	A	B	C	D	E
1	**PILs TAXES**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Niagara-on-the-Lake Hydro Inc.**			Colour Code	
4	**Reporting period: 2001**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	91.25	days	**2001 RAM approval was based on 1/4 of year. Cell B6 here is adjusted to match 2001 RAM decision**	
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		
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	12-31-2001	
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)			13,859,589	
33	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			1,187,074	
43	1999 return from RUD Sheet #7			591,755	591,755
45	Total Incremental revenue			595,319	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			198,440	198,440
48	Amount allowed in 2002			198,440	0
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			198,440	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**				790,195
55					
56	Equity			6,929,795	
57					
58	Return at target ROE			684,664	
59					
60	Debt			6,929,795	
61					
62	Deemed interest amount in 100% of MARR			502,410	
63					
64	Phase-in of interest - Year 1 (2001)			334,437	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			418,424	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			418,424	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			502,410	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**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)				G-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Niagara-on-the-Lake Hydro Inc.**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	91.25	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	197,549		-275,279		-77,730	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	172,345		68,772		241,117	
21	Employee Benefit Plans - Accrued, Not Paid	3			4,644		4,644	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			194,077		194,077	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			12,379		12,379	
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"**				0		0	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	99,052		182,635		281,687	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
37	Interest Expense Deemed/ Incurred	11	83,609		48,129		131,738	
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			38,508		38,508	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
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)		187,232		(264,678)		(77,446)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-40.6200%		0.00%	
54								
55	REGULATORY INCOME TAX		76,054		-76,054		0	
56								
57								
58	Miscellaneous Tax Credits	14			0		0	
59								
60	**Total Regulatory Income Tax**		76,054		-76,054		0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	13,859,589		546,739		14,406,328	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-69,979		4,930,021	
68	Taxable Capital		8,859,589		476,760		9,476,307	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		6,645		463		7,107	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	13,859,589		236,591		14,096,180	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-13,585		9,986,415	
77	Taxable Capital		3,859,589		223,006		4,109,765	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		2,171		141		2,312	
82	Less: Federal Surtax 1.12% x Taxable Income	21	2,097		-2,097		0	
83								
84	Net LCT		74		2,238		2,312	
85								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	125,709			**Actual 2001**	0	
91	LCT (proxy tax is grossed-up)	23	122			**Actual 2001**	2,507	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	6,645			**Actual 2001**	6,931	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2001***	25	132,476			**Actual 2001**	9,438	
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			4,644			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			194,077			
106	Other additions "Material" Items TAXREC	6			12,379			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			38,508			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	172,592			
121								
122	Income Tax Rate (excluding surtax) from2001 Utility's tax returr			x	30.75%			
123								
124	Income Tax Effect on True-up adjustments			=	53,072			

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**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)				G-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Niagara-on-the-Lake Hydro Inc.**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	91.25	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				53,072			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				39.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				87,722			
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)			=	187,232			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	40.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	76,054			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	76,054			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	76,054			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	**Ontario Capital Tax**							
151	Base			=	13,859,589			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	8,859,589			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	6,645			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	6,645			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				13,859,589			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	3,859,589			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				2,171			
169	Less: Federal surtax			-	2,097			
170	Revised Net LCT			=	74			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	74			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				30.75%			
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 I132)**			+	87,722			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	87,722			
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)				502,410			
194	Interest phased-in (Cell C37)				334,437			
195								
196	Variance due to phase-in of debt component of MARR in rates				167,973			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell G36+G41)				131,738			
202	Total deemed interest (REGINFO CELL D61)				502,410			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I112)**				0			
207								
208	**Total Interest Variance**				167,973			
209								
210								
211								

	A	B	C	D	E	F
1	**PILs TAXES**	**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: Niagara-on-the-Lake Hydro Inc.**					
8	**Reporting period: 2001**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		91.25	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	+	3,629,273		3,629,273	
32	Distribution Revenue	+			0	
33	Other Income	+	-18,620		-18,620	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	2,969,026		2,969,026	
40	Administration	-	136,372		136,372	
41	Customer billing and collecting	-	163,048		163,048	
42	Operations and maintenance	-	178,820		178,820	
43	Amortization	-	241,117		241,117	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	-77,730	0	-77,730	
51	Less: Interest expense for accounting purposes	-	131,738		131,738	
52	Provision for payments in lieu of income taxes	-			0	
53	**Net Income (loss)**	=	-209,468	0	-209,468	
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	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	241,117	0	241,117	
62	Employee benefit plans-accrued, not paid	+	4,644	0	4,644	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+	194,077		194,077	
66	***Items on which true-up does not apply "TAXREC 3"***		0	0	0	
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*		439,838	0	439,838	
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	NOTL Pre PIL period expenses written off	+	12,379		12,379	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	12,379	0	12,379	
81						
82	Total Additions	=	452,217	0	452,217	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	

	A	B	C	D	E	F
1	**PILs TAXES**	**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**	
87			0	0	0	
88	NOTL Pre PIL period expenses written off		12,379	0	12,379	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		12,379	0	12,379	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		12,379	0	12,379	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	281,266		281,266	
98	Cumulative eligible capital deduction	-	421		421	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*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"***		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	281,687	0	281,687	
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	NOTL Deduct non-capital additions to transition costs		30,508		30,508	
119	NOTL Deduct provincial capital tax	-	8,000		8,000	
120	*Total Other Deductions*	=	38,508	0	38,508	
121						
122	Total Deductions	=	320,195	0	320,195	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			30,508	0	30,508	
129	NOTL Deduct provincial capital tax		8,000	0	8,000	
130	*Total Other Deductions exceed materiality level*		38,508	0	38,508	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		38,508	0	38,508	
133						
134	TAXABLE INCOME	=	-77,446	0	-77,446	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(77,446)	0	(77,446)	
140						
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%		0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP FROM ABOVE:**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	6,931		6,931	
158	Federal Large Corporations Tax	+	2,507		2,507	
159						
160	**Total income and capital taxes**	=	9,438	0	9,438	
161						

	A	B	C	D	E	F
1	**PILs TAXES**	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: Niagara-on-the-Lake Hydro Inc.**					
8	**Reporting period: 2001**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**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	
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	
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**	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: Niagara-on-the-Lake Hydro Inc.**					
9	**Reporting period: 2001**					
10	**Number of days in taxation year:**		91.25			
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		+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES**	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: Niagara-on-the-Lake Hydro Inc.**					
9	**Reporting period: 2001**					
10	**Number of days in taxation year:**		91.25			
11	**Materiality Level:**		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
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		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
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			0	0	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		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES**					
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: Niagara-on-the-Lake Hydro Inc.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2001**					
12	**Number of days in taxation year:**		91.25			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**	+				
36	Interest and penalties on unpaid taxes	+				
37	Management bonuses unpaid after 180 days of year end	+				
38	**Ontario Capital Tax per books**	+				
39		+			0	
40	**Changes in Regulatory Asset balances**	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Capital contributions - s.12(1)(x)	+			0	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	0	0	0	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	**Ontario Capital Tax per tax return**	-			0	
61		-			0	
62	**Changes in Regulatory Asset balances**	-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69	Capital contributions s.13(7.4) Election	-			0	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	**PILs TAXES**									
2	**Corporate Tax Rates**					**Version 2009.1**				
3	**Exemptions, Deductions, or Thresholds**									
4	**Utility Name: Niagara-on-the-Lake Hydro Inc.**									
5	**Reporting period: 2001**									
6										
7						**Table 1**				
8	**Rates Used in 2002 RAM PILs Applications for 2001 Q4**									
9	**Income Range**		**0**		**50,000**					
10	**RAM 2002**		**to**		**to**	**>175,000**				
11		**Year**	**50,000**		**175,000**					
12	**Income Tax Rate**									
13	***Proxy Tax Year***	***2002***								
14	***Federal (Includes surtax)***		13.12%		28.12%	28.12%				
15	***and Ontario blended***		6.00%		6.00%	12.50%				
16	***Blended rate***		19.12%		34.12%	40.62%				
17										
18	**Capital Tax Rate**		0.300%							
19	**LCT rate**		0.225%							
20	**Surtax**		1.12%							
21	**Ontario Capital Tax Exemption ****	**MAX $5MM**	5,000,000							
22	**Federal Large Corporations Tax Exemption ****	**MAX $10MM**	10,000,000							
23	****Exemption amounts must agree with the Board-approved 2001 RAM PILs filing**									
24										
25						**Table 2**				
26	**Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001**									
27	**Income Range**		**0**		**50,000**					
28	**Expected Rates**		**to**		**to**	**>175,000**				
29		**Year**	**50,000**		**175,000**					
30	**Income Tax Rate**									
31	***Current year***	***2001***								
32	***Federal (Includes surtax)***	***2001***	13.12%		28.12%	28.12%				
33	***Ontario***	***2001***	6.00%		6.00%	12.50%				
34	***Blended rate***	***2001***	19.12%		34.12%	40.62%				
35										
36	**Capital Tax Rate**	***2001***	0.300%							
37	**LCT rate**	***2001***	0.225%							
38	**Surtax**	***2001***	1.12%							
39	**Ontario Capital Tax Exemption *** 2001**	**MAX $5MM**	5,000,000							
40	**Federal Large Corporations Tax Exemption *** 2001**	**MAX $10MM**	10,000,000							
41	*****Allocation of exemptions must comply with the Board's**									
42	**instructions regarding regulated activities.**									
43						**Table 3**				
44	**Input Information from Utility's Actual 2001 Tax Returns**									
45	**Income Range**		**0**		**50,000**					
46			**to**		**to**	**>175,000**				
47		**Year**	**50,000**		**175,000**					
48	**Income Tax Rate**									
49	***Current year***	***2001***								
50	***Federal (Includes surtax)***		13.12%		22.12%	28.12%				
51	***Ontario***		6.00%		9.75%	12.50%				
52	***Blended rate***		19.12%		31.87%	40.62%				
53										
54	**Capital Tax Rate**		0.300%							
55	**LCT rate**		0.225%							
56	**Surtax**		1.12%							
57	**Ontario Capital Tax Exemption ***	**MAX $5MM**	4,930,021							
58	**Federal Large Corporations Tax Exemption ***	**MAX $10MM**	9,986,415							
59	*** Include copies of the actual tax return allocation calculations in**									
60	**your submission: Ontario CT23 page 11; federal T2 Schedule 36**									
61										

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**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)				G-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Niagara-on-the-Lake Hydro Inc**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period**:	91.25	days				**Brought**	
10	**Total days in the calendar year**:	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	197,549		-275,279		-77,730	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	172,345		68,772		241,117	
21	Employee Benefit Plans - Accrued, Not Paid	3	0		4,644		4,644	
22	Tax reserves - beginning of year	4	0		0		0	
23	Reserves from financial statements - end of year	4	0		0		0	
24	Regulatory Adjustments - increase in income	5	0		194,077		194,077	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6	0		12,379		12,379	
27	Other Additions (not "Material") "TAXREC"	6	0		0		0	
28	"Material Items from "TAXREC 2" worksheet	6	0		0		0	
29	Other Additions (not "Material") "TAXREC 2"	6	0		0		0	
30	**Items on which true-up does not apply "TAXREC 3**				0		0	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	99,052		182,635		281,687	
34	Employee Benefit Plans - Paid Amounts	8	0		0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
37	Interest Expense Deemed/ Incurred	11	83,609		48,129		131,738	
38	Tax reserves - end of year	4	0		0		0	
39	Reserves from financial statements - beginning of year	4	0		0		0	
40	Contributions to deferred income plans	3	0		0		0	
41	Contributions to pension plans	3	0		0		0	
42	Interest capitalized for accounting but deducted for tax	11	0		0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12	0		38,508		38,508	
45	Other Deductions (not "Material") "TAXREC"	12	0		0		0	
46	Material Items from "TAXREC 2" worksheet	12	0		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12	0		0		0	
48	**Items on which true-up does not apply "TAXREC 3**				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		187,232		(264,678)	Before loss C/F	(77,446)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-40.6200%		0.00%	
54								
55	REGULATORY INCOME TAX		76,054		-76,054	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14	0		0	Actual	0	
59								
60	**Total Regulatory Income Tax**		76,054		-76,054	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	13,859,589		546,739		14,406,328	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-69,979		4,930,021	
68	Taxable Capital		8,859,589		476,760		9,476,307	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		6,645		463	**Overpaid**	7,107	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	13,859,589		236,591		14,096,180	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-13,585		9,986,415	
77	Taxable Capital		3,859,589		223,006		4,109,765	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		2,171		141		2,312	
82	Less: Federal Surtax 1.12% x Taxable Income	21	2,097		-2,097		0	
83								
84	Net LCT		74		2,238		2,312	
85								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	125,709			**Actual 2001**	0	
91	LCT (proxy tax is grossed-up)	23	122			**Actual 2001**	2,507	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	6,645			**Actual 2001**	6,931	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2001***	25	132,476			**Actual 2001**	9,438	
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			4,644			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			194,077			
106	Other additions "Material" Items TAXREC	6			12,379			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			38,508			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	172,592			
121								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**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)				G-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Niagara-on-the-Lake Hydro Inc**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	91.25	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
122	Income Tax Rate (excluding surtax) from 2001 Utility's tax returr			x	30.75%			
123								
124	Income Tax Effect on True-up adjustments			=	53,072			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				53,072			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				39.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				87,722			
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)			=	187,232			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	40.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	76,054			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	76,054			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cel C60)			-	76,054			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	**Ontario Capital Tax**							
151	Base			=	13,859,589			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	8,859,589			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	6,645			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	6,645			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				13,859,589			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	3,859,589			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				2,171			
169	Less: Federal surtax			-	2,097			
170	Revised Net LCT			=	74			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	74			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				30.75%			
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 I132)**			+	87,722			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	87,722			
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)				502,410			
194	Interest phased-in (Cell C37)				334,437	25% for Q4 2001		
195								
196	Variance due to phase-in of debt component of MARR in rates				167,973			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell G36+G41)				131,738			
202	Total deemed interest (REGINFO CELL D61)				502,410			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I112**				0			
207								
208	**Total Interest Variance**				167,973			
209								
210								
211								

	A	B	C	D	E	F	G	H	I	J
1	**PILs TAXES**									
2	**Corporate Tax Rates**					**Version 2009.1**				
3	**Exemptions, Deductions, or Thresholds**									
4	**Utility Name: Niagara-on-the-Lake Hydro Inc.**									
5	**Reporting period: 2001**									
6										
7						**Table 1**				
8	**Rates Used in 2002 RAM PILs Applications for 2001 Q4**									
9	**Income Range**		**0**		**50,000**					
10	**RAM 2002**		**to**		**to**	**>175,000**				
11		**Year**	**50,000**		**175,000**					
12	**Income Tax Rate**									
13	***Proxy Tax Year***	***2002***								
14	***Federal (Includes surtax)***		13.12%		28.12%	28.12%				
15	***and Ontario blended***		6.00%		6.00%	12.50%				
16	***Blended rate***		19.12%		34.12%	40.62%				
17										
18	**Capital Tax Rate**		0.300%							
19	**LCT rate**		0.225%							
20	**Surtax**		1.12%							
21	**Ontario Capital Tax Exemption ****	**MAX $5MM**	5,000,000							
22	**Federal Large Corporations Tax Exemption ****	**MAX $10MM**	10,000,000							
23	****Exemption amounts must agree with the Board-approved 2001 RAM PILs filing**									
24										
25						**Table 2**				
26	**Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002**									
27	**Income Range**		**0**		**50,000**					
28	**Expected Rates**		**to**		**to**	**>175,000**				
29		**Year**	**50,000**		**175,000**					
30	**Income Tax Rate**									
31	***Current year***	***2002***								
32	***Federal (Includes surtax)***	***2002***	13.12%		28.12%	26.12%				
33	***Ontario***	***2002***	6.00%		6.00%	12.50%				
34	***Blended rate***	***2002***	19.12%		34.12%	38.62%				
35										
36	**Capital Tax Rate**	***2002***	0.300%							
37	**LCT rate**	***2002***	0.225%							
38	**Surtax**	***2002***	1.12%							
39	**Ontario Capital Tax Exemption *** 2001**	**MAX $5MM**	5,000,000							
40	**Federal Large Corporations Tax Exemption *** 2001**	**MAX $10MM**	10,000,000							
41	*****Allocation of exemptions must comply with the Board's**									
42	**instructions regarding regulated activities.**									
43						**Table 3**				
44	**Input Information from Utility's Actual 2001 Tax Returns**									
45	**Income Range**		**0**		**50,000**					
46			**to**		**to**	**>175,000**				
47		**Year**	**50,000**		**175,000**					
48	**Income Tax Rate**									
49	***Current year***	***2001***								
50	***Federal (Includes surtax)***		13.12%		22.12%	28.12%				
51	***Ontario***		6.00%		9.75%	12.50%				
52	***Blended rate***		19.12%		31.87%	40.62%				
53										
54	**Capital Tax Rate**		0.300%							
55	**LCT rate**		0.225%							
56	**Surtax**		1.12%							
57	**Ontario Capital Tax Exemption ***	**MAX $5MM**	4,930,021							
58	**Federal Large Corporations Tax Exemption ***	**MAX $10MM**	9,986,415							
59	*** Include copies of the actual tax return allocation calculations in**									
60	**your submission: Ontario CT23 page 11; federal T2 Schedule 36**									
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Niagara-on-the-Lake Hydro Inc.**														**Version 2009.1**
4	**Reporting period: 2001**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/01/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		04/30/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		0		0		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-					0		0		0		0		0
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**														0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-											87,722		87,722
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-											0		0
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-													0
20	**PILs billed to (collected from) customers (8)**	-	0												0
21															
22	**Ending balance: # 1562**		0		0		0		0		0		87,722		87,722
23															
24															
25															
26	**Uncollected PILs**														
27															
28	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	**Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 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	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															