

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

November 11, 2010

Dear Ms. Walli

**Re: PowerStream Inc.–Barrie
Account 1562 Deferred PILs EB-2008-0381
Board Letter Dated November 4, 2010**

PowerStream has attached responses to the questions in the Board's letter of November 4, 2010 regarding the former Barrie Hydro Distribution Inc. Please find enclosed two (2) paper copies. This document has been filed on the Board's Regulatory Electronic Submission System (RESS) in PDF format.

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

Yours truly,

(Original signed by Tom Barrett)

Tom Barrett
Manager, Rate Applications

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

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

RESPONSE TO BOARD LETTER OF NOVEMBER 4, 2010

- 1) The Board requests each of the Applicants to provide answers to the following questions:
 - i) Has the Applicant been assessed for PILs for each tax year 2001 through 2005 by the Ministry of Finance Corporations Tax Branch? Please provide evidence to support the answer to this question, if it has not already been submitted as a response to an interrogatory in this proceeding.
 - ii) Has the Applicant received confirmation that the tax years 2001 through 2005 are now statute-barred? Please provide evidence to support this confirmation, or explain why the Applicant believes the tax years are not yet statute-barred. The Ontario Ministry of Finance Interpretation Bulletin 3009R is attached for reference purposes.

Response:

- i) Barrie Hydro Distribution Inc. ("Barrie Hydro") has been assessed PILS for each tax year 2001 through 2005. The notices of assessment are attached as Appendix 1.
- ii) Barrie Hydro has not received any confirmation from the Ontario Ministry of Finance regarding whether these tax years are statute-barred. Barrie Hydro understands tax years 2001 to 2004 to be statute-barred as it is a Canadian-controlled private corporation (CCPC) and more than four years has elapsed since the initial notice of assessment and no special circumstances exist that would extend this period. In regards to the 2005 tax year, the company amended this return and the notice of re-assessment is dated July 17, 2007. Barrie Hydro's understanding is that this tax year is not yet statute-barred.

- 2) The Board requests an explanation from Parties regarding the proposed complete settlement for Issue #4. The Parties agree that regulatory assets should be excluded from PILs calculations both when they are created, and when they are collected, regardless of the actual tax treatment accorded those amounts.

ENWIN, SEC and CCC have settled a grossed-up tax amount of \$3,394,854 with respect to Issue #4 that may not be part of the PILs Account 1562 methodology. On page 4 of ENWIN's Appendix to the proposed Settlement Agreement, ENWIN stated:

"Regulatory assets were included in the ENWIN PILs calculation, but as an indirect result when cost of service was once again introduced in 2006 a tax loss carryforward created by regulatory asset movements was credited in part to ratepayers in the calculation of rates."

The Board requests that the Parties to this settlement explain the relevance of ENWIN's 2006 electricity distribution rate application to the review of the tax periods 2001 through 2005, the regulatory basis for settlement, and reasons that support this settlement to be part of the PILs Account 1562 methodology.

Response:

Barrie Hydro has excluded regulatory asset amounts in both the calculation of the PILS amount for inclusion in rates and in completion of the SIMPILs models used to calculate amounts for recording in account 1562. This is in accordance with the main issue as settled by all parties.

Barrie Hydro was not involved in the settlement discussions between ENWIN, SEC and CCC on the special circumstances pertaining to ENWIN and its customers. Barrie Hydro and its customers are not affected by this settlement amount.

Barrie Hydro Distribution Inc.
EB-2008-0381
Responses to November 4, 2010 Board Letter
Filed November 11, 2010
Appendix 1

Notices of Assessment for Tax Years

2001 to 2005

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800047

35
PX5003

BARRIE HYDRO DISTRIBUTION INC.
CAROLYN YOUNG
55 PATTERSON RD
PO BOX 7000
BARRIE
L4M 4V8

ON

Remittance Advice - Payment-in-Lieu (PIL)*Electricity Act, 1998**Corporations Tax Act, R.S.O. 1990*

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

2	0	0	1	1	2	3	1												
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Payment Amount: \$

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Total Payment
Enclosed:

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Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

BARRIE HYDRO DISTRIBUTION INC.

Account No.

1800047Assessment Date
(year, month, day)

2002/09/23

Page

1 of 1

ASSESSMENT NO. 15

Tax: Federal and Provincial PIL

199,450.00

Assessment Interest

1,931.99CR

Total Assessment Liability

197,518.01

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

199,450.00CR

Sub-Total

199,450.00CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

1,931.99CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:

- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

Account No.	Assessment Date (year, month, day)	Page
1800047	2003/07/23	1 of 1

BARRIE HYDRO DISTRIBUTION INC.
ASSESSMENT NO. 49

Tax: Federal and Provincial PIL
Assessment Interest
Total Assessment Liability

831,384.00
3,545.74CR
827,838.26

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

885,841.71CR

Sub-Total

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

885,841.71CR
58,003.45CR

In accordance with s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

PX5003

Tax (Re)Assessment Enquiries:
• Toronto (416) 730-5585

Account Billing Enquiries & Change of Address Information:
• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 to 2003/12/31

Account No. **1800047** Assessment Date (year, month, day) **2004/06/22** Page **1 of 1**

BARRIE HYDRO DISTRIBUTION INC.
ASSESSMENT NO. 65

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

1,554,468.00
52,668.73CR
1,501,799.27

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

2,820,000.00CR

2,820,000.00CR
1,318,200.73CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

Debt: 1297.79
nbg: 1297.79
Total: 1297.79



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800047

35
PX5003

BARRIE HYDRO DISTRIBUTION INC.
C/O CAROLYN YOUNG
55 PATTERSON RD
PO BOX 7000
BARRIE
L4M 4V8

ON

Remittance Advice - Payment-in-Lieu (PIL)
Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

2	0	0	4	1	2	3	1
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Payment Amount: \$

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Total Payment Enclosed:

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Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 to 2004/12/31

BARRIE HYDRO DISTRIBUTION INC.
ASSESSMENT NO. 100

Account No.	Assessment Date (year, month, day)	Page
1800047	2005/07/19	1 of 1

Tax: Federal and Provincial PIL
Assessment Interest

3,841,211.00
10,519.46CR
3,830,691.54

Total Assessment Liability

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

4,454,470.00CR

Sub-Total

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

4,454,470.00CR
623,778.46CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/01/01 to 2005/12/31

	Account No.	Assessment Date (year, month, day)	Page
BARRIE HYDRO DISTRIBUTION INC.	1800047	2006/05/29	1 of 1
ASSESSMENT NO. 127			

Tax: Federal and Provincial PIL	4,571,511.00
Assessment Interest	<u>5,687.51</u>
Total Assessment Liability	4,577,198.51

SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	4,821,727.46CR	
Sub-Total		4,821,727.46CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		<u>244,528.95CR</u>

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

June 2006

*19161-Serv
393,230-Dist.
75,840*

*C. Young 6/6/6
QERC
#395,730
300,1297*

(Re)Assessment Enquiries:

Toronto (416) 730-5585
FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

• Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ext. 3036
• Toronto (416) 920-9048 ext. 3036 • FAX (905) 433-5197

0000005

002 PX5003

*Federal
revised 2,561,258
prov 2,005,504
4,566,762*