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727		6,521,653 0 6,521,653 0.0000% 14,674 -14,665	Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 48,543
75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002	20 21 21 22 23 24	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 6,521,653 0.0000% 14,674 -14,665	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 25,507 87,533
75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION	20 21 21 22 23 24	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 6,521,653 0,0000% 14,674 -14,665 29,338	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 25,507 87,533
75 76 77 78 79 80 81 82 83 84 85 86 87 88 90 91 92 93 94 95 96 97 98 99 100 101	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions:	20 21 21 22 23 24 25	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 6,521,653 0,0000% 14,674 -14,665 29,338	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 25,507 87,533
75 76 77 78 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 101	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance	20 21 21 22 23 24	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 6,521,653 0,0000% 14,674 -14,665 29,338	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 25,507 87,533
75 76 777 78 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 101 102 103 104	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves foeducted in prior year Reserves from financial statements-end of year	20 21 21 22 23 24 25 3 3 4 4	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		0,521,653 0 0,521,653 0,0000% 14,674 -14,665 29,338 DR/(CR)	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 25,507 87,533
75 76 77 78 80 81 82 83 84 85 86 87 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 106 106 106 106 106 106 106 106 106	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) COntario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves form financial statements-end of year Regulatory Adjustments Other additions 'Material' Items TAXREC	20 21 21 22 23 24 25 3 4 4 4 5 6	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 25,507 87,533
75 76 77 78 80 81 82 83 84 86 87 88 89 90 91 92 93 94 95 96 97 98 100 101 102 103 104 105 106 106 106 106 106 106 106 106 106 106	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments	20 21 22 23 24 25 3 4 4 5	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 6,521,653 0,0000% 14,674 -14,665 29,338 DR/(CR) 15,448 0 0 0 -151,437	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 106 107 108 108 108 108 108 108 108 108 108 108	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Regulatory Adjustments Other additions Material* Items TAXREC Other additions Material* Items TAXREC In Deductions - positive numbers Employee Brefit Plans - PAKREC 2 In Deductions - positive numbers Employee Brefit Plans - PAKREC 2 In Deductions - positive numbers Employee Brefit Plans - PAKREC 2 In Deductions - positive numbers Employee Brefit Plans - PAKREC 2 In Deductions - positive numbers Employee Brefit Plans - PAKREC 2 In Deductions - positive numbers Employee Brefit Plans - PAKREC 2 In Deductions - positive numbers	20 21 21 22 23 24 25 25 3 4 4 4 5 6 6	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 79 80 81 82 83 84 85 86 87 88 99 91 92 93 94 95 96 97 91 100 101 102 103 104 105 106 107 108 108 109 109 109 109 109 109 109 109 109 109	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves feducted in prior year Regulatory Adjustments Other additions 'Material' Items TAXREC Other additions 'Material' Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Regulatory Purposes Regulatory Regulatored for Regulatory Purposes Regulatore Regulatored for Regulatory Purposes Regulatore Adjustments	22 23 24 25 3 4 4 4 5 6 6 6	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		DR/(CR) DR/(CR) 13,448 0 -151,437 0 52,983	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 79 80 81 82 83 84 85 86 87 90 91 100 101 102 103 104 105 106 107 108 109 110 1110 1111 1113	Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV. FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Regulatory Adjustments Other additions' Material' Items TAXREC Other additions' Material' Items TAXREC Other additions' Material' Items TAXREC Other additions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Puposes Regulatory Adjustments Interest Adjustment or tax purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell 1206)	20 21 21 22 23 24 25 3 4 4 4 5 6 6	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		6,521,653 0,6,521,653 0,0000% 14,674 -14,665 29,338 DR/(CR) 15,448 0,0 0,0 151,437 0,0 52,983 13,548	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 80 81 82 83 84 85 86 87 90 91 92 93 94 100 101 102 103 104 105 106 107 107 108 109 110 1111 1111 1111 1111 1111 11	Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC Interest Adjustments Other additions "Material" Items TAXREC Interest Adjustments Items Capitalized for Regulatory Purposes Regulatory Adjustments Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes Regulatory Adjustments Interest Adjustment for tax purposes Regulatory Adjustments Interest Adjustment for tax purposes Reserves from FS beginning of year	20 21 21 22 23 24 25 3 4 4 4 5 6 6 6 6 8 9 9 10 11 14 4 4	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		DR/(CR) DR/(CR) 15,448 0 0 0 0 0 -151,437 0 0 0 -55,833	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 78 79 80 81 82 83 84 85 86 87 88 89 91 92 93 100 101 102 103 104 105 110 111 111 111 111 111 111 111 111	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions Material* Items TAXREC In Deductions - positive Putal Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes Regulatory Adjustment For Segining of year Contributions to deferred income plans Contributions to gension plans	22 23 24 25 3 4 4 4 5 6 6 6 8 9 9 10 11 14 4 3 3 3	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		DR/(CR) 15,448 0 0 0.0007 14,674 -14,665 29,338	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 79 80 79 80 81 82 83 84 85 86 87 90 91 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116	Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Regulatory Putposes Regulatory Adjustments Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes Regulatory Adjustments Interest Adjustment for tax purposes Regulatory Adjustments Interest Adjustment for tax purposes Reserves from F/S beginning of year Reserves from F/S beginning of year Contributions to bension plans Other deductions "Material" Items TAXREC	22 22 23 24 25 3 4 4 4 5 6 6 6 6 11 11 4 4 4 3	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		0.0000% 14.674 -14,685 29,338 DR/(CR) 15,448 0 0 -151,437 0 52,983 13,548 0 -55,617	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 79 80 77 78 81 82 83 84 85 86 87 88 99 90 101 102 103 104 105 106 107 111 112 113 114 115 116 117 118	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustment of the State Counter additions 'Material' Items TAXREC Other additions 'Material' Items TAXREC In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustments Interest Adjustment for tax purposes Regulatory Adjustments Interest Adjustments Interest Adjustment for tax purposes (See Below - cell 1206) Tax reserves claimed in current year Reserves from F/S beginning of year Contributions to deferred income plans Contributions to deferred income plans Contributions to description of the Counter of the Co	20 21 21 22 23 24 25 3 4 4 4 5 6 6 6 6 8 9 10 11 14 4 4 4 3 3 3 12 12 12 12 12 12 12 12 12 12 12 12 12	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		DR/(CR) 15,48 15,48 15,48 0 0 0 0 6.821.653	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 77 78 79 80 81 82 83 84 85 86 87 99 91 92 96 100 101 102 103 104 105 106 107 111 1112 113 114 115 116 119 120 121 121	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Adjustments Interest Adjustment for tax purposes Regulatory Adjustments Interest Adjustment to rus purposes Regulatory Adjustments of tax purposes Regulatory Adjustments of tax purposes Regulatory Adjustments of tax purposes Regulatory Adjustment for tax purposes Regulatory Adjustments of tax pur	22 23 24 25 3 4 4 4 5 6 6 8 9 10 11 4 4 3 3 3 12	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159		DR/(CR) DR/(CR) DR/(CR) 15,448 0 0 52,9338 13,548 13,548 13,548 13,548 14,674 15,448 0 0 0 0 0 0 0 0 66,837	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533
75 76 76 77 78 79 80 81 82 83 84 85 86 87 99 91 92 93 94 95 100 101 102 101 105 107 108 109 110 1111 112 113 114 115 116 117 118 1120 121 1221	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Adjustments Interest Adjustment for tax purposes Regulatory Adjustments Interest Adjustment to rus purposes Regulatory Adjustments of tax purposes Regulatory Adjustments of tax purposes Regulatory Adjustments of tax purposes Regulatory Adjustment for tax purposes Regulatory Adjustments of tax pur	20 21 21 22 23 24 25 3 4 4 4 5 6 6 6 6 8 9 10 11 14 4 4 4 3 3 3 12 12 12 12 12 12 12 12 12 12 12 12 12	10,000,000 15,052,968 0.2250% 33,869 14,665 19,204 37,50% 809,075 30,727 60,159	= x	DR/(CR) 15,48 15,48 15,48 0 0 0 0 6.821.653	Actual 2003 Actual 2003	31,574,621 10,000,000 21,574,621 0,2250% 48,543 0 48,543 849,284 849,284 87,533

1	A PILs TAXES - EB-2008-381	B ITEM	C Initial	D	E M of F	F M of F	G	Н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)	IIEW	Estimate		Filing Variance	Filing Variance	Tax Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	Version 2009.1	
6	Utility Name: Halton Hills Reporting period: 2003			_			Version 2003.1	
8		005					Column	
10	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From	
11 12			\$		\$		TAXREC \$	
13 125								
126 127	Less: Miscellaneous Tax Credits	14	### \$ \tau \$ \tau \$ \tau \$ \tau \$ \tau \tau \tau \tau \tau \tau \tau \tau		0			
128 129	Total Income Tax on True-ups				-38,303			
130 131	Income Tax Rate used for gross-up (exclude surtax)				35.54%			
132 133	TRUE-UP VARIANCE ADJUSTMENT				(59,421)			
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			-	1,309,352			
138 139	REVISED CORPORATE INCOME TAX RATE			Х	36.66%			
140	REVISED REGULATORY INCOME TAX			=	480,008			
142	Less: Revised Miscellaneous Tax Credits			-	0			
144	Total Revised Regulatory Income Tax			=	480,008			
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	505,672			
148	Regulatory Income Tax Variance			=	(25,663)			
150	Ontario Capital Tax				05 050 000			
151 152 153	Base Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			-	25,052,968 5,000,000 20,052,968			
154 155	Rate - Tab Tax Rates cell C54			х	0.3000%			
156 157	Revised Ontario Capital Tax			=	60,159			
158 159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70) Regulatory Ontario Capital Tax Variance			-	60,159 0			
160 161	Federal LCT							
162 163	Base Less: Exemption from tab Tax Rates, Table 2, cell C40			-	25,052,968 10,000,000			
164 165	Revised Federal LCT			=	15,052,968			
166 167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
168	Gross Amount Less: Federal surtax			_	33,869 14,665			
170	Revised Net LCT			=	19,204			
	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance			-	19,204			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.54%			
176 177	Income Tax (grossed-up)			+	(39,813)			
178				+	0			
180 181				_	(39,813)			
182	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT TRUE-UP VARIANCE (from cell 1132)			+	(59,421)			
184	***************************************				,			
186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	(99,234)			
187 188								
189 190 191	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							
192 193	Total deemed interest (REGINFO)				908,170			
194 195	Interest phased-in (Cell C36)				605,477			
196 197	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				302,693			
198	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook) Interest deducted on MoF filing (Cell K36+K41)				1,221,601			
202	Actual Interest Paid				1,221,601			
204	Variance caused by excess debt				0			
205	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
	Total Interest Variance				302,693			
209 210								
211			l				L	

March 22, 2010 TAXCALC

	Λ	В	С	D	Е	_
1	A PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	E Wires-only	F
	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiations	Return	
4	0		Return		rtotam	
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Halton Hills					
8	Reporting period: 2003					
9	Taxation Year's start date:					
	Taxation Year's end date:					
	Number of days in taxation year:		365	days		
12						
_	Please enter the Materiality Level :	27/21	0	< - enter materiality	/ level	
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N Y/N				
16 17	Or other measure (please provide the basis of the amount) Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire		hoot \			
19	(i reade complete the questionnaire in the background questionnaire	WOI NO	licot.,			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
	Section B: Financial statements data:					
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	t expen	se and provision for	income tax		
26						
27	Please enter the non-wire operation's amount as a positive number, the pr			all amounts		
	in the "non-wires elimination column" as negative values in TAXREC and	TAXRE	C2.			
29	In a sure of the s					
	Income:		00,000,010		00.000.010	
31	Energy Sales	+	36,226,346		36,226,346	
32	Distribution Revenue Other Income	+	1,136,036		1,136,036 0	
34	Miscellaneous income	+			0	
35	MICCONATIONS INCOME	+			0	
	Revenue should be entered above this line	'			U	
37	TOTOTIAG GITGAIA DE GITAGIGA ADOVE LING IIIIC					
	Costs and Expenses:					
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	Net Income Before Interest & Income Taxes EBIT		2 240 644	0	2 240 644	
51	Net Income Before Interest & Income Taxes EBIT Less: Interest expense for accounting purposes	=	3,248,641 1,221,601	0	3,248,641 1,221,601	
52	Provision for payments in lieu of income taxes	-	856,051		856,051	
	Net Income (loss)	=	1,170,989	0	1,170,989	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)		1,110,000		1,110,000	
54	per financial statements on Schedule 1 of the tax return.)					
55						
	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:		0=0 0=	_	0=0.05	
	Provision for income tax	+	856,051	0	,	
	Federal large corporation tax Depreciation & Amortization	+	49,221 1,682,279	0	49,221 1,682,279	
_	Employee benefit plans-accrued, not paid	+	1,682,279	0		
	Tax reserves - beginning of year	+	15,446			
	Reserves from financial statements- end of year	+	0	0		
	Regulatory adjustments on which true-upmay apply (see A66)	+	U	U	0	
	Items on which true-up does not apply "TAXREC 3"		116,986	0		
	Material addition items from TAXREC 2	+	52,983	0	,	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69	and the second s					
70	Subtotal		2,772,968	0	2,772,968	
71						
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79	Total Other Additions	+	^	^	0	
80 81	Total Other Additions	=	0	0	0	1
82	Total Additions	=	2,772,968	0	2,772,968	
83	i viai Audiliviis	-	2,112,900	U	2,112,900	
	Recap Material Additions:					
85			0	0	0	
86			0			
87			0	0	0	

	A	В	С	D	Е	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		D	Return			
5			-		Version 2009.1	
88 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						
	BOOK TO TAX DEDUCTIONS:	-	4 470 400		4 470 400	
97	Capital cost allowance Cumulative eligible capital deduction	-	1,470,492 77,024		1,470,492 77,024	
	Employee benefit plans-paid amounts		13,548		13,548	
	Items capitalized for regulatory purposes	-	10,010		0	
	Regulatory adjustments :	-			0	
102		-			0	
103		-			0	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans Contributions to pension plans	-			0	
_	Items on which true-up does not apply "TAXREC 3"	+-	0	0	0	
	Interest capitalized for accounting deducted for tax	-	Ü	0	0	
	Material deduction items from TAXREC 2	-	66,837	0	66.837	
111	Other deduction items (not Material) from TAXREC 2	-	00,037	0	0	
112						
113	Subtotal	=	1,627,901	0	1,627,901	
	Other deductions (Please explain the nature of the deductions)					
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets	-			0	
117 118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,627,901	0	1,627,901	
123						
	Recap Material Deductions:					
125 126			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			0	0	0	
_	Total Other Deductions		0	0	0	
133	TAVARI E INCOME	1	0.040.050		2 242 252	
	TAXABLE INCOME DEDUCT:	=	2,316,056	0	2,316,056	
	Non-capital loss applied positive number	-	0		0	
137		-	J		0	
138					0	
	NET TAXABLE INCOME	=	2,316,056	0	2,316,056	
140						
	FROM ACTUAL TAX RETURNS	1	FF0 7.10		FF0 740	
	Net Federal Income Tax (Must agree with tax return)	+	558,742 290,542		558,742	
	Net Ontario Income Tax (Must agree with tax return) Subtotal	+	290,542 849,284	0	290,542 849,284	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	049,264	0	0	
	Total Income Tax	=	849,284	0	849,284	
147						
	FROM ACTUAL TAX RETURNS					-
	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	
	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		36.62%		36.62%	
152	Section F: Income and Capital Taxes	-				
154	Section 1. Income and Capital Taxes					
	RECAP					
	Total Income Taxes	+	849,284	0	849,284	
157	Ontario Capital Tax	+	87,533		87,533	
	Federal Large Corporations Tax	+	25,507		25,507	
159	T-4-12	1	2			
160	Total income and capital taxes	=	962,324	0	962,324	
161						

A	only x ırn
Tax and Accounting Reserves	ırn
For MoF Column of TAXCALC	ırn
4 (for "wires-only" business - see s. 72 OEB Act) Return 5	
State	2000 4
1	2000 4
Total (carry forward to the TAXREC worksheet) Total (carry forward to the Taxres ss. 20(1)(n) Total (carry forward to the Taxres ss. 20(1)(n	2009.1
Reporting period: 2003 9	
9 10 TAX RESERVES	
9 10 TAX RESERVES	
11 12 13 14 Reserve for doubtful accounts ss. 20(1)(l) 15 Reserve for goods & services ss.20(1)(m) 16 Reserve for unpaid amounts ss.20(1)(n) 17 Debt and share issue expenses ss.20(1)(e) 18 Other - Please describe 19 Other - Please describe 10 Ot	
11 12 13 14 Reserve for doubtful accounts ss. 20(1)(l) 15 Reserve for goods & services ss.20(1)(m) 16 Reserve for unpaid amounts ss.20(1)(n) 17 Debt and share issue expenses ss.20(1)(e) 18 Other - Please describe 19 Other - Please describe 10 Ot	
12 Beginning of Year:	
13	
14 Reserve for doubtful accounts ss. 20(1)(l) 15 Reserve for goods & services ss.20(1)(m) 16 Reserve for unpaid amounts ss.20(1)(n) 17 Debt and share issue expenses ss.20(1)(e) 18 Other - Please describe 19 Other - Please de	0
15 Reserve for goods & services ss.20(1)(m) Reserve for unpaid amounts ss.20(1)(n) Debt and share issue expenses ss.20(1)(e) Debt and share issue expenses ss.20(1)(e) Dither - Please describe Debt and share issue expenses ss.20(1)(l) Debt and share issue expenses ss.20(1)(m) Debt and share issue expenses ss.20(1)(e) Debt and share i	0
16 Reserve for unpaid amounts ss.20(1)(n) 17 Debt and share issue expenses ss.20(1)(e) 18 Other - Please describe 19 Other - Please describe 20 21 22 Total (carry forward to the TAXREC worksheet) 0 0 23 0 0 0 24 End of Year: 0 0 0 25 26 Reserve for doubtful accounts ss. 20(1)(l) 0 0 0 27 Reserve for goods & services ss.20(1)(m) 0 0 0 0 28 Reserve for unpaid amounts ss.20(1)(n) 0 0 0 0 0 29 Debt and share issue expenses ss.20(1)(e) 0 0 0 0 0 0 30 Other - Please describe 0 0 0 0 0 0 32 3 3 0 0 0 0 0 0 0 36 37 1 1 1 <	0
17 Debt and share issue expenses ss.20(1)(e) 18 Other - Please describe 20 21 22 Total (carry forward to the TAXREC worksheet) 23 24 End of Year: 25 26 Reserve for doubtful accounts ss. 20(1)(l) 27 Reserve for goods & services ss.20(1)(m) 28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 32 33 34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 0 0 0	0
18 Other - Please describe 19 Other - Please describe 20 21 22 Total (carry forward to the TAXREC worksheet) 0 23 24 End of Year: 25 26 Reserve for doubtful accounts ss. 20(1)(i) 27 Reserve for goods & services ss.20(1)(m) 28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 32 33 34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 0 0 0	0
19 Other - Please describe 20 21 22 Total (carry forward to the TAXREC worksheet) 0 0 0 23 24 End of Year: 25 26 Reserve for doubtful accounts ss. 20(1)(l) 27 Reserve for goods & services ss.20(1)(m) 28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 32 33 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 0 0 0 36 37 38 39 39 39 30 30 30 30 30	
20 21 22 Total (carry forward to the TAXREC worksheet) 0 0 0 0 23 24 End of Year: 25	0
21 0 0 22 Total (carry forward to the TAXREC worksheet) 0 0 23 0 0 24 End of Year: 0 0 25 0 0 0 26 Reserve for doubtful accounts ss. 20(1)(I) 0 0 27 Reserve for goods & services ss.20(1)(m) 0 0 28 Reserve for unpaid amounts ss.20(1)(n) 0 0 29 Debt and share issue expenses ss.20(1)(e) 0 0 30 Other - Please describe 0 0 31 Other - Please describe 0 0 32 0 0 0 33 1 0 0 34 Insert line above this line 0 0 35 Total (carry forward to the TAXREC worksheet) 0 0 36 37 0 0	0
22 Total (carry forward to the TAXREC worksheet) 0 0 23	0
23 24 End of Year:	0
24 End of Year: 25 26 Reserve for doubtful accounts ss. 20(1)(l) 27 Reserve for goods & services ss.20(1)(m) 28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 31 Insert line above this line 33 35 Total (carry forward to the TAXREC worksheet) 0 36 0	0
25 26 Reserve for doubtful accounts ss. 20(1)(l) 27 Reserve for goods & services ss.20(1)(m) 28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 32 33 34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 0 0 0 36 37	
26 Reserve for doubtful accounts ss. 20(1)(l) 27 Reserve for goods & services ss.20(1)(m) 28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 32	
27 Reserve for goods & services ss.20(1)(m) 28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 32 33	0
28 Reserve for unpaid amounts ss.20(1)(n) 29 Debt and share issue expenses ss.20(1)(e) 30 Other - Please describe 31 Other - Please describe 32 33 34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 36 37	0
29 Debt and share issue expenses ss.20(1)(e)	0
29 Debt and share issue expenses ss.20(1)(e)	0
30 Other - Please describe 31 Other - Please describe 32 33 34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 36 37	0
31 Other - Please describe 32	0
32 33 34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 0 0 0 36 37	0
33 34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 0 0 36 37	0
34 Insert line above this line 35 Total (carry forward to the TAXREC worksheet) 36 37	0
35 Total (carry forward to the TAXREC worksheet) 0 0 0 36 37	0
36 37	0
37	U
LOO JEINANIOIAL OTATEMENT DECEDICO	
38 FINANCIAL STATEMENT RESERVES	
39	
40 Beginning of Year:	
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 Total (carry forward to the TAXREC worksheet) 0 0	0
51	
52 End of Year:	
53	0
54	0
55 Environmental	0
56 Allowance for doubtful accounts	0
57 Inventory obsolescence	0
	U
58 Property taxes	Δ
59 Other - Please describe	0
60 Other - Please describe	0
	0
62 Insert line above this line	0
63 Total (carry forward to the TAXREC worksheet) 0 0	0 0 0
64	0

March 22, 2010 Tax Reserves

						endix B
	A	В	С	D	E	F
1						
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	•					
8	Utility Name: Halton Hills					
	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12	materiality 201011		0			
13						
14						
	Outline O. De constitution of the state of t					
	Section C: Reconciliation of accounting income to taxable income					
	Add:				0	
17		+			0	
	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22		+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
22	Recapture of SR&ED expenditures	+			0	
		-			0	
	Share issue expense	+			_	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
	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			,	-	,	
	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	<u> </u>
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	
74			0	U	U	

A						Арре	endix B
LINE Mol F Non-wires Wires-only Tax		A	В	С	D	E	F
3	1						
3	2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
Tax Return Worsion 2009.1							
SAPEPAVERS ONLY							
Separation Sep						Noturn	
Sultity Name: Halton Hills				Retuin		Varsian 2000 1	
Separting periods: 2003 Separting period		Shareholder-only items should be shown on TAXNEC 3				Version 2009.1	
Number of days in taxation year:		HCPC Alexandra 1911					
10 Number of days in taxation year:							
11 Materiality Level:							
12							
13		Materiality Level:		0			
0							
Total Material additions							
77 Total Material additions 52,983 0 52,983 0 62,983 0				0	0	0	
78 Other additions less than materiality level 0 0 0 52,983	76			0	0	0	
78 Other additions less than materiality level 0 0 0 52,983	77	Total Material additions		52,983	0	52,983	
79 Total Additions	78				0		
80 Deduct						52,983	
81 Deduct:				02,000	J	02,000	
82 Gain on disposal of assets per f/s -		Deduct:	+				
83 Dividends not taxable under section 83						0	
Material Content Material Co							
85 Depreciation in inventory, end of prior year -			-				
66 Scientific research expenses claimed in year from Form T661 - 66,837 66,837 87 Bad debts - 66,837 66,837 88 Book income of joint venture or partnership - 0 95 Equity in income from subsidiary or affiliates - 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 litem) - 0 0 96 Non-taxable load transfers - 0 0 0 0 97 - - 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 - 0 93 - 0 94 - 0 95 Other deductions: (Please explain in detail the nature of the item) - 95 Other deductions: (Please explain in detail the nature of the item) - 97 - 0 98 - 0 99 Total Deductions = 66,837 100 0 0 101 Recap of Material Deductions: - 0 102 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							
88 Book income of joint venture or partnership - 0 99 Equity in income from subsidiary or affiliates - 0 91 Other income from financial statements - 0 92 - - 93 - 0 94 - 0 95 Other deductions: (Please explain in detail the nature of the litem) - 0 96 Non-taxable load transfers - 0 0 97 - 0 0 98 - 0 0 99 Total Deductions = 66,837 0 66,837 100 0 0 0 0 101 Recap of Material Deductions: - 0 0 0 102 0 0 0 0 0 103 0 0 0 0 0 0 104 0 <t< td=""><td></td><td></td><td>-</td><td></td><td></td><td>~</td><td></td></t<>			-			~	
B9 Equity in income from subsidiary or affiliates -			-	66,837		66,837	
Solid Contributions to a qualifying environment trust			-			0	
Other income from financial statements -	89	Equity in income from subsidiary or affiliates	-			0	
02	90	Contributions to a qualifying environment trust	-			0	
33	91	Other income from financial statements	-			0	
33	92		- 1				
94			1 - I			0	
95 Other deductions: (Please explain in detail the nature of the item) -			1 _ I				
96 Non-taxable load transfers		Other deductions: (Please explain in detail the nature of the item)					
97 - 0 0 98 - 0 0 99 Total Deductions				0			
98		Non-taxable load translers		U		-	
99 Total Deductions							
100 Recap of Material Deductions: 0 0 0 102 0 0 0 0 103 0 0 0 0 104 0 0 0 0 105 0 0 0 0 106 0 0 0 0 107 Bad debts 66,837 0 66,837 108 0 0 0 0 109 0 0 0 0 110 0 0 0 0 111 0 0 0 0 112 0 0 0 0 113 0 0 0 0 114 0 0 0 0 115 0 0 0 0 116 0 0 0 0 117 0 0 0 0 118 0 0 0 0 119 Total Deductions exceed materiality level<		T. (D.) (22.22			
101 Recap of Material Deductions:		Total Deductions	=	66,837	0	66,837	
102 0 0 0 0 103 0 0 0 0 104 0 0 0 0 105 0 0 0 0 106 0 0 0 0 107 Bad debts 66,837 0 66,837 108 0 0 0 0 109 0 0 0 0 100 0 0 0 0 0 110 0 0 0 0 0 112 0 0 0 0 0 113 0 0 0 0 0 114 0 0 0 0 0 115 0 0 0 0 0 116 0 0 0 0 0 117 0 0 0 0 0 118 0 0 0 0 0 119 Total Deductions exceed							
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		Recap of Material Deductions:					
104							
105 0 0 0 106 0 0 0 107 Bad debts 66,837 0 66,837 108 0 0 0 0 109 0 0 0 0 110 0 0 0 0 111 0 0 0 0 112 0 0 0 0 113 0 0 0 0 114 0 0 0 0 115 0 0 0 0 116 0 0 0 0 117 0 0 0 118 0 0 0 0 119 Total Deductions exceed materiality level 66,837 0 66,837 120 Other deductions less than materiality level 0 0 0 66,837 120 Total Deductions 66,837 0 66,837 0 66,837					0	0	
106 0 0 0 0 107 Bad debts 66,837 0 66,837 108 0 0 0 0 109 0 0 0 0 110 0 0 0 0 111 0 0 0 0 112 0 0 0 0 113 0 0 0 0 114 0 0 0 0 115 0 0 0 0 116 0 0 0 0 117 0 0 0 0 118 0 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	104			0	0	0	
106 0 0 0 0 107 Bad debts 66,837 0 66,837 108 0 0 0 0 109 0 0 0 0 110 0 0 0 0 111 0 0 0 0 112 0 0 0 0 113 0 0 0 0 114 0 0 0 0 115 0 0 0 0 116 0 0 0 0 117 0 0 0 0 118 0 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				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					0		
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	107	Bad debts				66.837	
109 0 0 0 0 110 0 0 0 0 111 0 0 0 0 112 0 0 0 0 113 0 0 0 0 114 0 0 0 0 115 0 0 0 0 116 0 0 0 0 117 0 0 0 0 118 0 0 0 0 119 Total Deductions exceed materiality level 66,837 0 66,837 120 Other deductions less than materiality level 0 0 0 0 121 Total Deductions 66,837 0 66,837 0 66,837							
1110 0 0 0 1111 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	109						
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							
1112 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	111						
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							
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							
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	113						
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							
117 0 0 0 0 0 118 0 0 0 0 0 119 170 18 18 19 19 19 19 19 19	115						
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							
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							
120 Other deductions less than materiality level 0 0 0 121 Total Deductions 66,837 0 66,837							
120 Other deductions less than materiality level 0 0 0 121 Total Deductions 66,837 0 66,837	119	Total Deductions exceed materiality level		66,837	0	66,837	
121 Total Deductions 66,837 0 66,837				0	0		
				66.837		66.837	

	A	В	С	D	E I	F
1	^	ь	C		L	'
	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			
	Utility Name: Halton Hills				Version 2009.1	
9						
10						
	Reporting period: 2003		205			
12	Number of days in taxation year:		365			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18						
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	-
23	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	<u> </u>			0	
	Loss in equity of subsidiaries and amiliates Loss on disposal of utility assets	+			0	
_	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	4,319		4,319	
33	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+			0	
	Donations - amount per books		0		0	
	Interest and penalties on unpaid taxes		289		289	
_	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
_	Ontario capital tax adjustments	+			0	
	Changes in Regulatory Asset balances	+	68,326		68,326	
42	January Process Bullaness	+	55,525		0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+	44,052		44,052	
45		+			0	
46		+				
	Total Additions on which true-up does not apply	=	116,986	0	116,986	
48	D. Luci					
	Deduct:					
50 51	CCA adjustments	-			0	
	CEC adjustments	-			0	-
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
_	Income from joint ventures or partnerships	-			0	
59		-			0	-
60		-			0	
61 62		-			0	
63		-			0	
	Ontario capital tax adjustments to current or prior year	-			0	
65	ontaino oupliar tax aujuotimento to outretit or prior year	-			0	
	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	Total Deductions on which two and does not cont	-			0	
74	Total Deductions on which true-up does not apply	=	0	0	0	
75						
10	<u>I</u>	1				

March 22, 2010 TAXREC 3 No True-up

C E U	Α					 			
C E U		В	С	D	Е	F	G	Н	L
E	PILs TAXES - EB-2008-381 Corporate Tax Rates				V	/ersion 2009.1	ĺ		
U	exemptions, Deductions, or	Threshold	S		V	5151011 £003.1			
R	Itility Name: Halton Hills								
	Reporting period: 2003								
	and the state of t		(- 0000			Table 1			
	Rates Used in 2002 RAM PIL	_s Applicati			200.004				
	ncome Range RAM 2002		0 to		200,001 to	>700000			
ť	.AIVI 2002	Year	200,000		700,000	>100000			
	ncome Tax Rate								
	Proxy Tax Year	2002							
	ederal (Includes surtax)		13.12%		26.12%	26.12%			
_	and Ontario blended		6.00%		6.00%	12.50%			
_	Blended rate		19.12%		34.12%	38.62%			
Ļ	and the Dat		0.0000/						
	Capital Tax Rate		0.300% 0.225%						
	CT rate Surtax		1.12%						
_	Ontario Capital Tax	MAX							
	Exemption **	\$5MM	5,000,000						
	ederal Large	·							
c	Corporations Tax	MAX	10,000,000						
	exemption **	\$10MM							
	*Exemption amounts r	nust agre	e with the	Board-appi	roved 200	2 RAM			
F	PILs filing	_							
1	-								
						Table 2			
	xpected Income Tax Rates	for 2003 a	nd Canital Ta	x Exemptions	for 2003	I able 2			
	ncome Range	. 5. 2003 al	и Сарнагта 0	A EXCHIPITORS	200,001				
	Expected Rates		to		to	>700000			
Ĺ		Year	200,000		700,000				
lr	ncome Tax Rate								
	Current year	2003							
_	ederal (Includes surtax)	2003	13.12%			24.12%			
_	Ontario	2003	6.00%			12.50%			
	Blended rate	2003	19.12%		34.12%	36.62%			
	Conital Tay Bata	2000	0.2000/						
	Capital Tax Rate CT rate	2003 2003	0.300% 0.225%						
_	Curtax	2003	1.12%						
_	Ontario Capital Tax	MAX							
	Exemption *** 2003	\$5MM	5,000,000						
	ederal Large								
C	Corporations Tax	MAX	10,000,000						
Е	xemption *** 2003	\$10MM							
	**Allocation of exempt		t comply w	vith the Boa	ard's instr	uctions			
r	egarding regulated act	tivities.							
						Table 3			
lr	nput Information from Utilit	y's Actual 2	2003 Tax Reti	urns					
lr	ncome Range		0		200,001				
			to		to	>700,000			
Ļ		Year	200,000		700,000				
_	ncome Tax Rate	0000							
	Current year	2003	12.400/		0.000/	24.4204			
_	ederal (Includes surtax)		13.12%		0.00%	24.12%			
_	Ontario Blandad rata		6.00%		0.00%	12.54%			
	Blended rate		19.12%		0.00%	36.66%			
Г	Capital Tax Rate		0.300%						
0	CT rate		0.300%						
С	Surtax		1.12%						
C		MAX							
L	Intario Capital Tax	\$5MM	4,686,438						
L	Ontario Capital Tax Exemption *	ΨOIVIIVI .							
S	Ontario Capital Tax Exemption * Eederal Large	-							
C L S C E	xemption *	MAX	10,000,000						
	xemption * ederal Large corporations Tax xemption *	MAX \$10MM							
	xemption * ederal Large Corporations Tax	MAX \$10MM		ocation cal	culations	in your			
C E F C E *	xemption * ederal Large corporations Tax xemption *	MAX \$10MM actual tax	return alle			in your			

March 22, 2010 Tax Rates

	T								,						
	А	В	С	D	E	F	G	Н	I	J	K	L	М	Ν	0
	PILs TAXES - EB-2008-381														
	Analysis of PILs Tax Account	1562:													
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2003				Sign Conventi	on: -	F 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
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005												•		
13	- input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-													
15	Adjustment (3)												-59,421		-59,421
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-			<u>-</u>		-						•		
17	Adjustment (5)												-39,813		-39,813
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
	Carrying charges (7)	+/-													0
	PILs billed to (collected	-					-				•		•		
	from) customers (8)		0												0
21	197														
22	Ending balance: # 1562		0		0		0		0		0		-99,234		-99,234
23	<u> </u>					3)				3)					

26 27 Uncollected PILs

38

39

40 41

42

48

49

58

59

60 61 62

63

64 65

67

68

70

71 72

77

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 32

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

- (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. 33 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.

 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
 - (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 43 44 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
 - (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 50 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. 52 53 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed. 54
- 56 57 (7) Carrying charges are calculated on a simple interest basis.
 - (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 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. (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;
 - plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components. In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- 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

PILs 1562 Calculation March 22, 2010

					Append
_	A A	В	С	D	E ''
	PILS TAXES - EB-2008-381				Version 2009.1
	REGULATORY INFORMATION (REGINFO)			Colour Codo	
4	Utility Name: Halton Hills Reporting period: 2004			Colour Code Input Cell	
5	Reporting period. 2004			Formula in Cell	
_	Days in reporting period:	366	days	Formula in Cell	
7	Total days in the calendar year:	366	days		
8	Total days in the calcidal year.	300	days		
	BACKGROUND				
	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	_	
10	,		1/11		
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
	Is the utility a non-profit corporation?		Y/N		
	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		1/11		
18	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	_	
			-	_	
	shared among the corporate group?	LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
	Accounting Year End		Date	12-31-2004	
20			2410	12 01 200 1	
	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			25,052,968	
33	Common Equity Ratio (CER)			50.00%	
25	1-CER			50.00%	
35	I-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
10					
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
15	Total la suprantal revenue			0.445.707	
	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in			715 105	715 105
47 48	Amount allowed in 2001			715,405	
48	Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	
50	unless authorized by the Minister and the Board)			715,191	0
51				_	0
52	Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue				0
53	Other Board-approved Granges to WARR OF Incremental revenue				0
54	Total Regulatory Income				1,430,596
55	rotal Negulatory Income				1,430,390
	Equity			12,526,484	
57	Lyuity			12,020,404	
	Return at target ROE			1,237,617	
59	motum at larget NOL			1,237,017	
	Debt			12,526,484	
61				12,020,404	
	Deemed interest amount in 100% of MARR			908,170	
63	200 ma interest amount in 100 /0 of White			500,170	
	Phase-in of interest - Year 1 (2001)			302,784	
65	((D43+D47)/D41)*D61			502,704	
	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61			000,777	
	Phase-in of interest - Year 3 (2003) and forward			605,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			500,477	
	Phase-in of interest - 2005			908,170	
71				555,110	
72					
				i e	

March 22, 2010 REGINFO

1	A PILs TAXES - EB-2008-381	B ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS	. I E.WI	Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)				Variance K-C	Variance Explanation		
5 6							Version 2009.1	
7	Reporting period: 2004						Column	
9	Days in reporting period: Total days in the calendar year:	366 366	days days				Brought From	
11 12			\$		\$		TAXREC \$	
13	D. CODDOD ATT. INCOME TAYED						Ψ	
15								
17	Regulatory Net Income REGINFO E53	1	1,430,596		1,079,237		2,509,833	
18 19	BOOK TO TAX ADJUSTMENTS Additions:				<u> </u>			
20 21	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	2	1,460,685		351,780 40,768		1,812,465 40,768	
22	Tax reserves - beginning of year Reserves from financial statements - end of year	4			0		0	
24 25	Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27 28	Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet	6			0 38,593		0 38,593	
30	Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	6			771,801		771,801	
31 32	Deductions: Input positive numbers							
33 34	Capital Cost Allowance and CEC	7 8	1,072,272		488,785 20,269		1,561,057 20,269	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36 37	Interest Expense Deemed/ Incurred	10	55,617 605,477		-55,617 565,466		1,170,943	
38		4			0		0	
41		3			0		0	
42 43	Interest capitalized for accounting but deducted for tax Other Deductions (See Tab entitled "TAXREC")	11			0		0	
44	"Material" Items from "TAXREC" worksheet Other Deductions (not "Material") "TAXREC"	12 12			0		0	
46 47	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12			24,694		24,694 0	
48	Items on which true-up does not apply "TAXREC 3"	12			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 54		13	38.62%		-2.5600%		36.06%	
55 56	REGULATORY INCOME TAX		505,672		10,894	Actual	516,565	
57 58	Miscellaneous Tax Credits	14			0	Actual	0	
59 60	Total Regulatory Income Tax		505,672		10,894	Actual	516,565	
61 62	Total regulatory moonie rax		000,012		10,001	7,000	010,000	
63	II) CAPITAL TAXES							
64 65	Ontario							
66 67	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	15 16	25,052,968 5,000,000		9,446,982 -315,157		34,499,950 4,684,843	
68 69	Taxable Capital		20,052,968		9,131,825		29,815,107	
70 71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
72 73	Ontario Capital Tax		60,159		29,286		89,445	
74 75	Federal Large Corporations Tax Base	18	25,052,968		3,973,803		29,026,771	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	19	10,000,000 15,052,968		35,995,000 39,968,803		45,995,000 0	
78 79		20	0.2250%		-0.0250%		0.2000%	
80		20						
81 82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	33,869 14,665		-33,869 -14,665		0	
83 84	Net LCT		19,204		-19,204		0	
	III) INCLUSION IN RATES							
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 92	LCT (proxy tax is grossed-up)	23 24	30,727 60,159			Actual 2004 Actual 2004	92,560	
93 94			22,.00				,_,_,_	
95 96	Total PILs for Rate Adjustment MUST AGREE WITH 2002 RAM DECISION	25	899,961			Actual 2004	609,125	
97	NAM DECIDION							
	IV) FUTURE TRUE-UPS				20%			
101	IV a) Calculation of the True-up Variance In Additions:				DR/(CR)			
103	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3 4			40,768 0			
104	Reserves from financial statements-end of year Regulatory Adjustments	5			0 -151,437			
106	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			0 38,593			
108	In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	8			20,269			
110	Items Capitalized for Regulatory Purposes	9			0			
112	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10			-55,617 0			
114	Tax reserves claimed in current year Reserves from F/S beginning of year	4			0			
116	Contributions to deferred income plans Contributions to pension plans	3			0			
117 118	Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12 12			0 24,694			
119	Total TRUE-UPS before tax effect	26		=	-61,422			
121	Income Tax Rate (excluding surtax) from 2004 Utility's tax return	7		x	34.94%			
122			i .		35470			-

	A	В	С	D	E	F	G	Н
	PILS TAXES - EB-2008-381 PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		Latiniate		Variance	Variance	returns	
5	("Wires-only" business - see Tab TAXREC)	-			K-C	Explanation	Version 2009.1	
	Utility Name: Halton Hills Reporting period: 2004							
8							Column	
10	Days in reporting period: Total days in the calendar year:	366 366	days days				Brought From	
11	,		S				TAXREC	
12			\$		\$		\$	
124 125	Income Tax Effect on True-up adjustments			=	-21,461			
126	Less: Miscellaneous Tax Credits	14			0			
127 128	Total Income Tax on True-ups				-21,461			-
129	Income Tax Rate used for gross-up (exclude surtax)				34.94%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(32,986)			
	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial				1 200 252			
137	estimate column)			=	1,309,352			
138	REVISED CORPORATE INCOME TAX RATE			х	36.06%			
140	REVISED REGULATORY INCOME TAX			=	472,152			
141 142	Less: Revised Miscellaneous Tax Credits			-	0			
143	Total Revised Regulatory Income Tax			=	472,152			_
145					772,102			
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	505,672			
147 148	Regulatory Income Tax Variance			=	(33,519)			
149					(55,515)			
151	Ontario Capital Tax Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			=	5,000,000 20,052,968			
154								_
155 156	Rate - Tab Tax Rates cell C54			Х	0.3000%			
	Revised Ontario Capital Tax			= .	60,159			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
159 160	Regulatory Ontario Capital Tax Variance			=	0			
161	Federal LCT				05 050 000			
	Base Less: Exemption from tab Tax Rates, Table 2, cell C40				25,052,968 50,000,000			
	Revised Federal LCT			=	(24,947,032)			
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167 168	Gross Amount				0			
169	Less: Federal surtax Revised Net LCT			-	0			
171								
	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance			=	19,204 (19,204)			
174								
176	Actual Income Tax Rate used for gross-up (exclude surtax)				34.94%			
177 178	Income Tax (grossed-up) LCT (grossed-up)			+	(51,521) (30,727)			
179	Ontario Capital Tax			+	0			
	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(82,248)			
182 183	TRUE-UP VARIANCE (from cell I132)			+	(32,986)			-
184								
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	(115,234)			
187 188								-
189								
191	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							
192	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			-
197 198	according to the Board's decision							
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook) Interest deducted on MoF filing (Cell K36+K41)				1,170,943			
202	Actual Interest Paid				1,170,943			=
203 204	Variance caused by excess debt				0			
205	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			_
207					202.000			
209	Total Interest Variance				302,693			\dashv
210 211								=
1-11			1					

March 22, 2010 TAXCALC

	A PILs TAXES - EB-2008-381	B LINE	C M of F	D Non-wires	E Wires-only	F
3	TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Tax Return	
4	0		Return			
5 6	Section A: Identification:				Version 2009.1	
7	Utility Name: Halton Hills					
9	Reporting period: 2004 Taxation Year's start date:					
10	Taxation Year's end date:		200			
11	Number of days in taxation year:		366	days		
	Please enter the Materiality Level :		0	< - enter materiality	level	
14	(0.25% x Rate Base x CER) (0.25% x Net Assets)	Y/N 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? (Please complete the questionnaire in the Background questionnaire	Y/N works	heet.)			
19			,			
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns. The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interes	t expen	se and provision fo	r income tax		
26 27	Please enter the non-wire operation's amount as a positive number, the p	rogram	automatically treats	s all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and			. an announts		
29 30	Income:					
31	Energy Sales	+	30,683,803		30,683,803	
32 33	Distribution Revenue	+	8,073,276		8,073,276	
34	Other Income Miscellaneous income	+	1,146,428	104,433	1,041,995 0	
35	Devices a charild be entreed that a 10 th a	+			0	
36 37	Revenue should be entered above this line					
38	Costs and Expenses:					
39 40	Cost of energy purchased Administration	-	30,683,803 4,310,467	39,050	30,683,803 4,271,417	
41	Customer billing and collecting	-	4,510,407	33,030	0	
42	Operations and maintenance Amortization	-	1,814,270	1,805	0 1,812,465	
44	Ontario Capital Tax	-	80,169	1,605	80,169	
	Recovery of regulatory assets - expense	-	441,387		441,387	
46 47		-			0	
48		-			0	
49 50	Net Income Before Interest & Income Taxes EBIT	=	2,573,411	63,578	2,509,833	
51	Less: Interest expense for accounting purposes	-	1,170,943	,	1,170,943	
52 53	Provision for payments in lieu of income taxes Net Income (loss)	-	412,562 989,906	63,578	412,562 926,328	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)		,,,,,,		, , , , ,	
55	per financial statements on Schedule 1 of the tax return.)					
	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	412,562	0	412,562	
	Federal large corporation tax Depreciation & Amortization	+	1,814,270	1,805	0 1,812,465	
62	Employee benefit plans-accrued, not paid	+	40,768	0	40,768	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0		0	
65	Regulatory adjustments on which true-upmay apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3" Material addition items from TAXREC 2	+	792,532 38,593	20,731	771,801 38,593	
	Other addition items (not Material) from TAXREC 2	+	38,593	0	38,593	
69			2,000,705	00.500	2 070 400	
70 71	Subtotal		3,098,725	22,536	3,076,189	
72	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76 77		+	0		0	
78		+			0	
79 80	Total Other Additions	+	0	0	0	
81		_			_	
82 83	Total Additions	=	3,098,725	22,536	3,076,189	
	Recap Material Additions:					
85			0	0	0	
86 87			0	0	0	
		_				

	A	В	С	D	Е	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	
5	0)	Return		Version 2009.1	
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			0	0	0	
94 95	Total Other Additions		0	0	0	
	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,489,425		1,489,425	
98	Cumulative eligible capital deduction	-	71,632		71,632	
	Employee benefit plans-paid amounts	-	20,269		20,269	
	Items capitalized for regulatory purposes	-			0	
_	Regulatory adjustments :	-			0	
102		-			0	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
_	Items on which true-up does not apply "TAXREC 3"		824,837	0	824,837	
	Interest capitalized for accounting deducted for tax	-			0	
	Material deduction items from TAXREC 2	-	24,694	0	24,694	
	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112		=	2,430,857	0	2,430,857	
_	Other deductions (Please explain the nature of the deductions)	_	2,400,007	0	2,430,037	
	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119	Total Other Dedications	-	0	0	0	
120 121	Total Other Deductions	=	0	0	0	
122	Total Deductions	=	2,430,857	0	2,430,857	
123	Total Boddollono		2,100,007	0	2,100,001	
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127 128			0	0	0	
129			0	0	0	
	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						
	TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
	DEDUCT: Non-capital loss applied positive number	1	0		0	
137	·	-	U		0	
138	The suprice of positive number				0	
	NET TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
140						
	FROM ACTUAL TAX RETURNS					
	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) Subtotal	+	228,386	11,858	216,528	
	Less: Miscellaneous tax credits (Must agree with tax returns)	=	547,618 0	31,053	516,565 0	
_	Total Income Tax	=	547,618	31,053	516,565	
147			.,,,,,,,		,	
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax Rate (Must agree with tax return)		22.29%		22.29%	
_	Net Ontario Income Tax Rate (Must agree with tax return)		13.77%		13.77%	
151 152	Blended Income Tax Rate		36.06%		36.06%	
_	Section F: Income and Capital Taxes					
154	Section 1 . Income and Capital Taxes					
_	RECAP					
156	Total Income Taxes	+	547,618	31,053	516,565	
	Ontario Capital Tax	+	92,560		92,560	
	Federal Large Corporations Tax	+	0		0	
159		-	640.470	04.050	600 405	
160 161		=	640,178	31,053	609,125	
IUI	<u> </u>					

				Deferre	EB-2008-03 d PILs Combined Proceeding
					Annondiv
_	A	В	С	D	
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only
	Tax and Accounting Reserves		Corporate	Eliminations	Tax
3 4	For MoF Column of TAXCALC (for "wires-only" business - see s. 72 OEB Act)		Tax Return		Return
5	(101 WITES-OTHY DUSTRIESS - SEE S. 72 OEB ACT)		Retuin		Version 2009.1
6	0				version 2009.1
7	Hillity Name, Helton Hills				
8	Utility Name: Halton Hills Reporting period: 2004				
9	Reporting period: 2004				
_	TAX RESERVES				
11	TAX RESERVES				
	Beginning of Year:				
13	Deginning of Tear.				0
	Reserve for doubtful accounts ss. 20(1)(I)				0
	Reserve for goods & services ss.20(1)(m)				0
	Reserve for unpaid amounts ss.20(1)(n)				0
	Debt and share issue expenses ss.20(1)(e)				0
	Other - Please describe				0
19					0
20					0
21					0
	Total (carry forward to the TAXREC worksheet)		0	0	0
23	Total (sairy forward to the 17 bit Lee Wellierte)				
_	End of Year:				
25					0
	Reserve for doubtful accounts ss. 20(1)(I)				0
	Reserve for goods & services ss.20(1)(m)				0
	Reserve for unpaid amounts ss.20(1)(n)				0
	Debt and share issue expenses ss.20(1)(e)				0
	Other - Please describe				0
31	Other - Please describe				0
32					0
33					0
34	Insert line above this line				
35	Total (carry forward to the TAXREC worksheet)		0	0	0
36					
37					
38	FINANCIAL STATEMENT RESERVES				
39					
40	Beginning of Year:				
41					0
42					0
43	Environmental				0
	Allowance for doubtful accounts				0
	Inventory obsolescence				0
	Property taxes				0
	Other - Please describe				0
	Other - Please describe				0
49					0
	Total (carry forward to the TAXREC worksheet)		0	0	0
51					
	End of Year:				
53					0
54					0
	Environmental				0
	Allowance for doubtful accounts				0
	Inventory obsolescence				0
	Property taxes				0
	Other - Please describe				0
	Other - Please describe				0
61					0
	Insert line above this line				
	Total (carry forward to the TAXREC worksheet)		0	0	0
64					

March 22, 2010 Tax Reserves

						Appendix
	A	В	С	D	Е	F
1						
	DU					
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	+
					Retuill	-
	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						+
						-
8	Utility Name: Halton Hills					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
	Materiality Level:		0			
12						
13						4
14						
15	Section C: Reconciliation of accounting income to taxable income					
	Add:					
	Auu.					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22	1 V	+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
	Capitalized interest	+			0	i
25	Oaphanzeu IIIterest					
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
		+			0	
	Interest paid on income debentures					
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
	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		+	55,555		0	
					-	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
	Other Additions: (please explain in detail the nature of the item)					
41		+			0	
42		+			0	
43		+			0	i
44		+			0	
45		+				
46	Total Additions		38,593	0	38,593	İ
	Total Additions	=	36,393	0	36,393	4
47						
48	Recap of Material Additions:					
49	and the second s		0	0	0	<u> </u>
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	1
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
	Provision for bad debts		38,593	0	38,593	
	r remoient for bud debte					
68			0	0	0	
69			0	0	0	1
70			0	0	0	
71			0	0	0	
72			0	0	0	1
73			0	0	0	
74			0	0	0	ı

						Appendix
	A	В	С	D	Е	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiations	Return	
					Keturn	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
	Materiality Level:		0			
12						
13						
75			0	0	0	
					0	
76	T . 184 . 1 1 180		0	0		
	Total Material additions		38,593	0	38,593	
	Other additions less than materiality level		0	0	0	
79	Total Additions		38,593	0	38,593	
80		L_ T				
81	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	_			0	
	Depreciation in inventory, end of prior year	-			0	
00	Scientific research expenses claimed in year from Form T661				0	
		-	24.224			
	Bad debts	-	24,694		24,694	
	Book income of joint venture or partnership	-			0	
	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	
	Other deductions: (Please explain in detail the nature of the item)	_			0	
	Non-taxable load transfers	-	0		0	
	Non-taxable load transfers	-	U		0	
97					_	
98		-			0	
99	Total Deductions	=	24,694	0	24,694	
100						
	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
	Bad debts		24,694	0	24.024	
108			24,034	0	24,034	
109			0	0	0	
110						
			0	0	0	
111			0	0	0	
112			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	
	Total Deductions exceed materiality level		24,694	0	24,694	
	Other deductions less than materiality level		24,034	0	24,034	
	Total Deductions		24,694	0	24,694	
	Total Deductions		24,094	U	24,094	
122						

	A	В	С	D	E	F
1			-	-	_	
	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3) Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
		LIINL	Corporate	Eliminations	Tax	
5 6	ITEMS ON WHICH TRUE-UP DOES NOT APPLY (for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiations	Return	
7	(IOI WITES-OTHY DUSTITESS - SEE S. 72 OEB ACT)	1	Return		Return	
	Utility Name: Halton Hills				Version 2009.1	
9						
10 11	Reporting period: 2004					
12	Number of days in taxation year:		366			
13			555			
14						
15 16	Continue Co Boson elliption of accountinue in compate to touch la incomp					
	Section C: Reconciliation of accounting income to taxable income Add:					
18						
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of titility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates Loss on disposal of utility assets	+	20,731	20,731	0	
	Loss on disposal of non-utility assets	+	20,731	20,731	0	
29	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+	5,414		0 5,414	
	Non-deductible meals Non-deductible club dues	+	5,414		5,414	
	Non-deductible automobile costs	+			0	
	Donations - amount per books		325,000		325,000	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end Ontario capital tax adjustments				0	
39	Ontario Capital tax adjustinents	+			0	
	Changes in Regulatory Asset balances	+	441,387		441,387	
	Imputed interest expense on Regulatory Assets	+			0	
42	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Other Additions. (please explain in detail the nature of the item)	+			0	
45		+			0	
46		+				
47 48	Total Additions on which true-up does not apply	=	792,532	20,731	771,801	
	Deduct:					
50						
	CCA adjustments	-			0	
	CEC adjustments Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-	44,467		44,467	
55	Financing fee amorization - considered to be interest expense for PILs	-	, .07		0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes Income from joint ventures or partnerships	-	325,000		325,000	
58 59	moone non joint ventures or partnerships	-			0	
60	Ontario capital tax adjustments to current or prior year	-	9,276		9,276	
61		-			0	
62	Changes in Regulatory Asset balances	-	441,387		441,387	
63 64	Assessment Notice	-	4,707		4,707	
65		-	4,101		0	
66		-			0	
67	Other deductions (Places symbols in detail the second of the trans	-			0	
68 69	Other deductions: (Please explain in detail the nature of the item)	-			0	
70		-			0	
71		-			0	
72	Trail Bull of the control of the con	-	20125		0	
73 74	Total Deductions on which true-up does not apply	=	824,837	0	824,837	
75						
. •		1				

March 22, 2010 TAXREC 3 No True-up

A PILs TAXES - EB-2008-38' Corporate Tax Rates Exemptions, Deductions, Utility Name: Halton Hills Reporting period: 2004 Rates Used in 2002 RAM I Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax) and Ontario blended	or Threshold		D	E V	F /ersion 2009
Corporate Tax Rates Exemptions, Deductions, Utility Name: Halton Hills Reporting period: 2004 Rates Used in 2002 RAM I Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)	or Threshold			V	ersion 2009
Exemptions, Deductions, Utility Name: Halton Hills Reporting period: 2004 Rates Used in 2002 RAM I Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)				V	ersion 2009
Utility Name: Halton Hills Reporting period: 2004 Rates Used in 2002 RAM I Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)					
Reporting period: 2004 Rates Used in 2002 RAM I Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)	PILs Applica				
Rates Used in 2002 RAM I Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)	PILs Applica				
Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)	PILs Applica				
Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)	PILs Applica				Table 1
Income Range RAM 2002 Income Tax Rate Proxy Tax Year Federal (Includes surtax)		tions for 2002	2		
Income Tax Rate Proxy Tax Year Federal (Includes surtax)		0		200,001	
Income Tax Rate Proxy Tax Year Federal (Includes surtax)		to		to	>700000
Proxy Tax Year Federal (Includes surtax)	Year	200,000		700,000	
Federal (Includes surtax)					ļ
	2002	10.1001		22 (22)	
and Untario biended	-	13.12%		26.12%	26.12%
	_	6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate	-	0.300%			
Surtax	1	1.12%			
Ontario Capital Tax	MAX				
Exemption **	\$5MM	5,000,000			
Federal Large					
Corporations Tax	MAX \$10MM	10,000,000			
Exemption **	\$10MM				
**Exemption amounts	must agre	ee with the	Board-app	roved 200	2 RAM
PILs filing	_		• • • • • • • • • • • • • • • • • • • •		
					Table 6
Expected Income Tax Rate	ne for 2004 -	nd Canital Ta	v Evametic	ne for 2004	Table 2
Income Range	101 2004 8	0	250,001	400,001	
Expected Rates		to	230,001 to	400,001	>1,128,000
	Year	250,000	400,000	1,128,000	1,120,000
Income Tax Rate		200,000	100,000	1,120,000	
Current year	2004				
Federal (Includes surtax)	2004	13.12%	22.12%	22.12%	22.12%
Ontario	2004	5.50%	5.50%	9.75%	14.00%
Blended rate	2004	18.62%	27.62%	31.87%	36.12%
Capital Tax Rate	2004	0.300%			
LCT rate	2004	0.200%			
Surtax	2004	1.12%			
Ontario Capital Tax	MAX	5,000,000			
Exemption *** 2004	\$5MM	5,555,555			-
Federal Large	MAX	50,000,000			
Corporations Tax Exemption *** 2004	\$50MM	50,000,000			
***Allocation of exem	ations mus	et comply w	vith the Re	ard'e inetr	uctions
/ incodition of exem		st comply w	/itil the Bo	aru s msu	uctions
regarding regulated a	ctivities.				
					Table 3
Input Information from Uti	lity's Actual			400.000	
Income Range	1	0	250,001	400,001	- 4 400 000
	Vaca	to	to	to	>1,128,000
	Year	250,000	400,000	1,128,000	
	2004		 	+	
Current year Federal (Includes surtax)	2004	12 120/	22 120/	22.200/	22.200/
Federal (Includes surtax) Ontario		13.12% 5.50%	22.12% 5.50%	22.29% 13.77%	22.29% 13.77%
Blended rate	+	18.62%	27.62%	36.06%	36.06%
Biended rate	1	10.0270	21.02%	30.00%	30.00%
Capital Tax Rate	+	0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax	MAX				
Exemption *	\$5MM	4,684,843			
Federal Large					
	MAX	45,995,000			
	\$50MM	.,,			
Corporations Tax	,				
Corporations Tax Exemption *		x return alle	ocation cal	culations	in your
Corporations Tax	e actual ta				in your

March 22, 2010 Tax Rates

													A	ppei	ndix B
	A	В	С	D	Е	F	G	Н	I	J	K	L	М	N	0
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				Sign Conventi	on: -	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
	Board-approved PILs tax	+/-											•		
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)		_				<u>.</u>								0
	True-up Variance	+/-													
15	Adjustment (3)		_										-32,986		-32,986
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)		_												0
	Deferral Account Variance	+/-													
17	Adjustment (5)		_										-82,248		-82,248
	Adjustments to reported	+/-													
	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
20	from) customers (8)		0												0
21															
	Ending balance: # 1562		0	_	0		0		0	_	0		-115,234		-115,234
23				_		•				_					

26 27 Uncollected PILs

28

29 30

45

46 47

48

49

50

54 55

58

59

60 61 62

63 64

65

67

68

70 71

72

76

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

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

- 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. If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- 36 37 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 40 41 (v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 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 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
 - (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.
 - (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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
 - (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.
- 56 57 (7) Carrying charges are calculated on a simple interest basis.
 - (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - 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.

PILs 1562 Calculation March 22, 2010

				<u> </u>	Append
L_	A A	В	С	D	E ''
	PILS TAXES - EB-2008-0381				Version 2009.1
	REGULATORY INFORMATION (REGINFO)			Colour Codo	
4	Utility Name: Halton Hills			Colour Code	
5	Reporting period: 2005			Input Cell Formula in Cell	
_	Days in reporting period:	365	daye	Formula in Cen	
7	Total days in the calendar year:	365	days days		
8	Total days in the calendar year.	300	uays		
	BACKGROUND				
	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		
12	tax (and inerefore subject to FILS)!		1711		
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
17	Is the utility a non-profit corporation?		Y/N		
	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		T/IN		
18			2.40.1		
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
	shared among the corporate group?	LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2005	
20			Date	12-31-2003	
	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			25,052,968	
33	Common Equity Ratio (CER)			50.00%	
υ τ					
35	1-CER			50.00%	
	Target Return On Equity			9.88%	
	Debt rate			7.25%	
39	Debtiale			7.25%	
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
77					·
	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in			745.000	745.000
47	Amount allowed in 2001			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)		0.4.000/	745000	0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	715262	- /-
52	Other Board-approved changes to MARR or incremental revenue				108,653
53	Total Damulatamulus				0.044.504
54 55	Total Regulatory Income				2,211,524
	Equity			40 500 404	
	Equity			12,526,484	
57	Deturn at target DOE			1 007 047	
	Return at target ROE			1,237,617	
59	Dobt			10 500 404	
	Debt			12,526,484	
61	Doomed interest amount in 4009/ of MADD			000.470	
63	Deemed interest amount in 100% of MARR			908,170	
	Dhase in of interest Veer 1 (2001)			202 722	
	Phase-in of interest - Year 1 (2001)			302,723	
65	((D43+D47)/D41)*D61			COE 447	
67	Phase-in of interest - Year 2 (2002)			605,447	
	((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward			COE 447	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			605,447	
	((D43+D47+D48)/D41)*D61 (due to Bill 210) Phase-in of interest - 2005			908,170	
	1 11000-111 UI IIIICICOL - 2000			900,170	
71 72					
12					i l

March 22, 2010 REGINFO

H	A A	В	C	D	E	F	G	Н
2	PILS TAXES - EB-2008-0381 PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC) "Wires-only" business - see Tab TAXREC)				Variance K-C	Variance Explanation		
5	0				N-O	Explanation	Version 2009.1	
7	Utility Name: Halton Hills Reporting period: 2005							
8	Days in reporting period:	365	days				Column Brought	
10	Total days in the calendar year:	365	days				From	
11			\$		\$		TAXREC \$	
13) CORPORATE INCOME TAXES							
15								
16 17	Regulatory Net Income REGINFO E53	1	2,211,524		248,572		2,460,096	
	BOOK TO TAX ADJUSTMENTS Additions:							
20	Depreciation & Amortization	2	1,682,279		200,022		1,882,301	
	Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year	3	15,448		13,772 70,004		29,220 70,004	
23	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26 27	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6	52,983		-52,983 0		0	
28	"Material Items from "TAXREC 2" worksheet Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				1,336,415		1,336,415	
31	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,562,567		91,111		1,653,678	
35	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	9	13,548 0		3,172		16,720 0	
	Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred	10 11	908,170		280,664		1,188,834	
38	Tax reserves - end of year Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11			0		0	
	Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	12	66.007		-66,837		0	
45	Other Deductions (not "Material") "TAXREC"	12	66,837 35,200		-35,200		0	
46 47	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12			36,467 0		36,467 0	
48 49	Items on which true-up does not apply "TAXREC 3"				1,354,775		1,354,775	
	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%	
	REGULATORY INCOME TAX		496,979		18,896	Actual	515,876	
56 57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59 60	Total Regulatory Income Tax		496,979		18,896	Actual	515,876	
61 62								
63	I) CAPITAL TAXES							
64 65	Ontario							
66 I	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	15 16	25,052,968 7,500,000		9,997,986 -544,072		35,050,954 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								
75 I	Federal Large Corporations Tax Base	18	25,052,968		-25,052,968		0	
76 I	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	19	50,000,000		-4,005,000 -29,057,968		45,995,000 0	
78								
80	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) Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83			0		0		0	
85	Net LCT		0		0		0	
86 87	III) INCLUSION IN RATES							
	ncome Tax Rate used for gross- up (exclude surtax)		36.12%					
90	ncome Tax (proxy tax is grossed-up)	22	777,989			Actual 2005	515,876	
92	LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	23 24	52,659			Actual 2005 Actual 2005	0 84,285	
93								
95	Total PILs for Rate Adjustment MUST AGREE WITH 2005	25	830,648			Actual 2005	600,161	
96 97	RAM DECISION							
98	IVA FUTURE TRUE LINE							
100	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions: Employee Benefit Plans - Accrued, Not Paid	3			13,772			
103	Tax reserves deducted in prior year	4			70,004			
105	Reserves from financial statements-end of year Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			-52,983 0			-
108	In Deductions - positive numbers							
110	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	9			3,172 0			
111	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10 11			0			
113	Tax reserves claimed in current year	4			0			
115	Reserves from F/S beginning of year Contributions to deferred income plans	3			0			
116	Contributions to pension plans Other deductions "Material" Items TAXREC	3 12			-66,837			
118	Other deductions "Material" Item TAXREC 2	12			36,467			
	Total TRUE-UPS before tax effect	26		_	57,991			
121	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	35.00%			
123	January County of Control County							

П	A	В	С	D	E	F	G	Н
2	PILS TAXES - EB-2008-0381 PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		Estimate		Variance	Variance	Returns	
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	Version 2009.1	
6 7	Utility Name: Halton Hills Reporting period: 2005							
8							Column	
9 10	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From	
11 12			\$		\$		TAXREC \$	
13			Ψ				Ψ	
124	Income Tax Effect on True-up adjustments			=	20,297			
126 127	Less: Miscellaneous Tax Credits	14			0			
128	Total Income Tax on True-ups				20,297			
129 130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131 132	TRUE-UP VARIANCE ADJUSTMENT				31,226			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
136 137	estimate column)			=	1,375,912			
138	REVISED CORPORATE INCOME TAX RATE			х	36.12%			
139 140	REVISED REGULATORY INCOME TAX			=	496,979			
141 142	Less: Revised Miscellaneous Tax Credits			-	0			
143	Total Revised Regulatory Income Tax							
144 145				=	496,979			
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			_	496,979			
147 148	Regulatory Income Tax Variance			=	0			
149					· ·			
150 151	Ontario Capital Tax Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital				7,500,000 17,552,968			
154								
156	Rate - Tab Tax Rates cell C54			Х	0.3000%			
157	Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell			=	52,659			
158 159	C70) Regulatory Ontario Capital Tax Variance			-	52,659 0			
160				_	U			
161 162	Federal LCT Base				25,052,968			
163 164	Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			-	50,000,000 (24,947,032)			
165								
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
168 169	Gross Amount Less: Federal surtax			-	0			
170 171	Revised Net LCT			=	0			
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173 174	Regulatory Federal LCT Variance			=	0			
175 176	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
177	Income Tax (grossed-up)			+	0			
	LCT (grossed-up) Ontario Capital Tax			+	0			
180 181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0	<u> </u>		\vdash
182	TRUE-UP VARIANCE (from cell l132)				31,226			
184				+				
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	31,226			\vdash
187 188								
189								Ħ
190 191	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							\vdash
192 193	Total deemed interest (REGINFO)				908,170			
	Interest phased-in (Cell C36)				605,447			
196	Variance due to phase-in of debt component of MARR in rates				302,724			
197 198	according to the Board's decision							\vdash
199 200	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				1,188,834			
203	Actual Interest Paid				1,188,834			
204 205	Variance caused by excess debt				0			
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207 208	Total Interest Variance				302,724			
209 210								H
211								

March 22, 2010 TAXCALC

			1				
	A	В	С	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		
	, ,			Liiiiiialions			
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4	0		Return				
5					Version 2009.1		
6	Section A: Identification:						
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					
_	(Please complete the questionnaire in the Background questionnaire		hoot)				
18	(Flease complete the questionname in the background questionname	WUIKS	neet.,				
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21	,						
	Out the D. Financial statements late					-	
22	Section B: Financial statements data:	ļ					
23	Input unconsolidated financial statement data submitted with Tax returns.					l l	
24	The actual categories of the income statements should be used.						
		4 000	oo and presideless for	incomo t-:-		 	
25	If required please change the descriptions except for amortization, interes	ι expen	se anu provision foi	писите тах			
26				<u> </u>		L	
27	Please enter the non-wire operation's amount as a positive number, the pl	rogram	automatically treats	all amounts			
	in the "non-wires elimination column" as negative values in TAXREC and						
28	in the mon-wires elimination column as negative values in TAXREC and	IMAKE	UZ.				
29		<u></u>					
30	Income:	1					
31	Energy Sales	+	36,847,936		36,847,936		
						1	
32	Distribution Revenue	+	8,883,939		8,883,939		
33	Other Income	+	1,116,930	47,698	1,069,232		
34	Miscellaneous income	+	.,,	,550	0		
	IVII SOCII ALI TECULO II I COLLIE					-	
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	36,847,936		36,847,936		
40	Administration	_	9,240,451		9,240,451		
			9,240,431				
41	Customer billing and collecting	-			0		
42	Operations and maintenance	-			0		
43	Amortization	_	1,884,106	1,805	1,882,301		
				1,003			
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		
	Recovery of Regulatory Assets		1,004,331				
47		-			0		
48		-			0		
49							
	National Britain Later Co.	-	0 =				
50	Net Income Before Interest & Income Taxes EBIT	=	2,505,989	45,893	2,460,096		
51	Less: Interest expense for accounting purposes	-	1,188,834		1,188,834	ı T	
52	Provision for payments in lieu of income taxes	-	646,313		646,313		Does this include LCT?
				15.000			DOGG TING MOINTE LOT:
53	Net Income (loss)	=	670,842	45,893	624,949		
1	(The Net Income (loss) on the MoF column should equal to the net income (loss)			<u></u>		Ī	
54	per financial statements on Schedule 1 of the tax return.)						
55	The second secon						
	Section C: Reconciliation of accounting income to taxable income	 				-	
		-					
	From T2 Schedule 1	<u></u>					
58	BOOK TO TAX ADDITIONS:	1					
	Provision for income tax	+	646,313	0	646,313	l .	Does this include LCT?
					040,313		Does this moldde LOT!
	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	1,884,106	1,805	1,882,301		
	Employee benefit plans-accrued, not paid	+	29,220	0	29,220		
	Tax reserves - beginning of year			0	70,004		
		+	70,004				
	Reserves from financial statements- end of year	+	0	0	0		
65	Regulatory adjustments on which true-upmay apply (see A66)	+			0		
	Items on which true-up does not apply "TAXREC 3"		1,336,415	0	1,336,415		
		-			1,000,410		
67	Material addition items from TAXREC 2	+	0	0	0		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69		<u> </u>					
	<u> </u>	1					
70	Subtotal		3,966,058	1,805	3,964,253		
71							
72	Other Additions: (Please explain the nature of the additions)						
		<u> </u>					
	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0	ı T	
75	Capital items expensed	+			0		
	очения конто охроноси				U		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	0	0	0		
81	· · · · · · · · · · · · · · · · · · ·				, and the second		
	T	-					
82	Total Additions	=	3,966,058	1,805	3,964,253		
83							
	Recap Material Additions:	1					
	Necap Malerial Additions.						
85			0		0		
00			0	0	0		
86							
86			0	0	0		

L.	A	В	C	D	E	F G
	PILS TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3 (for "wires-only" business - see s. 72 OEB Act)		Tax Return		Return	
5	<u>_</u>		Keturn		Version 2009.1	
			0	0	version 2009.1	
88			0	0	0	
90			0	0	0	
91			0	0	0	
	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level)		0	0	0	
	Total Other Additions		0	0	0	
95	otal Other Additions		O O	U	0	
	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	1,587,060		1,587,060	
	Cumulative eligible capital deduction	-	66,618		66,618	
	Employee benefit plans-paid amounts	-	16,720		16,720	
	tems capitalized for regulatory purposes	-	10,120		0	
	Regulatory adjustments :	-			0	
	CCA	-			0	
	other deductions	-			0	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-			0	
	tems on which true-up does not apply "TAXREC 3"		1,354,775	0	1,354,775	
	nterest capitalized for accounting deducted for tax	-	, , , , ,		0	
	Material deduction items from TAXREC 2	-	36,467	0	36,467	
	Other deduction items (not Material) from TAXREC 2	-	0	0	0,407	
112	Control of the contro		U	0		
113	Subtotal	=	3,061,640	0	3,061,640	
	Other deductions (Please explain the nature of the deductions)		0,001,010	· ·	0,001,010	
	Charitable donations - tax basis	-			0	
	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 I	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions less than materiality level		0	0	0	
_	Total Other Deductions		0	0	0	
133	ELVARI E NICOME				,	
	TAXABLE INCOME	=	1,575,260	47,698	1,527,562	
	DEDUCT:		0			
	Non-capital loss applied positive number	-	0		0	
137 138	Net capital loss applied positive number	-			0	
	NET TAXABLE INCOME		1,575,260	47,698	1,527,562	
140	AL I TAVADLE IMOOIME	=	1,373,200	47,098	1,527,562	
	ROM ACTUAL TAX RETURNS					
	Net Federal Income Tax (Must agree with tax return)	+	321,448	9,733	311,715	
	Net Ontario Income Tax (Must agree with tax return)	+	210,536	6,375	204,161	
	Subtotal	=	531,984	16,108	515,876	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0	.0,100	0	
	Total Income Tax	=	531,984	16,108	515,876	
147			,		, 0	
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax Rate (Must agree with tax return)		20.41%		20.41%	Divide federal income tax by the taxable
	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						
	Section F: Income and Capital Taxes					
154						
	RECAP					
	Total Income Taxes	+	531,984	16,108	515,876	
	Ontario Capital Tax	+	84,285		84,285	
	Federal Large Corporations Tax	+	0		0	
159				-		
	Total income and capital taxes	=	616,269	16,108	600,161	
161						

				Deferre	EB-20 d PILs Combined Pro	008-0381
						pendix E
	A	В	С	D	_	<u> </u>
1	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
<u>4</u> 5	(for "wires-only" business - see s. 72 OEB Act)		Return		Version 2000 4	
	0				Version 2009.1	
6	Here NI II Is 1191					
7	Utility Name: Halton Hills					
9	Reporting period: 2005					
	TAX RESERVES					
11	IAX RESERVES					
	Paginning of Voors					
13	Beginning of Year:				0	
	Reserve for doubtful accounts ss. 20(1)(I)		70,004		70,004	
	Reserve for goods & services ss.20(1)(m)		70,004		70,004	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
19	Other - Please describe Other - Please describe				0	
20	Outor - Liedge describe				0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		70,004	0	70,004	
23	Total (Carry Torward to the TAAREC WORKSHEEL)		70,004	U	70,004	
	End of Year:					
25	End of Year.				0	
	Reserve for doubtful accounts ss. 20(1)(I)		0		0	
	Reserve for goods & services ss.20(1)(m)		0		0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
32	Other - Please describe				0	
33					0	
	Insert line above this line				U	
35			0	0	0	
36	Total (carry forward to the TAXREC worksheet)		U	U	U	
37						
	FINANCIAL STATEMENT RESERVES					
39	FINANCIAL STATEMENT RESERVES					
	Beginning of Year:					
41	beginning of fear.				0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts		0		0	
	Inventory obsolescence		U		0	
	· · · · · · · · · · · · · · · · · · ·					
	Property taxes Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
48	Outer - Flease describe				0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
	lotal (carry forward to the TAXREC worksheet)		U	Ü	U	
51	End of Voors					
	End of Year:					
53 54					0	
	[nuironmental				0	
	Environmental				0	
	Allowance for doubtful accounts		0		0	
	Inventory obsolescence				0	
	Property taxes Other - Please describe				0	
					0	
61	Other - Please describe					
	Incort line chave this line				0	
	Insert line above this line			^		
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

March 22, 2010 Tax Reserves

	-					Append
	A	В	С	D	E	F
1						
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
		LIINE				
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	onarcholder only items should be shown on TAXREO				VC131011 2003.1	
8	Utility Name: Halton Hills					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
	Materiality Level:		0			
	Materiality Level.		U			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
	Add:					
	Auu.				0	
17		+			0	
	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22		+			0	<u> </u>
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
	Capitalized interest	+			0	
25	Capitalized interest					
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
					•	
	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+			0	
37	To the form to the dead dead to	+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	The state of the s	+			0	
					0	
42		+				
43		+			0	
44		+			0	
45		+				
46	Total Additions	Ė	0	0	0	
	Total Additions	_	U	0	U	
47						
	Recap of Material Additions:					
49			0	0	0	1
50			0	0	0	
51			0	0		1
52			0	0		
53			0	0	0	
54			0	0	0	
55			0	0		1
						1
56			0	0		
57			0	0		
58			0	0	0	I
59			0	0		
60			0	0		1
						1
61			0	0		
62			0	0	0	
63			0	0		
64			0	0		1
04						
65			0	0		
66			0	0	0]
67			0	0		
68			0	0		
69			0	0		
70			0	0	0	
71			0	0		
72						
			0	0		
73			0	0		Ш.
74			0	0	0	

						Appendix
	A	В	С	D	E	F
1						
2	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiations	Return	
					Keturn	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
75			0	0	0	
76	T . 184 . 1 1 180		0	0	0	
	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80		L_ T				
81	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	_			0	
	Depreciation in inventory, end of prior year	_			0	
00	Scientific research expenses claimed in year from Form T661	_			0	
			00.407			
	Bad debts	-	36,467		36,467	
88	Book income of joint venture or partnership	-			0	
	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	
	Other deductions: (Please explain in detail the nature of the item)	_			0	
	Non-taxable load transfers	-	0		0	
	Non-taxable load transfers	-	U		0	
97						
98		-			0	
99	Total Deductions	=	36,467	0	36,467	
100						
	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
	Bad debts		36,467	0	22.12	
108			0	0	0,407	
109			0	0	0	
110						
			0	0	0	
111			0	0	0	
112			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	
_	Total Deductions exceed materiality level		36,467	0	36,467	
	Other deductions less than materiality level		0	0	0,407	
	Total Deductions		36,467	0	36,467	
	Total Deductions		30,407	U	30,407	
122						

	Λ	В	С		E	F
1	A	В	C	D	E	F
	PILs TAXES - EB-2008-0381					
	TAX RETURN RECONCILIATION (TAXREC 3)	LINE	M of F	Non-wires	Mines enly	
4	Shareholder-only Items should be shown on TAXREC 3	LIINE	-		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: 2005					
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	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+	1,297		1,297	
	Deemed dividend income	+	,		0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	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	
	Non-deductible automobile costs	+			0	
	Donations - amount per books		325,000		325,000	
	Interest and penalties on unpaid taxes		5=5,555		0	
	Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+	1,004,331		1,004,331	
41	Imputed interest expense on Regulatory Assets	+	, ,		0	
42	, , , , , , , , , , , , , , , ,	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	, , , , , , , , , , , , , , , , , , ,	+			0	
45		+			0	
46		+			-	
47	Total Additions on which true-up does not apply	=	1,336,415	0	1,336,415	
48			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	<u>-</u>	1,000,110	
49	Deduct:					
50						
	CCA adjustments	_			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-	25,444		25,444	
	Financing fee amorization - considered to be interest expense for PILs	-	20,174		0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-	325,000		325,000	
58	Income from joint ventures or partnerships	_	020,000		0	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	
61	Sinairo Supital tax aujustiliento to Guirent Or prior year				0	
62	Changes in Regulatory Asset balances	-	1,004,331		1,004,331	
63	enangee in Regulatory record balances	-	1,004,001		0	
64					0	
65					0	
66		-			0	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	оты ченионого. (плеаос ехріані ні ченан иле паште от тіе неті)	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply		1,354,775	0		-
	rotal Deductions on which true-up does not apply	=	1,334,775	0	1,354,775	
74 75						
13					<u>l</u>	

March 22, 2010 TAXREC 3 No True-up

Ontario Capital Tax							
Carporate Tax Rates Exemptions or Thresholds	• •		С	D	E	F	G
Exemptions, Deductions, or Thresholds		ł			v	/anaian 2000	
Table 1 Table 2 Table 3 Table 4		r Throchol	lo.		V	ersion 2009.	.1
Table 1 Tabl		i illiesiloid	15				
Table 1 Table 2 Table 1 Table 2 Table 1 Table 2 Table 2 Table 2 Table 3 Tabl							
Rates Used in 2005 RAM PILs Applications for 2005	, and a second second						
Income Range	1					Table 1	
Name		Ls Applica	tions for 2005				•
Name							
Income Tax Rate	RAM 2005					>1,128,000	
Proxy Tax Year		Year	400,000		1,128,000		
13.12%		0005					1
And Ontario blended		2005	42.420/		47.750/	20.420/	
Second S							
Capital Tax Rate							
Carrate	Bierided rate		10.0276		27.30%	30.1276	•
Carrate	Canital Tay Rate		0.300%				
Surtax							
Ontario Capital Tax	Surtax						1
S7.5MM		MAX					1
Federal Large			7,500,000				
Corporations Tax S50MM S0,000,000 Sexemption S50MM	Federal Large	i i					
Table 2	Corporations Tax		50,000,000				1
Exemption amounts must agree with the Board-approved 2005 RAM PILs filing Table 2 Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005 Income Range Expected Rates Year 250,000 400,000 1,128,000 Income Tax Rate Current year 2005 13.12% 22.12% 22.12% 22.12% Ontario Blended rate 2005 1.8.62% 27.62% 31.87% 36.12% Capital Tax Rate 2005 1.12% Ontario Capital Tax MAX \$50,000,000 *Allocation of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Income Tax Rate 2005 1.12% Ontario Capital Tax MAX \$50,000,000 ***Allocation of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Income Tax Rate 2005 1.12% Ontario Capital Tax Security Solution of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Income Tax Rate 2005 1.12% Ontario Solution of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Income Tax Rate 2005 1.12% Ontario Solution of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Income Tax Rate 2005 1.12% Ontario Solution of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Income Tax Rate 2005 1.12% Ontario Solution of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Income Tax Rate 2005 1.12% Ontario Solution of exemptions must comply with the Board's instructions regarding regulated activities.	Exemption **	\$50MM	, ,				
Table 2 Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005		must agre	e with the	Board-app	roved 200	5 RAM	•
Table 2	•						
Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005							
Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005							
Income Range						Table 2	
Table 3		s tor 2005 a					1
Second S			_	*	,	- 1 129 000	
Income Tax Rate	Expected Rates	Voor				>1,120,000	
Current year 2005		Teal	250,000	400,000	1,120,000		ł
Federal (Includes surtax) 2005 13.12% 22.12% 22.12% 22.12%		2005					
District 2005 5.50% 5.50% 9.75% 14.00%			13.12%	22.12%	22.12%	22.12%	
Capital Tax Rate	Ontario						
Capital Tax Rate					_		
CT rate 2005 0.200%	5		7070=70			5511275	
CT rate 2005 0.200%	Capital Tax Rate	2005	0.300%				
Surtax 2005 1.12%	LCT rate	2005	0.200%				
State Stat	Surtax	2005	1.12%				
Exemption Str. SMM Str. SMM	Ontario Capital Tax	MAX	7 500 000				
South Sout	Exemption *** 2005	\$7.5MM	7,500,000				
Source S	Federal Large	MAY					
***Allocation of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Input Information from Utility's Actual 2005 Tax Returns Income Range	Corporations Tax		50,000,000				
Table 3 Tabl		·					j
Table 3 Input Information from Utility's Actual 2005 Tax Returns Income Range	***Allocation of exempt	tions mus	st comply w	vith the Bo	ard's instr	uctions	
Table 3 Input Information from Utility's Actual 2005 Tax Returns Income Range	regarding regulated ac	tivities.					
Input Information from Utility's Actual 2005 Tax Returns						Table 3	
Capital Tax Rate Capital Tax	Input Information from Utili	ty's Actual	2005 Tax Ref	urns		· abic o	
to to 400,000 1,128,000 Year 250,000 400,000 1,128,000	Income Range	,			400.001		1
Year 250,000 400,000 1,128,000	moome Range		_			>1,128,000	
Income Tax Rate		Year				,	1
Current year 2005 Federal (Includes surtax) 13.12% 22.12% 22.12% Ontario 5.50% 5.50% 14.00% 14.00% Blended rate 18.62% 27.62% 36.12% 36.12% Capital Tax Rate 0.300% LCT rate 0.200% Surtax 1.12% 0.012% Ontario Capital Tax MAX \$7.5MM 6,955,928 6,955,928 6,955,928	Income Tax Rate			,	, , , , , , ,		l
Tederal (Includes surtax) 13.12% 22.12% 22.12% 22.12%	Current year	2005			İ		1
Ontario 5.50% 5.50% 14.00% 14.00% Blended rate 18.62% 27.62% 36.12% 36.12% Capital Tax Rate 0.300% 0.200% 0.	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%	l
Blended rate	Ontario				14.00%		
Capital Tax Rate							
LCT rate 0.200% Surtax 1.12% Ontario Capital Tax MAX Exemption * \$7.5MM Federal Large							
LCT rate 0.200% Surtax 1.12% Ontario Capital Tax MAX Exemption * \$7.5MM Federal Large	Capital Tax Rate		0.300%				
Surtax 1.12% Ontario Capital Tax MAX Exemption * \$7.5MM 6,955,928	LCT rate		0.200%				
Exemption * \$7.5MM 6,955,928	Surtax						1
Exemption * \$7.5MM 6,955,928		MAX					1
Federal Large			0,955,928				1
	Exemption *	\$7.5MM					1
Corporations Tax 45,995,000 45,995,000							à contra de la contra del la contra del la contra del la contra de la contra del la contra de la contra de la contra del la
Exemption *	Exemption * Federal Large Corporations Tax	MAX	45,995,000				
* Include copies of the actual tax return allocation calculations in your	Exemption * Federal Large Corporations Tax		45,995,000				
submission: Ontario CT23 page 11; federal T2 Schedule 36	Exemption * Federal Large Corporations Tax Exemption *	MAX \$50MM		ocation cal	culations	in your	
Submission. Official OTZS page 11, Teuclai 12 Schedule 30	Exemption * Federal Large Corporations Tax Exemption * * Include copies of the	MAX \$50MM actual tax	x return allo			in your	

March 22, 2010 Tax Rates

												^	ppci	IIUIX D
	Α	В	С) E	F	G	Н	I	J	K	L	M	Ν	0
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			Sign Conventi	on: 4	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:	II	0	246,317		139,188		-112,822		-52,860		-281,344		0
	Board-approved PILs tax	+/-												
12	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													
13	- input 9/12 of amount									622,986				622,986
	True-up Variance	+/-												
14	Adjustment Q4, 2001 (2)			747		0								747
	True-up Variance	+/-												
15	Adjustment (3)		<u></u>	0		-132,648		-59,421		-32,986		31,226		-193,829
	Deferral Account Variance													
16	Adjustment Q4, 2001 (4)									0				0
	Deferral Account Variance	+/-												
17	Adjustment (5)			0		-5,088		-39,813		-82,248		0		-127,149
	Adjustments to reported	+/-												
18	prior years' variances (6)													0
19	Carrying charges (7)	+/-		4,029		4,526		-4,020		-2,115		-4,690		-2,270
	PILs billed to (collected	-												
20	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														

26 27 Uncollected PILs

28

29 30

42

43 44

45

50

54 55

58

59

60 61 62

63 64

65

67

68

70 71

72

76

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

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

- 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. If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- 36 37 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 40 41
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
 - (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
 - (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 49 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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
 - (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.
- 56 57 (7) Carrying charges are calculated on a simple interest basis.
 - (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;
 - plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components. In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - a) 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.

PILs 1562 Calculation March 22, 2010

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2) Appendix C

Appendix C

Halton Hills Hydro Inc. EB-2008-0381 Deferred PILs Combined Proceeding PO7 Interrogatory Responses (2) Appendix C

Intentionally Blank

_			_		_
L_	A A	В	С	D	E
2	PILS TAXES - EB-2008-381 REGULATORY INFORMATION (REGINFO)				Version 2009.1
_	Utility Name: Halton Hills			Colour Code	
	Reporting period: 2002			Input Cell	
5	Reporting period. 2002			Formula in Cell	
	Days in reporting period:	365	days	T Official III Octi	
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11					
12	tax (and therefore subject to PILs)?		Y/N		
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
10	·				
17	Is the utility a non-profit corporation? (If it is a non-profit corporation, please contact the Rates Manager at the OEB)		Y/N		
18			1.401		
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	_	
	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%	
24	Accounting Year End		Date	12-31-2002	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				moonic
	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			25,052,968	
33	Common Equity Ratio (CER)			50.00%	
01					
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
-10					
41	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
45	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in				
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 54	Total Demolators Income				0
55	Total Regulatory Income				1,430,596
	Equity			12,526,484	
57	Lydity			12,320,404	
	Return at target ROE			1,237,617	
59				.,,	
	Debt			12,526,484	
61					
	Deemed interest amount in 100% of MARR			908,170	
63					
	Phase-in of interest - Year 1 (2001)			302,784	
65	11 - 7 - 7 -			005 :==	
66	Phase-in of interest - Year 2 (2002)		-	605,477	
	((D43+D47+D48)/D41)*D61		-	COE 477	
69	Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210)			605,477	
70	Phase-in of interest - 2005			908,170	
71				555,.76	
72					

March 22, 2010 REGINFO

Δ	_ n		N F	-	0	
A 1 PILs TAXES - EB-2008-381	B ITEM	C [D E M of F	F M of F	G Tax	Н
2 PILS TAXES - EB-2006-361 2 PILS DEFERRAL AND VARIANCE ACCOUNTS	IIEW	Estimate	Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)		201111010	Variance	Variance	110141110	
4 ("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5 0					Version 2009.1	
6 Utility Name: Halton Hills						
7 Reporting period: 2002					0-1	
9 Days in reporting period:	365	days			Column Brought	
10 Total days in the calendar year:		days			From	
11	- 000	dayo			TAXREC	
12		\$	\$		\$	
13						
14 I) CORPORATE INCOME TAXES						
15 Decretation Not become DECINED FEE	4	4 400 500	4 404 005		0.505.404	
16 Regulatory Net Income REGINFO E53	1	1,430,596	1,104,835		2,535,431	
18 BOOK TO TAX ADJUSTMENTS						
19 Additions:						
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	
Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5	151.437	-151,437		0	
25 Other Additions (See Tab entitled "TAXREC")	ľ	101,407	101,401			
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 4,649		0 4,649	
30 Items on which true-up does not apply "TAXREC 3" 31			4,049		4,649	
32 Deductions: Input positive numbers						
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 38 Tax reserves - end of year	11 4	605,477	202,670		808,147	
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 45 Other Deductions (not "Material") "TAXREC"	12 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 Items on which true-up does not apply "TAXREC 3"			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 Tab Tax Rates - Regulatory from Table 1, Actual from Table 3	13	30.02%	-0.243676		30.30%	
55 REGULATORY INCOME TAX		505,672	-239,474	Actual	266,198	
56						
57						
58 Miscellaneous Tax Credits	14		0	Actual	0	
59 60 Total Regulatory Income Tax		505,672	-239,474	A of col	266 100	-
61		303,072	-239,474	Actual	266,198	-
62						
63 II) CAPITAL TAXES						
64						
65 Ontario	4-	05.050.000	1 550 551		00 044 555	
66 Base 67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	15 16	25,052,968 5,000,000	4,558,604 -5,000,000		29,611,572 0	\vdash
68 Taxable Capital	10	20,052,968	-441,396		29,611,572	
69		20,002,000	441,000		20,0.1,072	
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71		00.155			0	
72 Ontario Capital Tax 73		60,159	28,676	Overpaid	88,835	
74 Federal Large Corporations Tax						
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		33,869	8,941		42,810	-
82 Less: Federal Surtax 1.12% x Taxable Income	21	14,665	-14,665		42,810	
83						
84 Net LCT		19,204	23,606		42,810	
85	l					

March 22, 2010 TAXCALC

	A	В	С	D	E	F	G	Н
1	PILs TAXES - EB-2008-381	ITEM	Initial	D	M of F	M of F	Tax	п
	PILS TAXES - ED-2006-361 PILS DEFERRAL AND VARIANCE ACCOUNTS	I I E IVI	Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)		Estillate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	(Wiles-Only Dusiness - See Tab TARREC)				N-C	Explanation	Version 2000 4	
	Utility Name: Halton Hills						Version 2009.1	
8	Reporting period: 2002						Column	
_	Dave in non-autino mariad.	365	dovo					
	Days in reporting period:		days				Brought	
10	Total days in the calendar year:	365	days				From	
11 12			•		•		TAXREC	
			\$		\$		\$	
13								
	III) INCLUSION IN RATES							
87								
	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
	Income Tax (proxy tax is grossed-up)	22	809,075			Actual 2002	266,198	
	LCT (proxy tax is grossed-up)	23	30,727			Actual 2002	41,444	
	Ontario Capital Tax (no gross-up since it is deductible)	24	60,159			Actual 2002	83,789	
93								
94								
	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	899,961			Actual 2002	391,431	
96	RAM DECISION							
97								
98								
	IV) FUTURE TRUE-UPS							
	IV a) Calculation of the True-up Variance				DR/(CR)			
	In Additions:				\- ,			
	Employee Benefit Plans - Accrued, Not Paid	3			36,264			
	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			26,588			
	In Deductions - positive numbers				20,000			
	Employee Benefit Plans - Paid Amounts	8			18,743			
	Items Capitalized for Regulatory Purposes	9			0			
	Regulatory Adjustments	10			-55,617			
	Interest Adjustment for tax purposes (See Below - cell I204)	11			00,017			
	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 deferred income plans Contributions to pension plans	3			0			
	Other deductions "Material" Items TAXREC	12			0			
	Other deductions "Material" Item TAXREC 2	12			171,683			
119	Other deductions infatendi item TAXREC 2	12			171,003			
	Total TRUE-UPS before tax effect	26		=	-223,394			
121	Total TRUE-UPS belore tax effect	26		=	-223,394			
	In a constant of the Constant				07.000/			
	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			Х	37.26%		+	
123	Income Tax Effect on True-up adjustments				00.000		+	
125	income rax effection frue-up adjustifients			=	-83,228		+	
	T 0 15							
	Less: Miscellaneous Tax Credits	14			0		+	
127	Total la como Torra da Tarra da							
128	Total Income Tax on True-ups				-83,228			
129	Income Tay Date would be seen on (c. 1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1				07.053		1	
	Income Tax Rate used for gross-up (exclude surtax)				37.26%		1	
131	TRUE UR VARIANCE AR HIGTHENE				//		1	
	TRUE-UP VARIANCE ADJUSTMENT				(132,648)			
133	N/1) 6 1 1 d						1	
	IV b) Calculation of the Deferral Account Variance caused by							
	changes in legislation							
135								
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
	estimate column)			=	1,309,352			
137								
	REVISED CORPORATE INCOME TAX RATE			Х	38.38%			
139								
	REVISED REGULATORY INCOME TAX			=	502,479			
141								
142	Less: Revised Miscellaneous Tax Credits			•	0			
143								
144	Total Revised Regulatory Income Tax			=	502,479			
145	• •							
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell							
146	C58)			-	505,672			
147	•							
	Regulatory Income Tax Variance			=	(3,192)			
149	•				(-, ,-)		1	

March 22, 2010 TAXCALC

								прры
1	A PILs TAXES - EB-2008-381	B ITEM	C	D	E M of F	F M of F	G	Н
2	PILS TAXES - EB-2008-381 PILS DEFERRAL AND VARIANCE ACCOUNTS	HEM	Initial Estimate		Filing	Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		Louinate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Halton Hills							
8	Reporting period: 2002						Calumn	
9	Days in reporting period:	365	days				Column Brought	
10	Total days in the calendar year:	365	days				From	
11			,-				TAXREC	
12			\$		\$		\$	
13								
	Ontario Capital Tax			-	05.050.000			
	Base			=	25,052,968 5,000,000			
	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			=	20,052,968			
154	revised deemed taxable capital				20,002,000			
	Rate - Tab Tax Rates cell C54			х	0.3000%			
156								
157	Revised Ontario Capital Tax			=	60,159			
450	Less: Ontario Capital Tax reported in the initial estimate column (Cell			_	00.450			
	C70) Regulatory Ontario Capital Tax Variance			=	60,159			
160	regulatory Ortano Capital Tax Variance			-	0			
	Federal LCT							
162	Base				25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
	Revised Federal LCT			=	15,052,968			
165	Data (as a result of larislative aboves) tab Tay Datas cell CE4				0.2250%			
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2230%			
	Gross Amount			-	33,869			
	Less: Federal surtax			-	14,665			
	Revised Net LCT			=	19,204			
171	F 1 110T (0 11000)							
	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	19,204			
173	Regulatory Federal LCT Variance			=	0			
	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			
180	Ontario Capital Tax			+	0			
	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)			
186 187	(Deferral Account Variance + True-up Variance)							
188								
189								
	V) INTEREST PORTION OF TRUE-UP							
	Variance Caused By Phase-in of Deemed Debt							
192	Total deemed interest (REGINFO)			1	908,170			
	Interest phased-in (Cell C36)				605,477			
195	interest phased in (cen ess)			-	000,477			
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 Above Deemed Debt per Rate Handbook)							\vdash
	Interest deducted on MoF filing (Cell K36+K41)			1	808,147			\vdash
	Total deemed interest (REGINFO CELL D61)				908,170			
203	,							
	Variance caused by excess debt				0			
205	Interest Adjustment for Tay Burness (seems femaled to C-11440)				0			
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)			1	- 0			
	Total Interest Variance			1	302,693			
209				L				
209 210						·		
211				1		·		1 1

March 22, 2010 TAXCALC

_	A A	В	C	D	E	F
2	PILs TAXES - EB-2008-381 TAX RETURN RECONCILIATION (TAXREC)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiddoilo	Return	
4	0		Return			
5					Version 2009.1	
	Section A: Identification:					
	Utility Name: Halton Hills Reporting period: 2002					
	Taxation Year's start date:					
	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
_	Please enter the Materiality Level :	2/01	0	< - enter materiality	level	
14 15	(0.25% x Rate Base x CER) (0.25% x Net Assets)	Y/N Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
	Does the utility carry on non-wires related operation?	Y/N				
	(Please complete the questionnaire in the Background questionnaire v	workshe	et.)			
19	N + 0					
21	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
	Section B: Financial statements data:					
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 of	expense	and provision for in	come tax		
26 27	Please enter the non-wire operation's amount as a positive number, the pro	orom =	stomatically tracts -	Il amounta		
	Please enter the non-wire operation's amount as a positive number, the pro in the "non-wires elimination column" as negative values in TAXREC and TA			า สทาบนกเร		
29						
	Income:					
31	Energy Sales	+	39,024,565		39,024,565	
32	Distribution Revenue	+	1,197,549		1,197,549	
33	Other Income Miscellaneous income	+			0	
35	WildConditious IIICOTTIC	+			0	
	Revenue should be entered above this line				U	
37						
	Costs and Expenses:					
39	Cost of energy purchased	-	31,847,778		31,847,778	
40	Administration Customer billing and collecting	-	3,921,112		3,921,112 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 48		-			0	
49		-			U	
	Net Income Before Interest & Income Taxes EBIT	=	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	Net Income (loss) (The Net Income (loss) on the MoF column should equal to the net income (loss)	=	1,422,284	0	1,422,284	
54	per financial statements on Schedule 1 of the tax return.)					
55						
	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1 BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	305,000	0	305,000	
60	Federal large corporation tax	+	50,519		50,519	
	Depreciation & Amortization	+	1,642,193	0	1,642,193	
	Employee benefit plans-accrued, not paid	+	36,264	0	36,264	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0		0	
	Regulatory adjustments on which true-up may apply (see A66)	+	U	U	0	
	Items on which true-up does not apply "TAXREC 3"		4,649	0	4,649	
	Material addition items from TAXREC 2	+	26,588	0	26,588	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	-
69	0.4664	-	0.005.015	_	0.005.075	
70 71	Subtotal		2,065,213	0	2,065,213	
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
76 77	DEPRECIATION DIFFERENCE	+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81	T. 14.199					
82	Total Additions	=	2,065,213	0	2,065,213	
83	Recap Material Additions:					
85	Marian Maritana		0	0	0	
86			0		0	
87			0	0	0	
88			0		0	
89 90			0		0	
91			0		0	
		i .	U	U	U	

	A	В	С	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	
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	В	С	D	Е	F
1 PI	ILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2 T /	AX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
	or "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
	OOK TO TAX DEDUCTIONS:					
	apital cost allowance	-	1,616,937		1,616,937	
	umulative eligible capital deduction	-	82,821		82,821 18,743	
	mployee benefit plans-paid amounts ems capitalized for regulatory purposes	-	18,743		16,743	
	egulatory adjustments :				0	
	CCA	-			0	
	other deductions	-			0	
104 Ta	ax reserves - end of year	-	0	0	0	
105 R	eserves from financial statements- beginning of year	-	0	0	0	
106 C	ontributions to deferred income plans	-			0	
107 C	ontributions to pension plans	-			0	
108 <i>lt</i>	ems on which true-up does not apply "TAXREC 3"		0	0	0	
	terest capitalized for accounting deducted for tax	-			0	
	aterial deduction items from TAXREC 2		171,683	0	171,683	
	ther deduction items (not Material) from TAXREC 2	-	0	0	0	
112	Cubtotal		1 000 404	-	1 000 101	
	Subtotal ther deductions (Please explain the nature of the deductions)	=	1,890,184	0	1,890,184	
	haritable donations - tax basis	-			0	
_	ain on disposal of assets	-			0	
117	an or disposar or dissorts				0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,890,184	0	1,890,184	
123	Maria Data di					
124 Re	ecap Material Deductions:		0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
	otal Other Deductions exceed materiality level		0	0	0	
	ther Deductions less than materiality level		0	0	0	
132 To	otal Other Deductions		0	0	0	
133						
	AXABLE INCOME	= [1,597,313	0	1,597,313	
	EDUCT:		****			
	Non-capital loss applied positive number	-	903,659		903,659	
137 N	Net capital loss applied positive number	-			0	
	ET TAXABLE INCOME		693,654	0	693,654	
140	ET TAXABLE INCOME	=	093,004	U	093,034	
	ROM ACTUAL TAX RETURNS					
	et Federal Income Tax (Must agree with tax return)	+	181,123		181,123	
	et Ontario Income Tax (Must agree with tax return)	+	85,075		85,075	
144	Subtotal	=	266,198	0	266,198	
	ess: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
	otal Income Tax	=	266,198	0	266,198	
147						
	ROM ACTUAL TAX RETURNS		00.4404		00.4404	
	et Federal Income Tax Rate (Must agree with tax return) et Ontario Income Tax Rate (Must agree with tax return)		26.11%		26.11% 12.26%	
	Blended Income Tax Rate (Must agree with tax return)		12.26% 38.38%	******	38.38%	
152	DIGINGG HIGHIIG TAX INDIG	+	30.30%		30.36%	
_	ection F: Income and Capital Taxes					
154	Control of the Capital Tax55					
155 R I	ECAP					
	otal Income Taxes	+	266,198	0	266,198	
157 O	ntario Capital Tax	+	83,789		83,789	
	ederal Large Corporations Tax	+	41,444		41,444	
159						
	Total income and capital taxes	=	391,431	0	391,431	
161						

	A	В	С	D	Е	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
	Utility Name: Halton Hills					
	Reporting period: 2002					
9	TAY DECEDIES					
	TAX RESERVES					
11	Designing of Very					
13	Beginning of Year:				0	
	Reserve for doubtful accounts ss. 20(1)(l)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(l)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e) Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
32	Ottlet - Flease describe				0	
33					0	
	Insert line above this line				Ů	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36				-	-	
37						
38	FINANCIAL STATEMENT RESERVES					
39						
	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
49	Other - I Idase describe				0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	. Starty formation to the TANKEO WORKSHOOT		0	0	U	
	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
61					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

March 22, 2010 Tax Reserves

	A	В	С	D	E	F
1	· · · · · · · · · · · · · · · · · · ·		Ü			
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	,					
8	Utility Name: Halton Hills					
	Reporting period: 2002					
	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17		+			0	
	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22	0.1.00	+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+	26,588		26,588	
37	1 10110011101 244 40210	+	20,000		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	=	26,588	0	26,588	
47						
	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53 54			0	0	0	
55			0	0	0	
56			0	0	0	
57			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	
	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	T + 184 + 1 186		0	0	0	
77	Total Material additions		26,588	0	26,588	
78	Other additions less than materiality level Total Additions		0 26,588	0	26,588	

	Α	В	С	D	E	F
1	^	ь	C	Ь	L .	'
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)	Liive	Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	2	Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	Characteristic Chily Reline Cheana 20 Chean Chi				70.0.0	
	Utility Name: Halton Hills					
	Reporting period: 2002					
	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
80						
	Deduct:					
	Gain on disposal of assets per f/s	- 1			0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	1,631		1,631	
	Book income of joint venture or partnership	-	,		0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
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	
	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	
	Non-taxable load transfers		170,052	0	170,052	
117			0	0	0	
118			0	0	0	
	Total Deductions exceed materiality level		171,683	0	171,683	
	Other deductions less than materiality level		0	0	0	
	Total Deductions		171,683	0	171,683	
122						

_	A	-	0			-
1	A	В	С	D	E	F
	PILs TAXES - EB-2008-381					
_	TAX RETURN RECONCILIATION (TAXREC 3)					
	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	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
	Utility Name: Halton Hills				Version 2009.1	
9						
10	Reporting period: 2002					
	Number of days in taxation year:		365			
13	realiser of days in taxation your.		000			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18	Describes of conital cost allowers				0	
20	Recapture of capital cost allowance CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
	Non-deductible meals	+	4,423		4,423	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+	226		0 226	
	Donations - amount per books Interest and penalties on unpaid taxes		220		0	
	Management bonuses unpaid after 180 days of year end				0	
	Imputed interest expense on Regulatory Assets				0	
39		+			0	
	Ontario capital tax adjustments	+			0	
	Changes in Regulatory Asset balances	+			0	
42	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Other Additions. (piedse explain in detail the nature of the item)	+			0	
45		+			0	
46		+				
	Total Additions on which true-up does not apply	=	4,649	0	4,649	
48						
	Deduct:					
50 51	CCA adjustments	_			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
	Ontario capital tax adjustments to current or prior year	-			0	
65	Changes in Regulatory Asset balances	-			0	
67	Changes in Regulatory Asset Dalances	-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	The second secon	-			0	
70		-			0	
71		-			0	
72	Total Deductions on which two up does not such	-		•	0	
74	Total Deductions on which true-up does not apply	=	0	0	0	
75						

March 22, 2010 TAXREC 3 No True-up

PLS TAXES - EB-2008-381			_		-		
Corporate Tax Rates Exemptions, potential Tax		A A	В	С	D	E	F
Exemptions Deductions or Thresholds Utility Name: Halton Hills Reporting period: 2002 Table 1 Rates Used in 2002 RAM PILs Applications for 2002 Income Range	4						lareian 2000
Willy Name: Halton Hills Reporting period: 2002 Table 1	_		Threshold	•		,	rersion 2009.
Reporting period: 2002 Table 1	4		Tillesiloid	•			
Rates Used in 2002 RAM PILs Applications for 2002	5						
Rates Used in 2002 RAM PILs Applications for 2002 100	6						
Income Range	7						Table 1
RAM 2002	9		Ls Applicati	ons for 2002	1	000 004	
Table 2 Table 3 Table 4 Table 3 Table 3 Table 4 Table 5 Tabl				to			>700 000
Income Tax Rate	11	TOTAL EUOL	Year				2100,000
Federal (Includes surtax)	12	Income Tax Rate					
Second Contario blended 6,00% 6,00% 12,50% 19,12% 34,12% 38,62% 19,12% 34,12% 38,62% 19,12% 34,12% 38,62% 19,12% 12,50% 12,5	13	Proxy Tax Year	2002				
Blended rate							
Capital Tax Rate	15 16						
Capital Tax Rate	17	bierided rate		19.12%		34.12%	36.62%
LCT rate		Capital Tax Rate		0.300%			
Ontario Capital Tax							
Exemption *** \$5MM \$0,000,000 \$ \$ \$ \$ \$ \$ \$ \$ \$							
Exemption **				5.000 000			
Corporations Tax	21		\$5MM	0,000,000			
Exemption *** **Exemption amounts must agree with the Board-approved 2002 RAM			MAX	10,000,000			
Table 2	22	Exemption **	\$10MM	10,000,000			
PILs filing			nust agre	e with the F	Board-annr	oved 2002	RAM
Table 2 Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002 Income Range 1		•			· ··· · · · · · · · · · · · · · · · ·		
Table 2 Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002	23	÷					
Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002 Income Range	24						Table 6
Income Range	25 26	Expected Income Tay Pates	for 2002 ar	d Canital Tay	Exemptions	for 2002	rable 2
Expected Rates Year 200,000 700,000			101 2002 di		LACINPLIONS		
Name	_			-			>700,000
Current year 2002 13.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.12% 26.00% 3.00tario 2002 6.00% 6.00% 12.50% 32.12% 38.62% 38.62%	29	•	Year				
Pederal (Includes surtax) 2002 13.12% 26.12% 26.12% 26.12% 30.00% 12.50% 4 Blended rate 2002 19.12% 32.12% 38.62% 38.62% 38.							
Ontario 2002 6.00% 6.00% 12.50%				10		05 11	05 15
Blended rate 2002 19.12% 32.12% 38.62%							
Capital Tax Rate 2002 0.300%	33 34						
Capital Tax Rate 2002 0.300%	35	Diellucu late	2002	13.1270		JZ. 1Z70	30.0270
CCT rate 2002 0.225%		Capital Tax Rate	2002	0.300%			
Ontario Capital Tax			2002				
Sexemption 10,000,000 10,	38			1.12%			
Federal Large Corporations Tax StoMM Steamption Standard St				5,000,000			
Corporations Tax	39		\$5MM	.,,			
Exemption *** 2002 STOMM		~		10 000 000			
****Allocation of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Input Information from Utility's Actual 2002 Tax Returns Income Range	40	•	\$10MM	10,000,000			
Table 3 Tabl	_		ions mus	t comply w	ith the Boa	rd's instru	ıctions
Table 3 Input Information from Utility's Actual 2002 Tax Returns Income Range		•		F-7 W			· · · · ·
Input Information from Utility's Actual 2002 Tax Returns	3	. 5					Table 3
Income Range	_	Input Information from Utilit	y's Actual 2	002 Tax Retu	ırns		I able 3
to year 200,000 700,00	5					200,001	
Income Tax Rate 2002	16	*		-			>700,000
Current year 2002	47		Year	200,000		700,000	
Federal (Includes surtax)			06				
Ontario			2002	40.4004		00.4004	00.110/
2 Blended rate							
4 Capital Tax Rate 0.300% 5 LCT rate 0.225% 6 Surtax 1.12% Ontario Capital Tax	51 52						
Capital Tax Rate	53	criaca rate		10.12/0		01.07 /0	00.0070
5 LCT rate 0.225% 5 Surtax 1.12% Ontario Capital Tax		Capital Tax Rate		0.300%			
Surtax Ontario Capital Tax Peteral Large Corporations Tax Exemption * Sinclude copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36							
Federal Large Corporations Tax Stamption * Federal Large Corporations Tax Stamption * * Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36	56			1.12%			
Federal Large Corporations Tax Stomm MAX \$10,000,000 Exemption * Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36				4.668 892			
Corporations Tax \$10,000,000 \$10MM \$10 to 10,000,000 \$10 to 10,000	57		\$5MM	.,000,002			
Stemption * STOWN STOWN STOWN STOWN			MAX	10,000,000			
* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36	58		\$10MM	10,000,000			
submission: Ontario CT23 page 11; federal T2 Schedule 36	59		actual tav	return allo	cation calc	ulatione i	n vour
		•					your
1	60	Submission. Untail0 C	123 page	ii, ieueiai	12 Schedu	16 30	
	1						

March 22, 2010 Tax Rates

	Α	В	С	D	Е	F	G	Н	I	J	K	L	M	Ν	0
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				Sign Convention	on: 4	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
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-													
15	Adjustment (3)												-132,648		-132,648
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-													
17	Adjustment (5)												-5,088		-5,088
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
	from) customers (8)		0												0
21															
	Ending balance: # 1562		0		0		0		0		0		-137,735		-137,735
23															

26 Uncollected PILs

24 25

28

29

33

34

35

36 37 38

39

40 41

42

43 44

45 46 47

48

49

76

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

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

- (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.
- (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13. (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- (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.

- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 50 (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.

- (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.
- 54 55 56 57 (7) Carrying charges are calculated on a simple interest basis.

to calculate the recovery for the period January 1 to March 31, 2005.

- 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 60 components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on 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. 61 62 63 64 65 The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
 - (ii) Collections should equal; (a) the actual volumes/ load (kWhs. kWs. Kya) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,
 - for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
- 70 71 72 73 74 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
- (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.

PILs 1562 Calculation March 22, 2010

					Appen
	A	В	С	D	Е
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Halton Hills			Colour Code	
4	Reporting period: 2003			Input Cell	J
5	Troporting portour 2000			Formula in Cell	-
	Book to according to the	005		Formula in Cen]
	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
		<u> </u>			
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
10		<u> </u>			
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
10			> () !		
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)				
10	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
	shared among the corporate group?			-	
		LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT	<u> </u>	100%	
23	•			_	
24	Accounting Year End		Date	12-31-2003	
20	MADD NO TAY OAL OUR ATIONS				Day 1st
	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)	1			
	USE BOARD-APPROVED AMOUNTS				
30	001 D07111D 711 110 12D 711110 01110			-	
	Dete Dese (vines subs)			05 050 000	
31	Rate Base (wires-only)	 		25,052,968	
	Common Equity Ratio (CER)			50.00%	
7				00.0070	
35	1-CER			50.00%	
00	T			0.000/	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
70	Dobt falc			1.2070	
41	Market Adjusted Revenue Requirement			2,145,787	
10	1000 4 (DUD 0) 4 1/2				_
43	1999 return from RUD Sheet #7			0	C
45	Total Incremental revenue			2,145,787	•
				2,143,707	
	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			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	
50	unless authorized by the Minister and the Board)			- ,	C
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		 	-	
		 	 	-	
52	Other Board-approved changes to MARR or incremental revenue			-	0
53		ļ			C
54	Total Regulatory Income	_			1,430,596
55	-				
	Equity			12,526,484	
57	Lyony	<u> </u>	 	12,020,704	+
_	D-4:444 DOE		 	4.007.047	
	Return at target ROE			1,237,617	ļ
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63	233333100t difficult iii 10070 of William		 	000,170	
	Discosin of interest Manual (2004)		 	000 70 :	
	Phase-in of interest - Year 1 (2001)	<u> </u>	<u></u>	302,784	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61				
_	Phase-in of interest - Year 3 (2003) and forward		1	605,477	+
			 	005,477	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
		1			1
71	'				
71 72					

March 22, 2010 REGINFO

A	В	С	D	Е	F	G
1 PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax
2 PILS DEFERRAL AND VARIANCE ACCOUNTS 3 TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation	
	0					Version 2009.1
6 Utility Name: Halton Hills 7 Reporting period: 2003	-					
8	0.05					Column
9 Days in reporting period: 10 Total days in the calendar year:	365 365	days days				Brought From
11						TAXREC
12		\$		\$		\$
14 I) CORPORATE INCOME TAXES						
15		4 400 500		4 040 045		0.040.044
16 Regulatory Net Income REGINFO E53	1	1,430,596		1,818,045		3,248,641
18 BOOK TO TAX ADJUSTMENTS						
19 Additions: 20 Depreciation & Amortization	2	1,460,685		221,594		1,682,279
21 Employee Benefit Plans - Accrued, Not Paid	3	.,,		15,448		15,448
Tax reserves - beginning of year 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
26 "Material" Items from "TAXREC" worksheet 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" 30 Items on which true-up does not apply "TAXREC 3"	6			116,986		116,986
31						
32 Deductions: Input positive numbers 33 Capital Cost Allowance and CEC	7	1 072 272		475,244		1,547,516
34 Employee Benefit Plans - Paid Amounts	8	1,072,272	-	13,548		13,548
35 Items Capitalized for Regulatory Purposes	9	0		0		0
36 Regulatory Adjustments - deduction for tax purposes in Item 5 37 Interest Expense Deemed/ Incurred	10	55,617 605,477	-	-55,617 616,124		1,221,601
38 Tax reserves - end of year	4	200,177		0		0
39 Reserves from financial statements - beginning of year 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 43 Other Deductions (See Tab entitled "TAXREC")	11		\vdash	0		0
44 "Material" Items from "TAXREC" worksheet	12			0		0
45 Other Deductions (not "Material") "TAXREC"	12			0		66 927
46 Material Items from "TAXREC 2" worksheet 47 Other Deductions (not "Material") "TAXREC 2"	12			66,837 0		66,837 0
48 Items on which true-up does not apply "TAXREC 3"				0		0
49 50 TAXABLE INCOME/ (LOSS)		1,309,352	H	957,483	Before loss C/F	2,266,835
51		1,509,552		531,403	Delote loss C/F	2,200,000
52 BLENDED INCOME TAX RATE	13	20.620/		-1.9953%		26.620/
53 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.9955%		36.62%
55 REGULATORY INCOME TAX		505,672		343,612	Actual	849,284
56 57	-					
58 Miscellaneous Tax Credits	14			0	Actual	0
60 Total Regulatory Income Tax		505,672		343,612	Actual	849,284
60 Total Regulatory Income Tax 61		505,672		343,612	Actual	049,204
62						
63 II) CAPITAL TAXES	-					
65 Ontario						
66 Base 67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	15 16	25,052,968 5,000,000		7,586,602 -313,562		32,639,570 4,686,438
68 Taxable Capital	0	20,052,968		7,273,040		27,953,132
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%
71	- ''					
72 Ontario Capital Tax 73		60,159		23,700		83,859
74 Federal Large Corporations Tax						
75 Base 76 Less: Exemption -Tax Rates - Regulatory, Table 1: Actual, Table 3	18	25,052,968 10,000,000		6,521,653		31,574,621 10,000,000
76 Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 77 Taxable Capital	19	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%
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 83	21	14,665		-14,665		0
84 Net LCT		19,204		29,338		48,543
85 86 III) INCLUSION IN RATES	-	-				
87						
87 88 Income Tax Rate used for gross- up (exclude surtax)	-	37.50%				
87 88 Income Tax Rate used for gross- up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up)	22	809,075			Actual 2003	849,284
87 88 Income Tax Rate used for gross- up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up)	23	809,075 30,727			Actual 2003	25,507
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93		809,075				
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93	23 24	809,075 30,727 60,159			Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION	23	809,075 30,727			Actual 2003	25,507
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97	23 24	809,075 30,727 60,159			Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97 98	23 24	809,075 30,727 60,159			Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97 98 99 IV) FUTURE TRUE-UPS 100 IV a) Calculation of the True-up Variance	23 24	809,075 30,727 60,159		DR/(CR)	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment	23 24 25	809,075 30,727 60,159			Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax)	23 24 25 25 3 4	809,075 30,727 60,159		15,448	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment MUST AGREE WITH 2002 96 RAM DECISION 97 98 99 IV) FUTURE TRUE-UPS 100 IV a) Calculation of the True-up Variance 101 In Additions: 102 Employee Benefit Plans - Accrued, Not Paid 103 Tax reserves deducted in prior year 104 Reserves from financial statements-end of year 104 Reserves from financial statements-end of year 105 107	23 24 25 3 4 4	809,075 30,727 60,159		15,448 0 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment MUST AGREE WITH 2002 96 RAM DECISION 97 98 100 IV a) Calculation of the True-up Variance 100 IV a) Calculation of the True-up Variance 101 In Additions: 102 Employee Benefit Plans - Accrued, Not Paid 103 Tax reserves deducted in prior year 104 Reserves from financial statements-end of year 105 Regulatory Adjustments 106 Other additions "Material" Items TAXREC	23 24 25 25 3 4 4 5 6	809,075 30,727 60,159		15,448 0 0 -151,437 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment MUST AGREE WITH 2002 96 97 98 79 79 79 79 79 79	23 24 25 25 3 4 4 5	809,075 30,727 60,159		15,448 0 0 -151,437	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment MUST AGREE WITH 2002 96 RAM DECISION 97 98 97 97 98 99 N/ FUTURE TRUE-UPS 98 99 N/ FUTURE TRUE-UPS 99 99 99 99 99 99 99	23 24 25 25 3 4 4 5 6	809,075 30,727 60,159		15,448 0 0 -151,437 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax)	23 24 25 3 4 4 5 6 6 8 9	809,075 30,727 60,159		15,448 0 0 0 -151,437 0 52,983 13,548	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97 98 IV) FUTURE TRUE-UPS 100 IV a) Calculation of the True-up Variance 101 In Additions: 102 Employee Benefit Plans - Accrued, Not Paid 103 Tax reserves deducted in prior year 105 Regulatory Adjustments 105 Regulatory Adjustments 106 Other additions "Material" Items TAXREC 107 Other additions "Material" Items TAXREC 108 In Deductions - positive numbers 109 Employee Benefit Plans - Paid Amounts 110 Items Capitalized for Regulatory Purposes 111 Regulatory Adjustments 111 Regulatory Adjustments 111 Regulatory Adjustments 111 1	23 24 25 25 3 4 4 5 6 6	809,075 30,727 60,159		15,448 0 0 -151,437 0 52,983	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross- up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97 98 90 W 10 10 10 10 10 10 10	23 24 25 25 3 4 4 5 6 6 8 9 10 11	809,075 30,727 60,159		15,448 0 0 -151,437 0 52,983 13,548 0 -55,617 313,431 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97 98 Part	23 24 25 25 3 4 4 4 5 6 6 6 10 11 4 4	809,075 30,727 60,159		15,448 0 0 -151,437 0 52,983 13,548 0 -55,617 313,431 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment MUST AGREE WITH 2002 96 97 97 97 97 97 97 98 97 97	23 24 25 25 3 4 4 5 6 6 6 10 11 11 4 4 3 3	809,075 30,727 60,159		15,448 0 0 -151,437 0 52,983 13,548 0 -55,617 313,431 0 0 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 1 1 1 1 1 1 1 1	23 24 25 25 3 4 4 5 6 6 6 8 9 10 11 4 4 4 3 3 3 12	809,075 30,727 60,159		15,448 0 0 -151,437 0 52,983 13,548 0 -55,617 313,431 0 0 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 10 10 10 10 10 10 10	23 24 25 25 3 4 4 5 6 6 6 10 11 11 4 4 3 3	809,075 30,727 60,159		15,448 0 0 -151,437 0 52,983 13,548 0 -55,617 313,431 0 0 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross-up (exclude surtax) 99 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97 98 10 10 10 10 10 10 10 1	23 24 25 25 3 4 4 5 6 6 6 8 9 10 11 4 4 4 3 3 3 12	809,075 30,727 60,159		15,448 0 0 -151,437 0 52,983 13,548 0 -55,617 313,431 0 0 0	Actual 2003 Actual 2003	25,507 87,533
87 88 Income Tax Rate used for gross- up (exclude surtax) 89 90 Income Tax (proxy tax is grossed-up) 91 LCT (proxy tax is grossed-up) 92 Ontario Capital Tax (no gross-up since it is deductible) 93 94 95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 96 RAM DECISION 97 98 191	23 24 25 25 3 4 4 4 5 6 6 8 9 10 11 4 4 4 4 3 3 3 12 12	809,075 30,727 60,159	=	15,448 0 0 -151,437 0 52,983 13,548 0 -55,617 313,431 0 0 0 0 0 66,837	Actual 2003 Actual 2003	25,507 87,533

	A PILS TAXES - EB-2008-381	B ITEM	C Initial Estimate	D	E M of F	F M of F	G Tax	Н
	PILs DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)		Estimate		Filing Variance K-C	Filing Variance Explanation	Returns	_
	0 Utility Name: Halton Hills						Version 2009.1	
8	Reporting period: 2003						Column	
9 10 11	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From TAXREC	
12			\$		\$		\$	
123 124	Income Tax Effect on True-up adjustments			_	-149,696			
125	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	TRUE-UP VARIANCE ADJUSTMENT				(232,231)			
133	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,309,352			
137 138 139	REVISED CORPORATE INCOME TAX RATE			х	36.66%	1		
	REVISED REGULATORY INCOME TAX			=	480,008			
	Less: Revised Miscellaneous Tax Credits			-	0			
144	Total Revised Regulatory Income Tax			=	480,008			
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	Ontario Capital Tax				25.052.968			
152	Base Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			-	5,000,000 20,052,968			
154	Rate - Tab Tax Rates cell C54			=	0.3000%			
156 157	Revised Ontario Capital Tax	-		× =	60,159			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	60,159			
	Regulatory Ontario Capital Tax Variance	-		=	0			
	Federal LCT Base				25,052,968			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			=	10,000,000 15,052,968			
165 166 167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
168 169	Gross Amount Less: Federal surtax	-		-	33,869 14,665			
	Revised Net LCT	-		=	19,204			
172	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance			-	19,204 0			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.54%			
176 177	Income Tax (grossed-up)			+	(39,813)			
179	LCT (grossed-up) Ontario Capital Tax			+	0			
	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(39,813)			
182	TRUE-UP VARIANCE (from cell I132)			+	(232,231)			
184 185	Total Deferral Account Entry (Positive Entry = Debit)			=	(272,044)			
186 187 188	(Deferral Account Variance + True-up Variance)							
189	V) INTEREST PORTION OF TRUE-UP							
	VAINTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							
193	Total deemed interest (REGINFO) Interest phased-in (Cell C36)				908,170 605,477			
195	Variance due to phase-in of debt component of MARR in rates				302,693			
197 198	according to the Board's decision							
199 200	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
202	Interest deducted on MoF filing (Cell K36+K41) Actual Interest Paid				1,221,601 908,170			
	Variance caused by excess debt				313,431			
205	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				313,431			
	Total Interest Variance				-10,738			
209 210								
211				ш				

March 22, 2010 TAXCALC

	A	В	С	D	E	F
2	PILS TAXES - EB-2008-381	LINE	M of F	Non-wires Eliminations	Wires-only Tax	
3	TAX RETURN RECONCILIATION (TAXREC] (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Return	
4	0		Return			
5 6	Section A: Identification:				Version 2009.1	
7	Utility Name: Halton Hills					
	Reporting period: 2003					
9 10	Taxation Year's start date: Taxation Year's end date:					
	Number of days in taxation year:		365	days		
12			_			
13 14	Please enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	0	< - enter materiality	level	
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17 18	Does the utility carry on non-wires related operation? (Please complete the questionnaire in the Background questionnaire	Y/N works	heet.			
19			,			
20 21	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
_	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24 25	The actual categories of the income statements should be used. If required please change the descriptions except for amortization, interes:	t avnan	se and provision for	income tav		
26						
27	Please enter the non-wire operation's amount as a positive number, the principle of the "non-wire elimination polympi" on positive values in TAYPEC and			all amounts		
28 29	in the "non-wires elimination column" as negative values in TAXREC and	IAXKE	UZ.			
30	Income:					
31 32	Energy Sales Distribution Revenue	+	36,226,346 1,136,036		36,226,346	
33	Other Income	+	1,136,036		1,136,036 0	
34	Miscellaneous income	+			0	
35 36	Revenue should be entered above this line	+			0	
37	Revenue should be entered above this line					
38	Costs and Expenses:					
39 40	Cost of energy purchased Administration	-	28,473,695 3,711,107		28,473,695 3,711,107	
41	Customer billing and collecting	-	3,711,107		0,711,107	
42	Operations and maintenance	-			0	
43 44	Amortization Ontario Capital Tax	-	1,682,279 133,080		1,682,279 133,080	
45	Reg Asset movement	-	113,580		113,580	
46		-			0	
47		-			0	
49					-	
_	Net Income Before Interest & Income Taxes EBIT	=	3,248,641	0	3,248,641	
51 52	Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes	-	1,221,601 856,051		1,221,601 856,051	
53	Net Income (loss)	=	1,170,989	0	1,170,989	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	856,051	0	856,051	
	Federal large corporation tax Depreciation & Amortization	+	49,221 1,682,279	0	49,221 1,682,279	
62	Employee benefit plans-accrued, not paid	+	15,448	0	15,448	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-upmay apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		116,986	0	116,986	
	Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2	+	52,983 0	0	52,983 0	
69	Care addition tonis (not material) nom TAXNEO 2		0	0	0	
70	Subtotal		2,772,968	0	2,772,968	
71 72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
75 76	Capital items expensed	+	0		0	
77		+			0	
78 79		+			0	
80	Total Other Additions	+	0	0	0	
81						
82 83	Total Additions	=	2,772,968	0	2,772,968	
	Recap Material Additions:					
85			0	0	0	
86			0	0	0	

	A	В	С	D	Е	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	•
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5			0	0	Version 2009.1	
87 88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level)		0	0	0	
94 95	Total Other Additions		0	0	0	
	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	1,470,492		1,470,492	
	Cumulative eligible capital deduction	-	77,024		77,024	
	Employee benefit plans-paid amounts	-	13,548		13,548	
	Items capitalized for regulatory purposes Regulatory adjustments:	-			0	
102	CCA	-			0	
		-			0	
	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-	0	0	0	
	Items on which true-up does not apply "TAXREC 3"	_	0	0	0	
	Interest capitalized for accounting deducted for tax Material deduction items from TAXREC 2	-	66,837	0	66,837	
	Other deduction items (not Material) from TAXREC 2	-	00,037	0	00,037	
112						
113	Subtotal	=	1,627,901	0	1,627,901	
	Other deductions (Please explain the nature of the deductions)				_	
	Charitable donations - tax basis Gain on disposal of assets	-			0	
117	Gain on disposar or assets	-			0	
118		_			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122 123	Total Deductions	=	1,627,901	0	1,627,901	
	Recap Material Deductions:					
125	recap waterial beddelions.		0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133						
	TAXABLE INCOME	=	2,316,056	0	2,316,056	
	DEDUCT: Non-conital loss applied positive number	_				
136 137	Non-capital loss applied positive number Net capital loss applied positive number	-	0		0	
138	rot suprise root apprior positive number				0	
	NET TAXABLE INCOME	=	2,316,056	0	2,316,056	
140						-
_	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax (Must agree with tax return) Net Ontario Income Tax (Must agree with tax return)	+	558,742 290,542		558,742 290,542	
144	Subtotal	+	290,542 849,284	0	290,542 849,284	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0	O O	0 + 3,20 +	
	Total Income Tax	=	849,284	0	849,284	
147						
	FROM ACTUAL TAX RETURNS		0.1.10		0.1.105	
	Net Federal Income Tax Rate (Must agree with tax return) Net Ontario Income Tax Rate (Must agree with tax return)		24.12% 12.50%		24.12% 12.50%	
151	Blended Income Tax Rate		36.62%		36.62%	
152			00.0270		00.0270	
153	Section F: Income and Capital Taxes					
154						
	RECAP		0.40.00.4		040.004	
	Total Income Taxes Ontario Capital Tax	+	849,284 87,533	0	849,284 87,533	
	Federal Large Corporations Tax	+	87,533 25,507		25,507	
159	- odota: Edigo ootpordiiono rux	'	20,007		20,007	
160	Total income and capital taxes	=	962,324	0	962,324	
100						

	A	В	С	D	E A	ppendix F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
	Utility Name: Halton Hills					
	Reporting period: 2003					
9	TAX RESERVES					
10	IAX RESERVES					
	Beginning of Year:					
13	beginning or rear.				0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	_
20					0	
21					0	_
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
	End of Year:	1				
25	EIIU OI TEAL.				0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
32					0	
33					0	
-	Insert line above this line				_	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36 37						
	FINANCIAL STATEMENT RESERVES					
39	FINANCIAL STATEMENT RESERVES					
	Beginning of Year:					
41	Dog				0	
42					0	
-	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49 50	Total (corry forward to the TAVREC westerbact)		0	^	0	
51	Total (carry forward to the TAXREC worksheet)		0	0	0	
	End of Year:					
53	End of Tour.				0	
54					0	
	Environmental				0	
56	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	_
-	Other - Please describe				0	
61					0	
	Insert line above this line	1				
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						1

March 22, 2010 Tax Reserves

	A	Г		<u> </u>		Appendix
_	A	В	С	D	Е	F
1	DII TAVES ED 0000 004		NA -4 F	Nieu odana	var .	
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17	Auu.	+			0	
	Cain an ania of aliminia comital managers	-			0	
	Gain on sale of eligible capital property	+				
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22		+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
28	Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
		-			0	
	Recapture of SR&ED expenditures	+				
	Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
	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	The state of the s	+			0	
42		+			0	
43		+			0	
44		1			0	
45		+			0	
46	Total Additions	т	E2 002	0	F2 002	
	Total Additions	=	52,983	Ü	52,983	
47	December of Material Additional					
	Recap of Material Additions:					
49			0	0		
50			0	0		
51			0	0	-	
52			0	0		
53			0	0		
54			0	0	0	
55			0	0	0	
56			0	0		
57			0	0		
58			0	0		
59			0	0	-	
60			0	0		
61			0	0		
62			0	0		
63			0	0		
64			0	0	-	
65			0	0		
66			0	0		
	Provision for bad debts		52,983	0		
68			0	0	0	
69			0	0	0	
70			0	0		
71			0	0	-	
72			0	0		
73			0	0		
74			0	0		
_′→			U	U	U	1

						Appendix
	A	В	С	D	Е	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	2	Return	
	RATEPAYERS ONLY		Return		rtotarri	
6	Shareholder-only Items should be shown on TAXREC 3		Retuin		Version 2009.1	
7	Shareholder-only items should be shown on TAXREC 3				version 2009. i	
	Heller Manner Halter Hills					
	Utility Name: Halton Hills					
	Reporting period: 2003					
	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		52,983	0		
78	Other additions less than materiality level		02,500	0	,	
	Total Additions		52,983	0		
80	Total Additions		52,303	U	52,363	
	Doduct					
	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	66,837		66,837	
	Book income of joint venture or partnership	_	00,00.		0	
	Equity in income from subsidiary or affiliates	-			0	
		-			0	
	Contributions to a qualifying environment trust	-				
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
	Total Deductions	=	66,837	0	66,837	
100			00,007	O	00,007	
	Recap of Material Deductions:					
102			0	0	0	
103			0	0		
104			0	0	0	
105			0	0	0	
106			0	0	0	7
107	Bad debts		66,837	0	66,837	
108			0	0		
109			0	0		
110			0	0		
111			0	0		
112			0	0		
113			0	0		
114			0	0		
115			0	0		
116			0	0	0	
117			0	0	0	
118			0	0	0	
	Total Deductions exceed materiality level		66,837	0		
	Other deductions less than materiality level		00,037	0		
	Total Deductions		66,837	0		
122			00,037	U	00,037	
122						

	A	В	С	D	Е	F
1						
	PILS TAXES - EB-2008-381					
	TAX RETURN RECONCILIATION (TAXREC 3) Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liminations	Return	
7	(IOI WITES-OTHY BUSINESS - SEE S. 12 OLD ACT)		Return		Return	
	Utility Name: Halton Hills				Version 2009.1	
9						
10	Reporting period: 2003					
	Number of days in taxation year:		365			
13	- tulinos o uniço in turanon your					
14						
15						
	Section C: Reconciliation of accounting income to taxable income Add:					
18	Auu.					
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
	Non-deductible meals	+	4,319		4,319	
	Non-deductible club dues Non-deductible automobile costs	+			0	
	Donations - amount per books	+	0		0	
	Interest and penalties on unpaid taxes		289		289	
	Management bonuses unpaid after 180 days of year end				0	
	Imputed interest expense on Regulatory Assets				0	
39 40	Ontario capital tax adjustments	+			0	
	Changes in Regulatory Asset balances	+	68,326		68,326	
42		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
44 45	Bad debts - pre-October 1, 2001 Denied	+	44,052		44,052	
46		+			0	
47	Total Additions on which true-up does not apply	=	116,986	0	116,986	
48			,		,	
	Deduct:					
50	CCA adjustments	_			0	
	CCA adjustments CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets	-			0	
	Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59	· · ·	-			0	
60		-			0	
61 62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66 67	Changes in Regulatory Asset balances	-			0	1
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		-			0	
71		-			0	
72 73	Total Deductions on which true-up does not apply	-	0	0	0	
74	Total Deductions on which true-up does not appry	-	0	U	0	
75						

March 22, 2010 TAXREC 3 No True-up

	·	_				
	A A TAYES ED 2009 294	В	С	D	Е	F
ı	PILs TAXES - EB-2008-381				1	ersion 2009
	Corporate Tax Rates Exemptions, Deductions, o	r Throchol	le.		V	ersion 2009
	Utility Name: Halton Hills	r inresnoi	15			
	Reporting period: 2003					
;						
,						Table 1
8	Rates Used in 2002 RAM PI	Ls Applica	tions for 2002			
9	Income Range		0		200,001	
	RAM 2002		to		to	>700000
1		Year	200,000		700,000	
	Income Tax Rate					
	Proxy Tax Year	2002	40.400/		00.400/	00.400/
	Federal (Includes surtax) and Ontario blended		13.12% 6.00%		26.12%	26.12%
6	Blended rate		19.12%		6.00% 34.12%	12.50% 38.62%
7	Bierided rate		19.1270		34.1270	30.02%
	Capital Tax Rate		0.300%			
	LCT rate		0.225%			
	Surtax		1.12%			
	Ontario Capital Tax	MAX				
1	Exemption **	\$5MM	5,000,000			
	Federal Large	MAX				
	Corporations Tax	\$10MM	10,000,000			
2	Exemption **	·				
	**Exemption amounts	must agre	ee with the	Board-app	roved 200	2 RAM
2	PILs filing					
3						
24 25						Table 2
	Expected Income Tax Rates	s for 2003 a	nd Capital Ta	x Exemption	s for 2003	. abic L
	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				
	Federal (Includes surtax)	2003	13.12%			24.12%
	Ontario	2003	6.00%			12.50%
34	Blended rate	2003	19.12%		34.12%	36.62%
35	Conital Tax Data	0000	0.00004			
	Capital Tax Rate	2003	0.300%			
	LCT rate	2003	0.225%			
00	Surtax	2003	1.12%			
a	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000			
	Federal Large					
	Corporations Tax	MAX	10,000,000			
40	Exemption *** 2003	\$10MM	10,000,000			
	***Allocation of exemp	tions mus	st comply w	ith the Bo	ard's insti	ructions
	regarding regulated ac		or comply in	nui uic bo	ar a 3 m3n	uotions
_	regarding regulated ac	uviues.				
3						Table 3
	Input Information from Utili	ity's Actual		urns		
	Income Range		0		200,001	. 700 000
6		Vos	to		to	>700,000
7	Incomo Toy Boto	Year	200,000		700,000	
	Income Tax Rate	2002	 			
	Current year Federal (Includes surtax)	2003	13.12%		0.00%	24.12%
	Ontario		6.00%		0.00%	12.54%
51 52	Blended rate		19.12%		0.00%	36.66%
	Dienueu rate	1	13.12/0		0.0076	30.00%
ე,≺	0 11 7 7 1		0.300%			
	ICanital Lay Rate	 	0.225%			
54	Capital Tax Rate					
54 55	LCT rate		1.12%			
54 55	LCT rate Surtax	MAX	1.12%			
55 56	LCT rate Surtax Ontario Capital Tax	MAX \$5MM	4,686,438			
54 55 56	LCT rate Surtax	\$5MM				
54 55 56	LCT rate Surtax Ontario Capital Tax Exemption *	\$5MM MAX				
64 65 67	LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	\$5MM	4,686,438			
4 5 6 7	LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	\$5MM MAX \$10MM	4,686,438	ocation cal	culations	in your
4 5 6 7	LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the	\$5MM MAX \$10MM actual ta	4,686,438 10,000,000 x return allo			in your
4 5 6 7	LCT rate Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	\$5MM MAX \$10MM actual ta	4,686,438 10,000,000 x return allo			in your

March 22, 2010 Tax Rates

			_	_	_					1/		1 1	N.I.	
A A A A A A A A A A A A A A A A A A A	В	С	D	E	F	G	Н		J	K	L	M	N	0
1 PILs TAXES - EB-2008-381	4 4 5 0 0													
2 Analysis of PILs Tax Accou	nt 1562:													
3 Utility Name: Halton Hills							L	1						Version 2009.1
4 Reporting period: 2003				Sign Convention	on: +	for increase;	- fo	r 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														J
Opening balance:	=	0		0		0		0		0		0		0
Board-approved PILs tax	+/-													
12 proxy from Decisions (1)						0		0		0		0		0
PILs proxy from April 1, 200	5													
13 - input 9/12 of amount														0
True-up Variance	+/-													
14 Adjustment Q4, 2001 (2)														0
True-up Variance	+/-	-		-		-								
15 Adjustment (3)												-232,231		-232,231
Deferral Account Variance		-		-										
16 Adjustment Q4, 2001 (4)														0
Deferral Account Variance	+/-			-										
17 Adjustment (5)												-39,813		-39,813
Adjustments to reported	+/-													
18 prior years' variances (6)														0
19 Carrying charges (7)	+/-							_				_		0
PILs billed to (collected	-			-				-						
20 from) customers (8)		0												0
21														
22 Ending balance: # 1562		0		0		0		0		0		-272,044		-272,044
23	1													

25 26 Uncollected PILs

24

63 64 65

67

70 71

72 73

74

75

76

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.

- 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 35 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. 36 37
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- 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.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 40 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 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 48 49 50 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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 55
 - (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.
- 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, 2001and 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 61 62 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - (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.

PILs 1562 Calculation

	A	В	С	l D	E
1	PILs TAXES - EB-2008-381	ь	C	D	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				Version 2009.1
_	Utility Name: Halton Hills			Colour Code	
	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate		> (0.1		
12	tax (and therefore subject to PILs)?		Y/N		
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
17	Is the utility a non-profit corporation?		Y/N		
	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		T/IN		
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
	shared among the corporate group?			_	
	Please identify the % used to allocate the OCT and LCT exemptions in	LCT	Y/N	100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	OCT LCT		100%	
23		LUI		10070	
24	Accounting Year End		Date	12-31-2004	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			25,052,968	
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
	Debt rate			7.25%	
70	Market Adjusted Revenue Requirement			2,145,787	
43	1999 return from RUD Sheet #7			0	0
77					U
45	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in			745 405	745 405
47	Amount allowed in 2001 Amount allowed in 2002				715,405 715,191
49	Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,191	715,191
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	Total Regulatory Income	_			1,430,596
55					
	Equity			12,526,484	
57	Deturn of format DOE			4.007.047	
58	Return at target ROE			1,237,617	
	Debt			12,526,484	
61	DOM			12,020,404	
	Deemed interest amount in 100% of MARR			908,170	
63					
	Phase-in of interest - Year 1 (2001)	-		302,784	
65	((D43+D47)/D41)*D61				
	Phase-in of interest - Year 2 (2002)			605,477	
67	((D43+D47+D48)/D41)*D61			007.47	
	Phase-in of interest - Year 3 (2003) and forward			605,477	
70	((D43+D47+D48)/D41)*D61 (due to Bill 210) Phase-in of interest - 2005			908,170	
71	I HOSO III OI IIIGIGSE - 2000			900,170	
72					
				1	

March 22, 2010 REGINFO

	A	ВС		D	E	F	G	Н
	PILs TAXES - EB-2008-381 PILs DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)				Variance K-C	Variance Explanation		
5	0				N-C	Explanation	Version 2009.1	
7	Utility Name: Halton Hills Reporting period: 2004							
9	Days in reporting period:	366	days				Column Brought	
10 11		366	days				From TAXREC	
12			\$		\$		\$	
13	I) CORPORATE INCOME TAXES							
15 16	Regulatory Net Income REGINFO E53	1	1,430,596		1,079,237		2,509,833	
17			1,400,000		1,073,237		2,000,000	
18 19	BOOK TO TAX ADJUSTMENTS Additions:							
20	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	3	1,460,685		351,780 40,768		1,812,465 40,768	
22		4			0		0	
24	Regulatory Adjustments - increase in income	5	151,437		-151,437		0	
25 26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet	6			0 38,593		0 38,593	
29	Other Additions (not "Material") "TAXREC 2"	6			771,801		771,801	
30 31	Items on which true-up does not apply "TAXREC 3"				771,001		771,001	
33	Deductions: Input positive numbers Capital Cost Allowance and CEC	7	1,072,272		488,785		1,561,057	-
34 35	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8	0		20,269		20,269	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	55,617 605,477		-55,617		1,170,943	
38	Interest Expense Deemed/ Incurred Tax reserves - end of year	11 4	605,477		565,466 0		0	
39 40	Reserves from financial statements - beginning of year Contributions to deferred income plans	3			0		0	
41 42	Contributions to pension plans	3 11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44 45	"Material" Items from "TAXREC" worksheet Other Deductions (not "Material") "TAXREC"	12 12			0		0	
46 47	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12			24,694		24,694	
48	Items on which true-up does not apply "TAXREC 3"				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 54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5600%		36.06%	
55	REGULATORY INCOME TAX		505,672		10,894	Actual	516,565	
56 57					***************************************			
58 59	Miscellaneous Tax Credits	14			0	Actual	0	
60 61	Total Regulatory Income Tax		505,672		10,894	Actual	516,565	
62								
63 64	II) CAPITAL TAXES							
65 66	Ontario Base	15	25,052,968		9,446,982		34,499,950	
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	5,000,000 20,052,968		-315,157 9,131,825		4,684,843 29,815,107	
69								
70 71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
72 73	Ontario Capital Tax		60,159		29,286		89,445	
74 75	Federal Large Corporations Tax 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	
78	Taxable Capital		15,052,968		39,968,803		0	
80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	H
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	33,869 14,665		-33,869 -14,665		0	
83								
85	Net LCT		19,204		-19,204		0	
86 87	III) INCLUSION IN RATES							<u> </u>
	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
90		22	809,075			Actual 2004	516,565	
91 92	LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	23 24	30,727 60,159			Actual 2004 Actual 2004	92,560	
93 94								
95 96	Total PILs for Rate Adjustment MUST AGREE WITH 2002 RAM DECISION	25	899,961			Actual 2004	609,125	
97	RAIM DECISION							
98 99	IV) FUTURE TRUE-UPS							_
100	IV a) Calculation of the True-up Variance In Additions:				DR/(CR)			
102	Employee Benefit Plans - Accrued, Not Paid	3			40,768			
104	Tax reserves deducted in prior year Reserves from financial statements-end of year	4			0			
	Regulatory Adjustments Other additions "Material" Items TAXREC	5 6			-151,437 0			
107	Other additions "Material" Items TAXREC 2 In Deductions - positive numbers	6			38,593			
109	Employee Benefit Plans - Paid Amounts	8			20,269			
111	Items Capitalized for Regulatory Purposes Regulatory Adjustments	9 10			-55,617			
112	Interest Adjustment for tax purposes (See Below - cell 1206) Tax reserves claimed in current year	11 4			262,773 0			H
114	Reserves from F/S beginning of year Contributions to deferred income plans	4 3			0			
116	Contributions to pension plans	3			0			
118	Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12 12			0 24,694			
119	Total TRUE-UPS before tax effect	26		=	-324,195			
			1		02 i,100		·	

Г	A	В	С	D	E	F	G	Н
2	PILS TAXES - EB-2008-381 PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
4	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)				Variance K-C	Variance Explanation		
5	0 Utility Name: Halton Hills						Version 2009.1	
7	Reporting period: 2004							
9	Days in reporting period:	366	days				Column Brought	
10	Total days in the calendar year:	366	days				From TAXREC	
12			\$		\$		\$	
121	Language Tay Data (such diamondra) form 2004 Helikula tayan bura				24.040/			
123	Income Tax Rate (excluding surtax) from 2004 Utility's tax return				34.94%			
125	Income Tax Effect on True-up adjustments			=	-113,274			
126	Less: Miscellaneous Tax Credits	14			0			
	Total Income Tax on True-ups				-113,274			
130					34.94%			_
	TRUE-UP VARIANCE ADJUSTMENT				(174,107)			_
133	IV b) Calculation of the Deferral Account Variance caused by							
134	changes in legislation							
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial			=	1,309,352			
137	estimate column)							
139	REVISED CORPORATE INCOME TAX RATE			X	36.06%			
141	REVISED REGULATORY INCOME TAX			=	472,152			
142	Less: Revised Miscellaneous Tax Credits			-	0			
	Total Revised Regulatory Income Tax			-	472,152			
П	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell				505.070			
147	C58)			-	505,672			
148	Regulatory Income Tax Variance			=	(33,519)			
150	Ontario Capital Tax Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
154	Revised deemed taxable capital			=	20,052,968			
156 156	Rate - Tab Tax Rates cell C54			X	0.3000%			
157	Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell			=	60,159			
158	C70) Regulatory Ontario Capital Tax Variance			-	60,159			
160								
162	Federal LCT Base				25,052,968			
	Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			=	50,000,000 (24,947,032)			
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167					0			
169	Less: Federal surtax			-	0			
171	Revised Net LCT			=	0			
	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance			=	19,204 (19,204)			
174	Actual Income Tax Rate used for gross-up (exclude surtax)				34.94%			
176				+	(51,521)			
178	LCT (grossed-up)			+	(30,727)			
180				+	0			
182	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(82,248)			
183 184	TRUE-UP VARIANCE (from cell l132)			+	(174,107)			
185	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	(256,354)			
187	(Social Pocoditi Validibo + Tide-up Validibe)							
188 189								
191	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							
192					908,170			
	Interest phased-in (Cell C36)				605,477	,		
196	Variance due to phase-in of debt component of MARR in rates				302,693			
197 198								
199 200	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41) Actual Interest Paid				1,170,943 908,170			
203								
205	Variance caused by excess debt				262,773			_
206 207					262,773			
208	Total Interest Variance				39,920			_
210		-						
العر			l			·		

March 22, 2010 TAXCALC

	Α	_	0	5	- 1	-
1	A PILs TAXES - EB-2008-381	B LINE	C M of F	D Non-wires	E Wires-only	F
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return		Versien 2000 4	
	Section A: Identification:				Version 2009.1	
	Utility Name: Halton Hills					
8	Reporting period: 2004					
9	Taxation Year's start date:					
	Taxation Year's end date: Number of days in taxation year:		366	days		
12	Number of days in taxation year.		300	uays		
	Please enter the Materiality Level :		0	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N				
15 16	(0.25% x Net Assets)	Y/N Y/N				
	Or other measure (please provide the basis of the amount) Does the utility carry on non-wires related operation?	Y/N				
	(Please complete the questionnaire in the Background questionnaire		heet.)			
19	•		•			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Section B: Financial statements data:					
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, interes	t expen	se and provision for	income tax		
26 27	Places enter the non-wire operation's amount as a positive number, the p	roaram	automatically treats	all amounts		
28	Please enter the non-wire operation's amount as a positive number, the prin the "non-wires elimination column" as negative values in TAXREC and			ลแ สมาบน/ใเร		
29	ac regains raided in the drift					
	Income:					
31	Energy Sales	+	30,683,803		30,683,803	
32	Distribution Revenue Other Income	+	8,073,276 1,146,428	104,433	8,073,276 1,041,995	
34	Miscellaneous income	+	1,140,420	104,400	0	
35		+			0	
	Revenue should be entered above this line					
37	Costs and Expenses:					
39	Costs and Expenses: 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	-	4 04 4 070	4.005	0	
43	Amortization Ontario Capital Tax	-	1,814,270 80,169	1,805	1,812,465 80,169	
	Recovery of regulatory assets - expense	-	441,387		441,387	
46		-	,,,,,		0	
47		-			0	
48 49		-			0	
	Net Income Before Interest & Income Taxes EBIT	=	2,573,411	63,578	2,509,833	
51	Less: Interest expense for accounting purposes	-	1,170,943	20,010	1,170,943	
52	Provision for payments in lieu of income taxes	-	412,562		412,562	
53	Net Income (loss)	=	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						
	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1 BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	412,562	0	412,562	
60	Federal large corporation tax	+	0		0	
	Depreciation & Amortization	+	1,814,270	1,805	1,812,465	
	Employee benefit plans-accrued, not paid Tax reserves - beginning of year	+	40,768	0	40,768 0	
	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-upmay apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		792,532	20,731	771,801	
	Material addition items from TAXREC 2	+	38,593	0	38,593	
68 69	Other addition items (not Material) from TAXREC 2	+	0	0	0	
70	Subtotal		3,098,725	22,536	3,076,189	
71	Cubicia.		5,555,125	22,000	5,570,100	
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
75	Non-deductible meals and entertainment expense Capital items expensed	+			0	
76	очрны кото охротоси	+	0		0	
77		+			0	
78		+			0	
79	Total Other Additions	+	0	0	0	
80	TOTAL OUTEL AUDITIONS	=	0	U	0	
82	Total Additions	=	3,098,725	22,536	3,076,189	
83						
	Recap Material Additions:					
85			0	0	0	

	A	В	С	D	Е	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	
5	0	,	Return		Version 2009.1	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90 91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95 96	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	1,489,425		1,489,425	
	Cumulative eligible capital deduction	-	71,632		71,632	
	Employee benefit plans-paid amounts	-	20,269		20,269	
	Items capitalized for regulatory purposes Regulatory adjustments:	-			0	
102					0	
103		-			0	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans Contributions to pension plans	-			0	
	Items on which true-up does not apply "TAXREC 3"		824,837	0	824,837	
	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	24,694	0	24,694	
	Other deduction items (not Material) from TAXREC 2	- [0	0	0	
112 113	Subtotal	=	2,430,857	0	2,430,857	
	Other deductions (Please explain the nature of the deductions)	-	2,430,637	U	2,430,637	
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets	-			0	
117		-			0	
118 119		+ -			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	2,430,857	0	2,430,857	
123	Recap Material Deductions:					
125	Recap Material Deductions.		0	0	0	
126			0	0	0	
127			0	0	0	
128 129			0	0	0	
	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133	TAXABLE INCOME		4 057 774	00.444	4 574 660	
	DEDUCT:	=	1,657,774	86,114	1,571,000	
	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138	NET TAVADI E INCOME		1.055.55	00.44	0	
139 140	NET TAXABLE INCOME	=	1,657,774	86,114	1,571,660	
_	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	319,232	19,195	300,037	
	Net Ontario Income Tax (Must agree with tax return)	+	228,386	11,858	216,528	
144	Subtotal Less: Miscellaneous tax credits (Must agree with tax returns)	=	547,618 0	31,053	516,565 0	
	Total Income Tax	=	547,618	31,053	516,565	
147			011,010	01,000	010,000	
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax Rate (Must agree with tax return)		22.29%		22.29%	
150 151	Net Ontario Income Tax Rate (Must agree with tax return) Blended Income Tax Rate		13.77% 36.06%		13.77% 36.06%	
152	Sonda Modilo Tax Italo		30.0076		50.0078	
153	Section F: Income and Capital Taxes					
154						
	RECAP Total Income Taxes		547,618	31,053	E16 E65	
	Ontario Capital Tax	+	547,618 92,560	31,053	516,565 92,560	
	Federal Large Corporations Tax	+	92,500		0	
159						
160	Total income and capital taxes	=	640,178	31,053	609,125	
161						

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	 Wires-only	'
	Tax and Accounting Reserves	LIIVE	Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax	Limitationo	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Halton Hills					
	Reporting period: 2004					
9						
	TAX RESERVES					
11						
	Beginning of Year:				0	
13	Pagaria for doubtful accounts as 20(1)(I)				0	
	Reserve for doubtful accounts ss. 20(1)(I) Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
31	Other - Please describe Other - Please describe				0	
32	Other - Flease describe				0	
33					0	
	Insert line above this line				· ·	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36	(,				-	
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
_	Allowance for doubtful accounts				0	
	Inventory obsolescence Property taxes				0	
	Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
	End of Year:					
53					0	
54	<u></u>				0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
61	Outer - Liease describe				0	
	Insert line above this line				U	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64	(1.3.1) (2.3.1)					

March 22, 2010 Tax Reserves

	A	В	С	D	Е	F
1	DII - TAVEO ED 0000 004	LINIT	M - 4 E	Nam odnam	\A(!	
	PILS TAXES - EB-2008-381 TAX RETURN RECONCILIATION (TAXREC 2)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiations	Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7 2	Utility Name: Halton Hills					
	Reporting period: 2004					
10	Number of days in taxation year:		366			
	Materiality Level:		0			
12						
13 14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17		+			0	
	Gain on sale of eligible capital property	+			0	
20	Loss on disposal of assets Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22	. •	+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures 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 0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
44		+			0	
45		+				
46	Total Additions	=	38,593	0	38,593	
47	Recap of Material Additions:					
49	Recap of Material Additions.		0	0	0	
50			0	0		
51			0	0		
52			0	0		
53 54			0	0		
55			0	0		
56			0	0	0	
57			0	0		
58 59			0	0		
60			0	0		
61			0	0		
62			0	0	0	
63			0	0		
64 65			0	0		
66			0	0		
	Provision for bad debts		38,593	0		
68			0	0	0	
69			0	0		
70 71			0	0		
72			0	0		
73			0	0		
74			0	0	0	
75			0	0	0	

	Λ		0	<u> </u>	-	F
1	A	В	С	D	Е	<u> </u>
_	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
	Reporting period: 2004					
	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
76			0	0	0	
77	Total Material additions		38,593	0	38,593	
	Other additions less than materiality level		0	0	00.500	
79 80	Total Additions	+ 1	38,593	0	38,593	
	Deduct:	1				
	Gain on disposal of assets per f/s	-			0	
	Dividends not taxable under section 83				0	
	Terminal loss from Schedule 8				0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	24.694		24,694	
	Book income of joint venture or partnership	-	_ ,,== .		0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	0		0	
97		-			0	
98	T (D	-	04.004		0	
99	Total Deductions	=	24,694	0	24,694	
100	Recap of Material Deductions:					
101	Recap of Material Deductions.		0	0	0	
102			0	0	0	
103		+	0	0	0	
105			0	0	0	
106			0	0	0	
	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	T. 10 1 6 1 1 1 1 1 1		0	0	0	
	Total Deductions exceed materiality level		24,694	0	24,694	
	Other deductions less than materiality level		0	0	0	
	Total Deductions	+ 1	24,694	0	24,694	
122						

Г	A	В	С	D	Е	F
1						
	PILS TAXES - EB-2008-381 TAX RETURN RECONCILIATION (TAXREC 3)					
	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			
9	Utility Name: Halton Hills				Version 2009.1	
10						
	Reporting period: 2004					
12	Number of days in taxation year:		366			
14						
15						
	Section C: Reconciliation of accounting income to taxable income Add:					
18	Add:					
	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+	20,731	20,731	0	
28	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments Dividends credited to investment account	+			0	
	Non-deductible meals	+	5,414		5,414	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+	225 000		0	
	Donations - amount per books Interest and penalties on unpaid taxes		325,000		325,000 0	
	Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments				0	
39	Changes in Regulatory Asset balances	+	441,387		0 441,387	
	Imputed interest expense on Regulatory Assets	+	441,367		441,367	
42		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
44		+			0	
46		+			U	
	Total Additions on which true-up does not apply	=	792,532	20,731	771,801	
48	Deduct:					
50	Deduct.					
51	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments Gain on disposal of assets per financial statements	-	44,467		0 44,467	
	Financing fee amorization - considered to be interest expense for PILs	-	77,707		0	
56	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes Income from joint ventures or partnerships	-	325,000		325,000 0	
59	moone non joint ventures or partnerships	-			0	
60	Ontario capital tax adjustments to current or prior year	-	9,276		9,276	
61	Ohanna in Danislam Ass. (1)	-	4		0	
62	Changes in Regulatory Asset balances	-	441,387		441,387 0	
	Assessment Notice	-	4,707		4,707	
65		-			0	
66 67		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	2.1.2. 2.2.2.3.0.10. (1.10.000 Onphant it dottain the factors of the form)	-			0	
70		-			0	
71 72		-			0	
	Total Deductions on which true-up does not apply	=	824,837	0	824,837	
74			12.,007			
75						

March 22, 2010 TAXREC 3 No True-up

7	Α	В	С	D	E	F	G	Н	
	PILs TAXES - EB-2008-381					<u> </u>	<u> </u>		
	Corporate Tax Rates				٧	ersion 2009.1			
	Exemptions, Deductions, or	Threshold	s						
	Utility Name: Halton Hills								
	Reporting period: 2004								
1						Table 1			
1	Rates Used in 2002 RAM PII	Ls Applicat	ions for 2002						
I	Income Range		0		200,001				
ļ	RAM 2002		to		to	>700000			
ł		Year	200,000		700,000				
	Income Tax Rate Proxy Tax Year	2002							
٠	Federal (Includes surtax)	2002	13.12%		26.12%	26.12%			
_	and Ontario blended		6.00%		6.00%	12.50%			
İ	Blended rate		19.12%		34.12%	38.62%			
I									
	Capital Tax Rate		0.300%						
	LCT rate		0.225%						
	Surtax	B# 4 1 7	1.12%						
	Ontario Capital Tax	MAX	5,000,000						
	Exemption ** Federal Large	\$5MM							
	Corporations Tax	MAX	10,000,000						
	Exemption **	\$10MM	. 5,555,000						
ľ	**Exemption amounts r	nust agre	e with the E	Board-appr	oved 2002	2 RAM			
	PILs filing	•							
	•								
						Table 0			
1	Expected Income Tax Rates	for 2004 a	nd Canital Tax	v Evemntion	s for 2004	Table 2			
	Income Range	101 2004 a	o Capital Tax	250,001	400,001				
	Expected Rates		to	230,001 to	400,001	>1,128,000			
	•	Year	250,000	400,000	1,128,000	, ,,,,,,,			
	Income Tax Rate								
	Current year	2004							
ŀ	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%	22.12%			
ŀ	Ontario	2004	5.50%	5.50%	9.75%	14.00%			
l	Blended rate	2004	18.62%	27.62%	31.87%	36.12%			
ŀ	Capital Tax Rate	2004	0.300%						
٠	LCT rate	2004	0.200%						
	Surtax	2004	1.12%						
ı	Ontario Capital Tax	MAX	5,000,000						
	Exemption *** 2004	\$5MM	5,000,000						
	Federal Large	MAX	50.000.00						
	Corporations Tax	\$50MM	50,000,000						
	Exemption *** 2004 ***Allocation of exempt	ione mus	t comply	ith the Bee	rd'e inet-	ictions			
ı	-		t comply w	itii tiie B08	แนร เกรเกิ	uctions			
l	regarding regulated act	uvities.							
						Table 3			
	Input Information from Utilit Income Range	y's Actual	2004 Tax Retu 0		400.004				
l	income Kange		to	250,001 to	400,001 to	>1,128,000			
ł		Year	250,000	400,000	1,128,000	71,120,000			
۱	Income Tax Rate		_30,000	. 30,300	.,,,				
	Current year	2004							
	Federal (Includes surtax)		13.12%	22.12%	22.29%	22.29%			
ľ	Ontario		5.50%	5.50%	13.77%	13.77%			
	Blended rate		18.62%	27.62%	36.06%	36.06%			
	Capital Tax Rate		0.300%						
	LCT rate		0.200%						
	Surtax Ontario Capital Tax	PA V	1.12%						
	Ontario Capital Tax Exemption *	MAX \$5MM	4,684,843						
	Exemption Federal Large								
	Corporations Tax	MAX	45,995,000						
	Exemption *	\$50MM	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
ľ	* Include copies of the	actual tax	return allo	cation cald	culations i	n your			
	submission: Ontario C					y =			
	Samming Street Citianio C	v page	, .cuciai						
			•						

March 22, 2010 Tax Rates

	A	В	С	D	Е	F	G	Н	I	J	K	L	M	Ν	0
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				Sign Convention	on: 4	F 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
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														·
13	- input 9/12 of amount														0
	True-up Variance Adjustment	+/-													
14	Q4, 2001 (2)														0
	True-up Variance Adjustment	+/-													
15	(3)												-174,107		-174,107
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-													
17	Adjustment (5)												-82,248		-82,248
	Adjustments to reported	+/-													
18	prior years' variances (6)		_												0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
20	from) customers (8)		0												0
21															
	Ending balance: # 1562		0		0		0		0		0		-256,354		-256,354
23															

Uncollected PILs

24 25 26

36

37

38

39

40 41 42

58

64 65 67

68

70

71

72 73 74

75

76 77

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.

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

- 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.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
 - (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 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 49 50 (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 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.
 - (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.
- 54 55 56 57 (7) Carrying charges are calculated on a simple interest basis.
 - (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - (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.

PILs 1562 Calculation

	A	В	С	D	E
1	PILs TAXES - EB-2008-0381	В	C	D	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				
	Utility Name: Halton Hills			Colour Code	
5	Reporting period: 2005			Input Cell Formula in Cell	
	Days in reporting period:	365	days	Formula in Cell	
	Total days in the calendar year:	365	days		
8					
	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?		Y/N		
10			1/IN		
	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
17	Is the utility a non-profit corporation?		Y/N		
	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
_	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
	shared among the corporate group?	LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2005	
	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30	Deta Bass (wires only)			25 052 069	
J2	Rate Base (wires-only)			25,052,968	
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
	Target Return On Equity			9.88%	
-	Debt rate			7.25%	
70				2,145,787	
포	Market Adjusted Revenue Requirement				
43	1999 return from RUD Sheet #7			0	0
	Total Incremental revenue			2,145,787	
	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			715,262	·
48 49	Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210			715,262	715,262
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	715262	-
52	Other Board-approved changes to MARR or incremental revenue				108,653
53					0
54	Total Regulatory Income				2,211,524
55 56	Equity			12,526,484	
57	Lyuny			12,020,404	
	Return at target ROE			1,237,617	
59	•				
	Debt			12,526,484	
61	Deemed interest amount in 4000/ of MADD			000 470	
62	Deemed interest amount in 100% of MARR			908,170	
	Phase-in of interest - Year 1 (2001)			302,723	
65	((D43+D47)/D41)*D61			552,.20	
66	Phase-in of interest - Year 2 (2002)			605,447	
67	((D43+D47+D48)/D41)*D61				
	Phase-in of interest - Year 3 (2003) and forward			605,447	
69 70	((D43+D47+D48)/D41)*D61 (due to Bill 210) Phase-in of interest - 2005			908,170	
71	1 11030-111 UI IIIICICSI - 2003			900,170	
72					

March 22, 2010 REGINFO

	A	В	С	D	E	F	G
1	PILs TAXES - EB-2008-0381 PILs DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns
3	TAX CALCULATIONS (TAXCALC)		LStillate		Variance	Variance	Keturns
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	Version 2009.1
6	Utility Name: Halton Hills						
8	Reporting period: 2005						Column
9 10	Days in reporting period:	365 365	days				Brought From
11	Total days in the calendar year:	303	days				TAXREC
12			\$		\$		\$
14	I) CORPORATE INCOME TAXES						
15 16	Regulatory Net Income REGINFO E53	1	2,211,524		248,572		2,460,096
17							,,
18 19							
20 21		3	1,682,279 15,448		200,022 13,772		1,882,301 29,220
22	Tax reserves - beginning of year	4	15,446		70,004		70,004
23 24		5			0		0
25	Other Additions (See Tab entitled "TAXREC")						
26 27	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6	52,983		-52,983 0		0
28	"Material Items from "TAXREC 2" worksheet	6			0		0
29 30	Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	6			1,336,415		1,336,415
31					1,000,110		1,000,110
32 33		7	1,562,567	$\vdash \exists$	91,111		1,653,678
34	Employee Benefit Plans - Paid Amounts	8	13,548		3,172		16,720
35 36	Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5	9	0		0		0
37	Interest Expense Deemed/ Incurred	11	908,170		280,664		1,188,834
38	Tax reserves - end of year Reserves from financial statements - beginning of year	4		-	0		0
40	Contributions to deferred income plans	3			0		0
41 42	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11			0		0
43	Other Deductions (See Tab entitled "TAXREC")		00.007		00.007		
44 45	Other Deductions (not "Material") "TAXREC"	12 12	66,837 35,200	$\vdash \vdash$	-66,837 -35,200		0
46	Material Items from "TAXREC 2" worksheet	12			36,467		36,467
47 48	Other Deductions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	12			1,354,775		1,354,775
49			4 075 040		454.050	D-4 I 0/F	4 507 500
50 51	TAXABLE INCOME/ (LOSS)		1,375,912		151,650	Before loss C/F	1,527,562
52	BLENDED INCOME TAX RATE	40	20,400/		0.04000/		00.770/
53 54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		-2.3488%		33.77%
55 56	REGULATORY INCOME TAX		496,979		18,896	Actual	515,876
57							
58 59	Miscellaneous Tax Credits	14			0	Actual	0
60	Total Regulatory Income Tax		496,979		18,896	Actual	515,876
61 62							
63	II) CAPITAL TAXES						
64 65	Ontario						
66	Base	15	25,052,968		9,997,986		35,050,954
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	7,500,000 17,552,968		-544,072 9,453,914		6,955,928 28,095,026
69	<u>'</u>						
70 71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%
72 73	Ontario Capital Tax		52,659		31,626		84,285
74	Federal Large Corporations Tax						
75 76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	25,052,968 50,000,000		-25,052,968 -4,005,000		45,995,000
77	Taxable Capital	13	0		-29,057,968		45,995,000
78 79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%
80							
81 82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0
83							
84 85	Net LCT	-	0	H	0		0
86 87	III) INCLUSION IN RATES						
88	Income Tax Rate used for gross- up (exclude surtax)		36.12%				
89 90	Income Tax (proxy tax is grossed-up)	22	777,989	\vdash		Actual 2005	515,876
91	LCT (proxy tax is grossed-up)	23	0			Actual 2005	0
92 93	Ontario Capital Tax (no gross-up since it is deductible)	24	52,659			Actual 2005	84,285
94							
95 96		25	830,648			Actual 2005	600,161
c=	RAM DECISION						
97	RAM DECISION						
97 98 99							
98 99 100	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance				DR/(CR)		
98 99 100 101 102	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid	3			13,772		
98 99 100 101 102 103	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	4			13,772 70,004		
98 99 100 101 102 103 104 105	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments	4 4 5			13,772 70,004 0		
98 99 100 101 102 103 104 105 106	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" items TAXREC	4 4 5 6			13,772 70,004 0 0 -52,983		
98 99 100 101 102 103 104 105 106 107	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustmens Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers	4 4 5 6 6			13,772 70,004 0 0 -52,983		
98 99 100 101 102 103 104 105 106 107 108 109	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	4 4 5 6 6 8			13,772 70,004 0 0 0 -52,983 0		
98 99 100 101 102 103 104 105 106 107 108 109 110 111	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" items TAXREC Other additions "Material" items TAXREC 0 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments	4 4 5 6 6 6 8 9			13,772 70,004 0 0 -52,983 0 3,172 0 0		
98 99 1000 1011 1022 1033 1044 1055 1066 1077 1088 1099 1110 1111 1112	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustments Interest Adjustment for tax purposes See Below - cell 1206	4 4 5 6 6 8 9 10			13,772 70,004 0 0 -52,983 0 3,172 0 0 280,664		
98 99 100 101 102 103 104 105 106 107 108 109 110 111 111 112 113	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 0 In Peductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell 1206) Tax reserves claimed in current year Reserves from FS beginning of year	4 4 5 6 6 6 8 9 10 11 4			13,772 70,004 0 0 -52,983 0 3,172 0 280,664 0		
98 99 100 101 102 103 104 105 106 107 108 109 110 111 1112 113 114 115	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell 1206) Tax reserves Idalmed in current year Reserves from F/S beginning of year Contributions to deferred income plans	4 4 5 6 6 8 9 10 11 4 4 3			13,772 70,004 0 0 -52,983 0 3,172 0 0 0 280,664		
98 99 1000 1011 1022 1033 1044 105 106 107 108 119 1111 1112 1113 1144 115 116 117	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell 1206) Tax reserves claimed in current year Reserves from F/S beginning of year Contributions to deferred income plans Contributions to deferred income plans Other deductions "Material" Items TAXREC	4 4 5 6 6 8 9 10 11 4 4 4 3 3			13,772 70,004 0 0 -52,983 0 3,172 0 0 280,664 0 0 0 0 -66,837		
98 99 100 101 102 103 104 105 106 107 108 110 111 111 1113 114 115 116 117	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell 1206) Tax reserves claimed in current year Reserves from F/S beginning of year Contributions to deferred income plans Contributions to pension plans	4 4 5 6 6 8 9 10 11 4 4 3 3			13,772 70,004 0 0 -52,983 0 3,172 0 0 280,664 0 0 0		

March 22, 2010 TAXCALC

	A	В	С	D	Е	F	G	Н
1	PILs TAXES - EB-2008-0381	ITEM	Initial		M of F	M of F	Tax	
3	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns	
5	("Wires-only" business - see Tab TAXREC) 0			-	K-C	Explanation	Version 2009.1	
6	Utility Name: Halton Hills							
8	Reporting period: 2005						Column	
9 10	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From	
11 12			\$		\$		TAXREC \$	
13					Ψ		Ψ	
121 122	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			х	35.00%			
123					-77,936			
125				Ē	-			
126 127		14			0			
128	Total Income Tax on True-ups				-77,936			
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
132	TRUE-UP VARIANCE ADJUSTMENT				(119,901)			
133	IV b) Calculation of the Deferral Account Variance caused by			+				
134 135	changes in legislation			-				
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial				4 275 042			
136	estimate column)			=	1,375,912			
138	REVISED CORPORATE INCOME TAX RATE			х	36.12%			
140	REVISED REGULATORY INCOME TAX			=	496,979			
142	Less: Revised Miscellaneous Tax Credits			1-	0			
143 144	Total Revised Regulatory Income Tax			=	496,979			
145	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell		-					
146 147				-	496,979			
148	Regulatory Income Tax Variance			=	0			
149	Ontario Capital Tax							
151	Base Less: Exemption from tab Tax Rates, Table 2, cell C39			=	25,052,968 7,500,000			
153				=	17,552,968			
	Rate - Tab Tax Rates cell C54			х	0.3000%			
156 157	Revised Ontario Capital Tax			=	52,659			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				52,659			
159	Regulatory Ontario Capital Tax Variance			=	0			
160	Federal LCT							
162 163	Base Less: Exemption from tab Tax Rates, Table 2, cell C40			-	25,052,968 50,000,000			
	Revised Federal LCT			=	(24,947,032)			
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167 168	Gross Amount				0			
169	Less: Federal surtax Revised Net LCT			-	0			
171								
	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance			=	0			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)			-	35.00%			
176				+	0			
178	Income Tax (grossed-up) LCT (grossed-up)			+	0			
180	Ontario Capital Tax			+	0			
181 182	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
183	TRUE-UP VARIANCE (from cell l132)			+	(119,901)			
184 185	Total Deferral Account Entry (Positive Entry = Debit)			=	(119,901)			
186 187	(Deferral Account Variance + True-up Variance)			+				
188								
190	V) INTEREST PORTION OF TRUE-UP							
192	Variance Caused By Phase-in of Deemed Debt			+				
193 194				\perp	908,170 605,447			
195								
197	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				302,724			
198	Other Interest Variances (i.e. Borrowing Levels			+				
200					1,188,834			
202	Actual Interest Paid				908,170			
203 204	Variance caused by excess debt				280,664			
205	Interest Adjustment for Tax Purposes (carry forward to Cell I112)			\vdash	280,664			
207								
209	Total Interest Variance				22,060			
210 211				П				
-11	ı		1					

March 22, 2010 TAXCALC

_	Λ	В	С	D	E	l F l G	
1	A PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	⊏ Wires-only	FG	
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	2	Return		
4	0		Return				
5					Version 2009.1		
6	Section A: Identification:						
7	Utility Name: Halton Hills						
8	Reporting period: 2005						
10	Taxation Year's start date: Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12	Number of days in taxation year.		303	uays			
_	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	works	heet.)				
19	Note: Corn, forward Wires only Date to Tab "TAYCALC" Column K						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
22	Section B: Financial statements data:						
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, interes	t expen	se and provision for	income tax			
26							
27	Please enter the non-wire operation's amount as a positive number, the p			all amounts			
28	in the "non-wires elimination column" as negative values in TAXREC and	TAXRE	C2.				
29	Income						
30	Income: 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	+	,,.30	,230	0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	36,847,936		36,847,936	5	
40	Administration	-	9,240,451		9,240,451		
42	Customer billing and collecting Operations and maintenance	-			0		
43	Amortization	-	1,884,106	1,805	1,882,301		
44	Ontario Capital Tax	-	68,445	1,000	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	N. (L		0.505.000	45.000	0.400.000		
50 51	Net Income Before Interest & Income Taxes EBIT Less: Interest expense for accounting purposes	-	2,505,989 1,188,834	45,893	2,460,096 1,188,834		
52	Provision for payments in lieu of income taxes	-	646,313		646,313	<u> </u>	
53	Net Income (loss)	=	670,842	45,893	624,949		
-	(The Net Income (loss) on the MoF column should equal to the net income (loss)		010,012	40,000	024,040		
54	per financial statements on Schedule 1 of the tax return.)						
55	Continu O. Donneilietien of consulting to the continuity of the co						
	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1						
	BOOK TO TAX ADDITIONS:						
	Provision for income tax	+	646,313	0	646,313	Does this include LCT?	
	Federal large corporation tax	+	0	Ü	0		
61	Depreciation & Amortization	+	1,884,106	1,805	1,882,301		
	Employee benefit plans-accrued, not paid	+	29,220	0	29,220		
	Tax reserves - beginning of year	+	70,004	0	70,004		
	Reserves from financial statements- end of year	+	0	0	0		
	Regulatory adjustments on which true-upmay apply (see A66)	+	1 226 445	0	1 226 445		
	Items on which true-up does not apply "TAXREC 3"		1,336,415		1,336,415	1	
	Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2	+	0	0	0		
69	Cinci addition tems (not material) non TANNEC 2	т	U	U	U	1	
70	Subtotal		3,966,058	1,805	3,964,253		
71				.,230			
	Other Additions: (Please explain the nature of the additions)						
_	Recapture of CCA	+			0	<u> </u>	
74		+			0		
	Capital items expensed	+			0		
76 77		+	0		0		
78		+			0		
79		+			0		
80	Total Other Additions	=	0	0	0		
81							
82	Total Additions	=	3,966,058	1,805	3,964,253	3	
83	Desay Material Additions						
	Recap Material Additions:		0	0	0		
85			U	U	U	1	

	A	В	С	D	E	F	G
1 PILs	S TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	Г	G
2 TAX	(RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
	"wires-only" business - see s. 72 OEB Act)		Tax		Return		
5	0)	Return		Version 2009.1		
86			0	0			
87			0	0	0		
88			0	0	0		
90			0	0	0		
91			0	0	0		
	al Other additions >materiality level		0	0	0		
	er additions (less than materiality level)		0	0	0		
94 Tota 95	al Other Additions		0	0	0		
	DK TO TAX DEDUCTIONS:						
	ital cost allowance	-	1,587,060		1,587,060		
	nulative eligible capital deduction	-	66,618		66,618		
99 Emp	oloyee benefit plans-paid amounts is capitalized for regulatory purposes	-	16,720		16,720 0		
	ulatory adjustments :	-			0		
102 CC	CA	-			0		
	her deductions	-			0		
	reserves - end of year erves from financial statements- beginning of year	-	0	0	0		
	erves from financial statements- beginning of year tributions to deferred income plans	-	0	U	0		
107 Con:	tributions to pension plans	-			0		
	ns on which true-up does not apply "TAXREC 3"		1,354,775	0	1,354,775		
	rest capitalized for accounting deducted for tax	-	00.40=		0		
	erial deduction items from TAXREC 2 er deduction items (not Material) from TAXREC 2	-	36,467 0	0	36,467		
112	er deduction items (not waterial) nom TAXICE 2	_	O O	0	0		
113	Subtotal	=	3,061,640	0	3,061,640		
	er deductions (Please explain the nature of the deductions)				_		
	ritable donations - tax basis n on disposal of assets	-			0		
110 Gaii	i un disposal di assets	-			0		
118					0		
119		-			0		
120 121	Total Other Deductions	=	0	0	0		
122	Total Deductions	=	3,061,640	0	3,061,640		
123	Total Boddonone		0,001,010		0,001,010		
	ap Material Deductions:		_		_		
125 126			0	0	0		
127			0	0	0		
128			0	0	0		
129			0	0	0		
	al Other Deductions exceed materiality level er Deductions less than materiality level		0	0	0		
	al Other Deductions		0	0	0		
133							
	ABLE INCOME	=	1,575,260	47,698	1,527,562		
135 DED	DUCT: n-capital loss applied positive number	_	0		0		
	t capital loss applied positive number	-	U		0		
138					0		
	TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
140 141 FRO	DM ACTUAL TAX RETURNS						
	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		
	ubtotal	=	531,984	16,108	515,876		
	s: Miscellaneous tax credits (Must agree with tax returns) al Income Tax		531,984	16,108	0 515,876		
147	AL HIGGING TUX		331,304	10,100	010,070		
148 FRO	DM ACTUAL TAX RETURNS						
	Federal Income Tax Rate (Must agree with tax return)		20.41%		20.41%		Divide federal income tax by the taxable
	Ontario Income Tax Rate (Must agree with tax return) ended Income Tax Rate		13.37% 33.77%		13.37% 33.77%		Divide Ontario income tax by the taxable
152	ondod modific Tax Nato		33.1176		33.11%		
153 Sect	tion F: Income and Capital Taxes						
154	DAD.						
155 REC	CAP al Income Taxes	+	531,984	16,108	515,876		
	ario Capital Tax	+	84,285	10,100	84,285		
158 Fede	eral Large Corporations Tax	+	0		0		
159	A.P		040.000	10.100	200.424		
160 To	otal income and capital taxes	=	616,269	16,108	600,161		
101		1			<u> </u>	<u> </u>	

	A	В	С	D	Е	F
1	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	•
	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Halton Hills					
8	Reporting period: 2005					
9						
	TAX RESERVES					
11						
	Beginning of Year:					
13	20(1)(1)		/		0	
	Reserve for doubtful accounts ss. 20(1)(I)		70,004		70,004	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e) Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
20	Other - Flease describe				0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		70,004	0	70,004	
23	1 Otal (Sally lorward to the TAXILO Worksheet)		70,004		70,004	
	End of Year:					
25	and or rour				0	
	Reserve for doubtful accounts ss. 20(1)(I)		0		0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37	ENLANGIAL OTATEMENT DEGERVES					
39	FINANCIAL STATEMENT RESERVES					
	Designing of Veer					
41	Beginning of Year:				0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts		0		0	
	Inventory obsolescence		U		0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
	End of Year:					
53					0	
54					0	
-	Environmental				0	
	Allowance for doubtful accounts		0		0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
61	Inpart line above this line				0	
	Insert line above this line Total (corn, forward to the TAXBEC worksheet)		0			
64	Total (carry forward to the TAXREC worksheet)		0	0	0	
04						

March 22, 2010 Tax Reserves

	А	В	С	D	E	F
1						
3	PILs TAXES - EB-2008-0381 TAX RETURN RECONCILIATION (TAXREC 2)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	Ellillillations	Return	
5	RATEPAYERS ONLY		Return		rtotam	
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Halton Hills					
9	Reporting period: 2005 Number of days in taxation year:	+	365			
	Materiality Level:		0			
12	materiality Level.		Ö			
13						
14	Continu C. Decembilistics of accounting income to toyable income					
	Section C: Reconciliation of accounting income to taxable income Add:					
17	Auu.	+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
28	Debt issue expense Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust Provision for bad debts	+			0	
37	Provision for bad debts	+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
44		+			0	
45		+			-	
46	Total Additions	=	0	0	0	
47						
48 49	Recap of Material Additions:		0	0	0	
50			0	0		
51			0	0		
52			0	0	0	
53			0	0		
54 55			0	0		
56			0	0		
57			0	0		
58			0	0	0	
59			0	0		
60			0	0		
61 62			0	0		
63			0	0		
64			0	0		
65			0	0		
66			0	0		
67 68			0	0		
69			0	0		
70			0	0		
71			0	0	0	
72			0	0		
73			0	0		
74			0	0	0	

	A	В	С	D	E	F
1						
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7	INCOME ALL THE LIPER					
8	Utility Name: Halton Hills					
	Reporting period: 2005		205			
11	Number of days in taxation year: Materiality Level:		365			
12	materiality Level:		U			
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	1 Otal / Idalia Office		U	- 0	U	
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661	-			0	
	Bad debts	-	36,467		36,467	
88	Book income of joint venture or partnership	-	,		0	
	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	Other deductions: (Please explain in detail the nature of the item)	-			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:		0	0	0	
102			0	0	0	
103 104			0	0	0	
104			0	0	0	
105			0	0	0	
	Bad debts		36,467	0	36,467	
108			0	0	0	
100			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	
	Total Deductions exceed materiality level		36,467	0	36,467	
120	Other deductions less than materiality level		0	0	0	
	Total Deductions		36,467	0	36,467	
122						

	A	В	С	D	E	F
1	Α	ь	C	<u> </u>		
2	PILs TAXES - EB-2008-0381					
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						
	Reporting period: 2005					
12	Number of days in taxation year:		365			
13	Tambo. o. dayo iii taxanon you.		000			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18	Describes of social cost ellowers				0	
20	Recapture of capital cost allowance CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	1,297		1,297	
	Deemed dividend income	+			0	-
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
	Non-deductible meals	+	5,787		5,787	
	Non-deductible club dues	+	,		0	
34	Non-deductible automobile costs	+			0	
	Donations - amount per books		325,000		325,000	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end Ontario capital tax adjustments				0	
39	Ontario Capitai tax adjustinents	+			0	
	Changes in Regulatory Asset balances	+	1,004,331		1,004,331	
41	Imputed interest expense on Regulatory Assets	+	1,001,001		0	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44		+			0	
45 46		+			0	
47	Total Additions on which true-up does not apply	+	1,336,415	0	1,336,415	
48	Total Additions on which true-up does not apply	_	1,550,415	0	1,330,413	
49	Deduct:					
50						
	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-	05.444		0	
	Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs	-	25,444		25,444	
	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-	325,000		325,000	
58	Income from joint ventures or partnerships	-	520,030		020,000	
59	· · ·	-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	-
61		-			0	
62	Changes in Regulatory Asset balances	-	1,004,331		1,004,331	
63 64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	-
70		-			0	
71		-			0	
72 73	Total Deductions on which true-up does not apply	-	1,354,775	0	0 1,354,775	
74	тотал реационоль от минен пие-ир цоез посаррту	-	1,334,775	U	1,304,775	
75						

March 22, 2010 TAXREC 3 No True-up

A	В	С	D	E	F
PILs TAXES - EB-2008-038					I
Corporate Tax Rates				٧	ersion 2009
Exemptions, Deductions, o Utility Name: Halton Hills	r Threshold	S			
Reporting period: 2005					
D					Table 1
Rates Used in 2005 RAM Pl Income Range	Ls Applicat	ons for 2005 0		400,001	
RAM 2005		to		400,001 to	>1,128,000
	Year	400,000		1,128,000	,,
Income Tax Rate					
Proxy Tax Year Federal (Includes surtax)	2005	13.12%		17.75%	22.12%
and Ontario blended		5.50%		9.75%	14.00%
Blended rate		18.62%		27.50%	36.12%
Capital Tax Rate		0.300%			
LCT rate Surtax		0.175% 1.12%			
Ontario Capital Tax	MAX				
Exemption **	\$7.5MM	7,500,000			
Federal Large	MAX				
Corporations Tax Exemption **	\$50MM	50,000,000			
**Exemption amounts	must agre	e with the l	Board-app	roved 2005	RAM
PILs filing	aot ag. c		Joana app	0100 2000	
					Table 2
Expected Income Tax Rate	s for 2005 a	nd Capital Ta	x Exemption	s for 2005	I able 2
Income Range		0	250,001	400,001	
Expected Rates	.,	to	to	to	>1,128,000
Income Tax Rate	Year	250,000	400,000	1,128,000	
Current year	2005				
Federal (Includes surtax)	2005	13.12%	22.12%	22.12%	22.12%
Ontario	2005	5.50%	5.50%	9.75%	14.00%
Blended rate	2005	18.62%	27.62%	31.87%	36.12%
Capital Tax Rate	2005	0.300%			
LCT rate	2005	0.200%			
Surtax	2005	1.12%			
Ontario Capital Tax	MAX	7,500,000			
Exemption *** 2005	\$7.5MM	.,000,000			
Federal Large Corporations Tax	MAX	50,000,000			
Exemption *** 2005	\$50MM	00,000,000			
***Allocation of exemp	tions mus	t comply w	ith the Boa	ard's instru	uctions
regarding regulated ac	tivities.				
					Table 3
Input Information from Utili	ty's Actual				
Income Range		0	250,001	400,001	>1,128,000
	Year	to 250,000	to 400,000	to 1,128,000	>1,120,000
Income Tax Rate			100,000	1,120,000	
Current year	2005				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario Blandad rata	-	5.50%	5.50%	14.00%	14.00%
Blended rate	1	18.62%	27.62%	36.12%	36.12%
Capital Tax Rate	1	0.300%			
LCT rate		0.200%			
		1.12%			
Surtax	. A/A V	6,955,928			
Surtax Ontario Capital Tax	MAX	0,955,926			
Surtax Ontario Capital Tax Exemption *	\$7.5MM	0,933,920			
Surtax Ontario Capital Tax Exemption * Federal Large	\$7.5MM MAX	45,995,000			
Surtax Ontario Capital Tax Exemption *	\$7.5MM				
Surtax Ontario Capital Tax Exemption * Federal Large Corporations Tax	\$7.5MM MAX \$50MM	45,995,000	ocation cal	culations i	n your

March 22, 2010 Tax Rates

_		_			_				-	17				
—	A	В	1 O	D E	F	G	Н	ı	J	K	L	M	N	0
1	PILs TAXES - EB-2008-0381	4500												
2	Analysis of PILs Tax Account	1562:												Version 2009.1
3	Utility Name: Halton Hills			010										
4	Reporting period: 2005			Sign Convention	on: +	for increase;	tor	decrease						0
5														
6														
/			40/4/0004	4/4/0000		4/4/0000		4/4/0004		4/4/0005		4/4/0000		
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
	Board-approved PILs tax	+/-	_											
12	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		_											
13	- input 9/12 of amount									622,986				622,986
	True-up Variance Adjustment	+/-												
14	Q4, 2001 (2)			747		0								747
	True-up Variance Adjustment	+/-												
15	(3)			0		-132,648		-232,231		-174,107		-119,901		-658,887
	Deferral Account Variance													
16	Adjustment Q4, 2001 (4)									0				0
	Deferral Account Variance	+/-												
17	Adjustment (5)			0		-5,088		-39,813		-82,248		0		-127,149
	Adjustments to reported	+/-												
18	prior years' variances (6)													0
19	Carrying charges (7)	+/-		4,029		4,526		-4,020		-9,100		-10,071		-14,636
	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]													

Uncollected PILs 26

24 25

36

37

56

57

64 65

67

68

70 71

72 73 74

75 76

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.

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

- 31 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.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 38 39 40 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 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 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 50 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 51 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. 52 53 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 54 55 (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
 - (7) Carrying charges are calculated on a simple interest basis.
- (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate 58 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 61 62 63 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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
 - (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.

PILs 1562 Calculation March 22, 2010