



July 6, 2011

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

Dear Ms. Walli,

Re: EB-2008-0381 Deferral Account 1562 – PILs Filing Pursuant to Board Decision dated June 24, 2011

As directed by the Board's Decision in proceeding EB-2008-0381, dated June 24, 2011, Halton Hills Hydro Inc. submits the final balance in account 1562 as at April 30, 2006, reflecting the Board's findings and including the adjustment in the Settlement Agreement dated September 30, 2010, and approved by the Board.

On page 27 of its Decision and Order, the Board states:

"Halton Hills filed updated models as part of its evidence... in order to reflect the Board's decision in this proceeding these distributors may have to use the models on which Halton Hills relied to prepare its most recent updates to evidence"

Halton Hills Hydro Inc. submits in Appendix A, a revised 2005 PILs model showing the \$270,000.00 reduction as approved in the Settlement Agreement. No other models previously submitted on March 22, 2010 have been revised. As such, Halton Hills Hydro Inc. has provided the following list with the previously submitted models, as found on the Board website.

<u>Title</u>	<u>Document Type</u>	<u>Date Issued</u>	<u>Date Received</u>
Halton_IRR_HH21_Revised_20100324	Interrogatory Response from Applicant		Wednesday, March 24, 2010
Halton_IRRAppA_PILs-2005_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppB_PILs-2003_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppB_PILs-2002_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppC_PILs-2003_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppC_PILs-2002_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppB_PILs-2005_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppA_PILs-2004_20100322	Interrogatories to Applicant	Tuesday, March 23, 2010	
Halton_IRRAppA_PILs-2003_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppA_PILs-2002_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRAppC_PILs-2004_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	
Halton_IRRS_20100322	Interrogatory Response from Applicant	Monday, March 22, 2010	

If you have any further questions or concerns, please contact the undersigned at (519) 853-3700 extension 208 or dsmelsky@haltonhillshydro.com.

Yours truly,



David J. Smelsky, CMA
Chief Financial Officer

Cc: Arthur A. Skidmore, CMA, President & CEO

Appendix A

	A	B	C	D	E
1	PILs TAXES - EB-2008-0381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	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					
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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	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	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,145,787	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			2,145,787	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			715,262	715,262
48	Amount allowed in 2002			715,262	715,262
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		94.00%	715262	672,347
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					
58	Return at target ROE			1,237,617	
59					
60	Debt			12,526,484	
61					
62	Deemed interest amount in 100% of MARR			908,170	
63					
64	Phase-in of interest - Year 1 (2001)			302,723	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			605,447	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			605,447	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			908,170	
71					
72					

A	B	C	D	E	F	G	H
1 PILs TAXES - EB-2008-0381	ITEM	Initial		M of F	M of F	Tax	
2 PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Version 2009.1	
6 Utility Name: Halton Hills							
7 Reporting period: 2005							
8							
9 Days in reporting period:	365	days				Column	
10 Total days in the calendar year:	365	days				Brought	
11						From	
12		\$		\$		TAXREC	
13						\$	
14 II CORPORATE INCOME TAXES							
15							
16 Regulatory Net Income REGINFO E53	1	2,211,524		248,572		2,460,096	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 Additions:							
20 Depreciation & Amortization	2	1,682,279		200,022		1,882,301	
21 Employee Benefit Plans - Accrued, Not Paid	3	15,448		13,772		29,220	
22 Tax reserves - beginning of year	4			70,004		70,004	
23 Reserves from financial statements - end of year	4			0		0	
24 Regulatory Adjustments - increase in income	5			0		0	
25 Other Additions (See Tab entitled "TAXREC")							
26 "Material" Items from "TAXREC" worksheet	6	52,983		-52,983		0	
27 Other Additions (not "Material") "TAXREC"	6			0		0	
28 "Material" Items from "TAXREC 2" worksheet	6			0		0	
29 Other Additions (not "Material") "TAXREC 2"	6			0		0	
30 Items on which true-up does not apply "TAXREC 3"				1,336,415		1,336,415	
31							
32 Deductions: Input positive numbers							
33 Capital Cost Allowance and CEC	7	1,562,567		91,111		1,653,678	
34 Employee Benefit Plans - Paid Amounts	8	13,548		3,172		16,720	
35 Items Capitalized for Regulatory Purposes	9	0		0		0	
36 Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37 Interest Expense Deemed/ Incurred	11	908,170		280,664		1,188,834	
38 Tax reserves - end of year	4			0		0	
39 Reserves from financial statements - beginning of year	4			0		0	
40 Contributions to deferred income plans	3			0		0	
41 Contributions to pension plans	3			0		0	
42 Interest capitalized for accounting but deducted for tax	11			0		0	
43 Other Deductions (See Tab entitled "TAXREC")							
44 "Material" Items from "TAXREC" worksheet	12	66,837		-66,837		0	
45 Other Deductions (not "Material") "TAXREC"	12	35,200		-35,200		0	
46 Material Items from "TAXREC 2" worksheet	12			36,467		36,467	
47 Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48 Items on which true-up does not apply "TAXREC 3"				1,354,775		1,354,775	
49							
50 TAXABLE INCOME/ (LOSS)		1,375,912		151,650	Before loss C/F	1,527,562	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1: Actual from Table 3	13	36.12%		-2.3488%		33.77%	
54							
55 REGULATORY INCOME TAX		496,979		18,896	Actual	515,876	
56							
57							
58 Miscellaneous Tax Credits	14			0	Actual	0	
59							
60 Total Regulatory Income Tax		496,979		18,896	Actual	515,876	
61							
62							
63 III CAPITAL TAXES							
64							
65 Ontario							
66 Base	15	25,052,968		9,997,986		35,050,954	
67 Less: Exemption - Tax Rates - Regulatory, Table 1: Actual, Table 3	16	7,500,000		-544,072		6,955,928	
68 Taxable Capital		17,552,968		9,453,914		28,095,026	
69							
70 Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71							
72 Ontario Capital Tax		52,659		31,626		84,285	
73							
74 Federal Large Corporations Tax							
75 Base	18	25,052,968		-25,052,968		0	
76 Less: Exemption - Tax Rates - Regulatory, Table 1: Actual, Table 3	19	50,000,000		4,005,000		45,995,000	
77 Taxable Capital		0		-29,057,968		0	
78							
79 Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80							
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82 Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83							
84 Net LCT		0		0		0	
85							
86 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	777,989			Actual 2005	515,876	
91 LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
92 Ontario Capital Tax (no gross-up since it is deductible)	24	52,659			Actual 2005	84,285	
93							
94							
95 Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	830,648			Actual 2005	600,161	
96 RAM DECISION							
97							
98							
99 IV) FUTURE TRUE-UPS							
100 IV a) Calculation of the True-up Variance				DR/(CR)			
101 In Additions:							
102 Employee Benefit Plans - Accrued, Not Paid	3			13,772			
103 Tax reserves deducted in prior year	4			70,004			
104 Reserves from financial statements-end of year	4			0			
105 Regulatory Adjustments	5			0			
106 Other additions "Material" Items TAXREC	6			-52,983			
107 Other additions "Material" Items TAXREC 2	6			0			
108 In Deductions - positive numbers							
109 Employee Benefit Plans - Paid Amounts	8			3,172			
110 Items Capitalized for Regulatory Purposes	9			0			
111 Regulatory Adjustments	10			0			
112 Interest Adjustment for tax purposes (See Below - cell I206)	11			280,664			
113 Tax reserves claimed in current year	4			0			
114 Reserves from F/S beginning of year	4			0			
115 Contributions to deferred income plans	3			0			
116 Contributions to pension plans	3			0			
117 Other deductions "Material" Items TAXREC	12			-66,837			
118 Other deductions "Material" Item TAXREC 2	12			36,467			
119							
120 Total TRUE-UPS before tax effect	26		=	-222,673			
121							
122 Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	35.00%			
123							

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-0381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	(*Wires-only* business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Halton Hills							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
124	Income Tax Effect on True-up adjustments			=	-77,936			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-77,936			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(119,901)			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,375,912			
137								
138	REVISED CORPORATE INCOME TAX RATE			X	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	496,979			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	496,979			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	496,979			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	Ontario Capital Tax							
151	Base			=	25,052,968			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	17,552,968			
154								
155	Rate - Tab Tax Rates cell C54			X	0.3000%			
156								
157	Revised Ontario Capital Tax			=	52,659			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	52,659			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base			=	25,052,968			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(24,947,032)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			=	0.2000%			
167								
168	Gross Amount			=	0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell H32)			+	(119,901)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(119,901)			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				908,170			
194	Interest phased-in (Cell C36)				605,447			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				302,724			
197								
198	Other Interest Variances (i.e. Borrowing Levels)							
199	Above Deemed Debt per Rate Handbook							
200								
201	Interest deducted on MoF filing (Cell K36+K41)				1,188,834			
202	Actual Interest Paid				908,170			
203								
204	Variance caused by excess debt				280,664			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell H12)				280,664			
207								
208	Total Interest Variance				22,060			
209								
210								
211								

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
6	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					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)						
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	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 expense and provision for income tax						
26							
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts						
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.						
29							
30	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		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							
56	Section C: Reconciliation of accounting income to taxable income						
57	From T2 Schedule 1						
58	BOOK TO TAX ADDITIONS:						
59	Provision for income tax	+	646,313	0	646,313		Does this include LCT?
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	1,884,106	1,805	1,882,301		
62	Employee benefit plans-accrued, not paid	+	29,220	0	29,220		
63	Tax reserves - beginning of year	+	70,004	0	70,004		
64	Reserves from financial statements- end of year	+	0	0	0		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	Items on which true-up does not apply "TAXREC 3"		1,336,415	0	1,336,415		
67	Material addition items from TAXREC 2	+	0	0	0		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	Subtotal		3,966,058	1,805	3,964,253		
71							
72	Other Additions: (Please explain the nature of the additions)						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital items expensed	+			0		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	0	0	0		
81							
82	Total Additions	=	3,966,058	1,805	3,964,253		
83							
84	Recap Material Additions:						
85			0	0	0		

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
86			0	0	0		
87			0	0	0		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	1,587,060		1,587,060		
98	Cumulative eligible capital deduction	-	66,618		66,618		
99	Employee benefit plans-paid amounts	-	16,720		16,720		
100	Items capitalized for regulatory purposes	-			0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	0	0	0		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	Items on which true-up does not apply "TAXREC 3"		1,354,775	0	1,354,775		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	36,467	0	36,467		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	3,061,640	0	3,061,640		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-			0		
117		-			0		
118					0		
119		-			0		
120	Total Other Deductions	=	0	0	0		
121							
122	Total Deductions	=	3,061,640	0	3,061,640		
123							
124	Recap Material Deductions:						
125			0	0	0		
126			0	0	0		
127			0	0	0		
128			0	0	0		
129			0	0	0		
130	Total Other Deductions exceed materiality level		0	0	0		
131	Other Deductions less than materiality level		0	0	0		
132	Total Other Deductions		0	0	0		
133							
134	TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	1,575,260	47,698	1,527,562		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	321,448	9,733	311,715		
143	Net Ontario Income Tax (Must agree with tax return)	+	210,536	6,375	204,161		
144	Subtotal	=	531,984	16,108	515,876		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		
146	Total Income Tax	=	531,984	16,108	515,876		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		20.41%		20.41%		Divide federal income tax by the taxable i
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.37%		13.37%		Divide Ontario income tax by the taxable i
151	Blended Income Tax Rate		33.77%		33.77%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	531,984	16,108	515,876		
157	Ontario Capital Tax	+	84,285		84,285		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	616,269	16,108	600,161		
161							

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-0381	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: 2005					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)		70,004		70,004	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	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)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	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	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	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		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	0	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	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: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	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: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per t/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-	36,467		36,467	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	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:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		36,467	0	36,467	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		36,467	0	36,467	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		36,467	0	36,467	
122						

	A	B	C	D	E	F
1						
2	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						
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	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	1,297		1,297	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	5,787		5,787	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		325,000		325,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	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		+			0	
47	Total Additions on which true-up does not apply	=	1,336,415	0	1,336,415	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	25,444		25,444	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-	325,000		325,000	
58	Income from joint ventures or partnerships	-			0	
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		-			0	
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		-			0	
73	Total Deductions on which true-up does not apply	=	1,354,775	0	1,354,775	
74						
75						

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

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-0381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Halton Hills														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		246,317		139,188		-112,822		-225,670		-602,260		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	246,317		899,961		1,146,278		961,540		224,990		276,883		3,755,969
13	PILs proxy from April 1, 2005 - input 9/12 of amount										622,986				622,986
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			747		0								747
15	True-up Variance Adjustment (3)	+/-			0		-132,648		-232,231		-174,107		-119,901		-658,887
16	Deferral Account Variance Adjustment Q4, 2001 (4)										0				0
17	Deferral Account Variance Adjustment (5)	+/-			0		-5,088		-39,813		-82,248		0		-127,149
18	Adjustments to reported prior years' variances (6)	+/-											270,000		270,000
19	Carrying charges (7)	+/-			4,029		4,526		-4,020		-9,100		-10,071		-14,636
20	PILs billed to (collected from) customers (8)	-	0		-1,011,866		-1,265,078		-798,324		-959,111		-232,679		-4,267,058
21															
22	Ending balance: # 1562		246,317		139,188		-112,822		-225,670		-602,260		-418,028		-418,028
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
29															
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.														
34															
35															
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
43															
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
46															
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
49															
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
59															
60															
61															
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
64															
65															
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
68															
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.														
71															
72															
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.														
75															
76															
77															