

Glen A. Winn
14 Carlton St.
Toronto, Ontario
M5B 1K5

Telephone: 416.542.2517
Facsimile: 416.542.3024
regulatoryaffairs@torontohydro.com



November 7, 2011

via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge St, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited's ("THESL")
Application for 2012, 2013 and 2014 Electricity Distribution Rates
OEB File No. EB-2011-0144**

Further to THESL's letter and Application dated August 26, 2011, enclosed is Exhibit P3, its additional evidence detailing the proposed ratemaking treatment of the transfer of certain streetlighting assets to THESL pursuant to the August 3, 2011 OEB Final Decision in the EB-2009-0180 to -0183 proceeding.

Also enclosed is an updated Exhibit N1, Tab 1, Schedule 1, Other Regulated Charges, specifically the section on Meter-Only Rates and Charges. This evidence was introduced by THESL during the EB-2010-0142 Motion Hearing; however, the Board ruled that it was not an issue for that proceeding and was in fact new evidence. THESL hereby submits this updated evidence.

Please direct any questions or comments to my attention.

Yours truly,

[original signed by]

Glen A. Winn
Manager, Regulatory Applications & Compliance

.encl

:GAW/acc

cc: J. Mark Rodger, Counsel for THESL
Intervenors of Record for EB-2011-0144

**INCORPORATION OF FORMER STREETLIGHTING ASSETS
INTO THESL**

INTRODUCTION

On June 15, 2009, Toronto Hydro filed an application with the Board, seeking to transfer, through a series of transactions, certain assets from its unregulated affiliate, Toronto Hydro Energy Services Inc. (“THESI”) into THESL (EB-2009-0181/0182/0183). In its decisions of February 11, 2010, the Board permitted the transfer of a limited set of assets, and in a further decision on August 3, 2011 made a final determination of the allowable transfer timing and transfer value.

In accordance with those decisions, and in anticipation of a legal transfer execution date of January 1, 2012, THESL hereby applies to the Board for approval of the rate base and incremental revenue requirement consequences of the transfer.

The incremental revenue requirement is allocated solely to the StreetLighting and USL classes, and results in an incremental rate increase of approximately 3-4% for the Streetlighting and USL classes.

TRANSFER PRICE

In its August 3, 2011 decision, the Board found that a transfer price of \$28.938 million, as proposed by THESL, was appropriate for those assets deemed to be distribution assets in the February 11, 2010 Decision. However, the \$28.938 million transfer price was based on a forecast 2010 year-end value. As THESL is anticipating a transfer date of January 1, 2012, THESL proposes to use an updated lower transfer value of \$28.46 million, which is the current forecast 2011 year-end value. THESL submits that the allowed transfer value should match the NBV of the assets at the time of the transfer, and has therefore reduced this to account for accumulated depreciation during the course of 2011.

RATE BASE CALCULATIONS

Table 1 below details the calculation of the additions to Rate Base in each of the three rate years.

Table 1: Rate Base (\$ millions)

	2012	2013	2014
Opening NBV	28.46	29.79	31.42
Addition to Fixed Assets	2.47	2.83	2.77
Less: Accumulated Depreciation	(1.14)	(1.20)	(1.27)
Closing NBV	29.79	31.42	32.92
Average NBV	29.13	30.61	32.17
Working Capital Allowance	0.59	0.59	0.59
Incremental Rate Base	29.72	31.20	32.76

The opening NBV of the transferred assets is adjusted in each of the three rate years by capital investments to replace aging and damaged poles, as well as the continuing depreciation of existing assets.

CAPITAL PROGRAM

The capital work associated with the transferred street lighting assets is mostly corrective and reactive in nature. The primary purpose is to make spot improvements to improve reliability and mitigate safety risks caused by aging and damaged poles and conductors.

Distribution pole replacements are performed as necessary, either due to poor condition resulting from age and exposure to the elements, or from damage caused by a third party. Typically, the scope of replacement involves removing the old pole and any damaged or degraded components, such as wiring and fusing. If required, crews will also restore the surrounding surface grade with a temporary asphalt patch. If any concrete cutting is required to excavate the pole or wiring, THESL will be billed for cut repairs at a later date.

Based on THESL's records, THESL is inheriting approximately 675 poles which are in poor condition and will require replacement in the near future. This is in addition to the poles which are damaged throughout the year due to vehicle collisions and other means.

Table 2 below details the breakdown of the capital additions required to repair and replace the transferred assets in each of the three rate years.

Table 2: Transferred Assets Capital Budget (\$ millions)

	2012	2013	2014
Replacement of Damaged Poles	2.4	2.7	2.7
Cut Repairs	0.1	0.1	0.1
TOTAL	2.5	2.8	2.8

OPERATING AND MAINTENANCE COSTS

There are two planned maintenance programs associated with the transferred assets, which are described in detail below:

Corrective Maintenance

Corrective Maintenance involves work required to repair or replace failed assets.

Typically, these assets fail due to a combination of age, condition, and environment, or due to damage caused by third parties. Corrective Maintenance work includes:

- Temporary repair of underground cable faults. When a section of bus cable fails, the consequences include service disruptions and possible contact voltage. Failures can occur due to the condition of the cable or as a result of dig-ins by third party contractors. In order to quickly and safely restore service, crews will isolate the damaged cable at the nearest possible location, then install a temporary overhead jumper from one pole to the next to bypass the fault and restore electrical continuity. THESL installs approximately 300 temporary jumpers each year.
- Downed overhead lines. Lines can fall due to weather, tree contacts or third party contacts. They present an obvious and immediate shock hazard, in addition to disrupting service. Crews respond by clearing the downed lines and restringing the wires.
- Spot tree trimming. Tree trimming is occasionally required to reduce the chances of damage to overhead lines.
- Pole damage. Common examples include damaged foundations or decorative bases, cracking, leaning, or missing cover plates. Damage to structural components presents a risk to service reliability and public safety. Missing cover plates expose wires, which can result in a shock hazard or prematurely age the cable insulation.

Ongoing corrective maintenance is critical to ensuring that the transferred assets are capable of delivering reliable service, and minimizing any possible risks to public safety.

Repair of Temporary Overhead Jumpers

In cases of failed underground cable buses, THESL often installs a temporary overhead jumper to bypass the faulted section of cable. As noted earlier, this practice is employed to restore service and eliminate any immediate safety hazards in a timely manner. While the installations are considered adequate as temporary repairs, they are not intended or designed to be permanent. As a result, if they are not replaced by permanent repairs, they can, over time, present an increased risk to service reliability and public safety.

Permanent repairs of failed underground cable buses require the fault to be located, exposed, repaired and the surface grade restored. Through inspections THESL has identified a backlog of more than 1400 temporary overhead jumpers existing on the transferred assets. This program is required to make permanent repairs to each of these circuits. The jumpers are located all throughout THESL's service area, with particularly high concentrations in north Scarborough and pockets of Etobicoke.

Table 3 below details the required budget to maintain, manage, and repair the transferred assets during each of the three rate years.

Table 3: Transferred Assets Maintenance Budget (\$ millions)

	2012	2013	2014
Corrective Maintenance	1.9	1.9	1.8
Repair of Temporary Overhead Jumpers	0.3	0.3	0.3
TOTAL	2.2	2.2	2.1

REVENUE REQUIREMENT CALCULATIONS

For convenience, THESL has detailed the revenue requirement consequences of the transfer for each of the three rate years 2012-2014 through two separate calculations; the base transfer of assets which produces no revenue requirement impact, and a complete revenue requirement calculation which accounts for the entirety of the required maintenance program for the transferred assets.

Under existing agreements between THESI and the City of Toronto, THESI receives service fees for the maintenance and operation of the street lighting assets. Given the pending transfer of a portion of these assets into THESL as distribution assets, THESL proposes to allocate a portion of the revenue it will receive to offset the revenue requirement impacts arising from the transfer. THESL has allocated revenue from this contract in direct proportion to the value of assets to be transferred into the utility (i.e. 45.6% of the total). This results in projected revenue offsets of \$7.02, \$7.21, and \$7.41 million in each of the three rates years, respectively.

For the purposes of the base transfer calculation, THESL has artificially adjusted (downward) its maintenance expenses related to the transferred assets such that its revenue requirement will remained unaffected, as shown below in Table 4.

1 **Table 4: Revenue Requirement Impacts – Base Transfer Case (\$ millions)**

	2012	2013	2014
OM&A			
Maintenance	1.63	1.62	1.57
Administration	1.35	1.39	1.43
Other	0.19	0.20	0.23
Total OM&A	3.17	3.21	3.23
Cost of Capital	2.05	2.10	2.22
Depreciation Expense	1.14	1.20	1.27
PILS	0.69	0.65	0.64
Service Revenue Requirements	7.05	7.16	7.36
Contract Revenue	7.02	7.21	7.41
Revenue Requirement	0.0	0.0	0.0

2 However, as noted earlier, the transferred assets require supporting maintenance budgets
3 in excess of an unchanged revenue requirement. Table 5 below details the revenue
4 requirement calculation which accounts for a complete maintenance program.

5
6 **Table 5: Revenue Requirement Impacts (\$ millions)**

	2012	2013	2014
OM&A			
Maintenance	2.17	2.16	2.09
Administration	1.35	1.39	1.43
Other	0.26	0.26	0.31
Total OM&A	3.78	3.81	3.83
Cost of Capital	2.05	2.10	2.22
Depreciation Expense	1.14	1.20	1.27
PILS	0.69	0.65	0.64
Service Revenue Requirements	7.66	7.76	7.96
Contract Revenue	7.02	7.21	7.41
Revenue Requirement	0.64	0.55	0.56

1 Accounting for the full requirements of the program needed to maintain and service the
2 transferred assets results in an incremental revenue requirement increase of \$0.64, \$0.55,
3 and \$0.56 million in each of the three rate years.

4 5 **COST ALLOCATION AND RATE DESIGN**

6 For the purposes of Cost Allocation and Rate Design, THESL has allocated all of the
7 proposed incremental revenue requirement associated with the transfer of the
8 streetlighting assets to a combination of the Streetlighting rate class and the Unmetered
9 Scattered Load rate class. No other rate class is impacted by the transfer. This is the
10 same treatment as proposed by THESL in the EB-2009-0181/0182/0183 hearing.

11
12 Between the two classes – Streetlighting and USL – the additional costs related to the
13 transfer were allocated 95%/5% to these classes respectively. USL attracts some of the
14 costs as the assets being transferred have in some cases served USL loads. THESL's best
15 estimate, based on informed judgment, is that 5% is a reasonable allocation to this class.

16
17 The revenue offset of approximately \$7 million in each year is however allocated 100%
18 to the Streetlighting class. Since the revenue offset is based on the contract with the city
19 to service the streetlighting assets, this is an appropriate allocation.

20
21 The resulting Rates and Revenue to Cost ratios, as compared to the Rates and Revenue to
22 Cost Ratios filed previously, are summarized in Tables 6 and 7 below.

1 **Table 6: Proposed Rates**

	2011	2012			2013			2014		
	Approved	Aug 26 Filing	Current Proposed	% Change	Aug 26 Filing	Current Proposed	% Change	Aug 26 Filing	Current Proposed	% Change
Streetlighting										
Connection Charge (\$/connection/30 days)	1.3	1.43	1.48	3.5	1.6	1.65	3.1	1.78	1.83	2.8
Volumetric Charge (\$/kVA/30 days)	28.7248	31.5394	32.7436	3.8	35.3303	36.3576	2.9	39.3692	40.4247	2.7
Unmetered Scattered Load										
Service Charge (\$/30 days)	4.84	5.3	5.5	3.8	5.79	5.96	2.9	6.39	6.56	2.7
Connection Charge (\$/connection/30 days)	0.49	0.54	0.56	3.7	0.59	0.61	3.4	0.65	0.67	3.1
Volumetric Charge (\$/kWh)	0.0607	0.06645	0.06891	3.7	0.07258	0.07472	2.9	0.08014	0.0823	2.7

2 **Table 7: Revenue-to-Cost Ratios**

Rate Class	2011	2012		2013		2014	
	Board Approved	Aug 26 Filing	Current Proposed	Aug 26 Filing	Current Proposed	Aug 26 Filing	Current Proposed
Residential	88.7	89.8	89.8	91.1	91.1	93.3	93.3
General Service <50kW	97.5	93.2	93.2	92.5	92.5	92.0	92.0
General Service 50-999kW	117.8	117.7	117.7	117.1	117.1	114.5	114.5
Intermediate 1000-4999kW	124.1	119.4	119.4	114.9	114.9	110.4	110.4
Large Use	115.0	114.6	114.6	108.5	108.5	102.8	102.8
Streetlighting	71.4	74.7	83.5	76.8	84.7	77.9	85.1
Unmetered Scattered load	82.5	119.1	105.8	118.6	105.7	119.5	107.1

1 Complete updated Bill Impact Tables for the Streetlighting and USL classes are provided
2 in Appendix A.

3
4 **UPDATES TO PRE-FILED EVIDENCE**

5 THESL's planned integration of the transferred assets and corresponding changes to rate
6 base and revenue requirement have affected a number of tables within THESL's August
7 26, 2011 pre-filed evidence. For convenience, THESL has reproduced updated versions
8 of the affected exhibits, which have been attached as Appendices B-1 through B-7, and
9 C-1 through C-6.

Table 1: Street Lighting, 2012

Street Lighting	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Connection Charge	162,353	1.30	211,059.44	162,353	1.48	240,283.06	29,223.61	13.8%
Distribution	25,755	28.7248	739,807.22	25,755.00	32.7436	843,311.42	103,504.19	14.0%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
Regulatory Assets - 2011/12 Rate Rider	25,755	(0.7499)	(19,313.67)	25,755.00	(0.3015)	(7,765.13)	11,548.54	-59.8%
Regulatory Assets - Global Adjustment - RPP	-	-	-	9,271,747.50	0.00139	12,887.73	12,887.73	n/a
Regulatory Assets - 2011 Rate Rider	25,755.00	(0.18680)	(4,811.03)	-	-	-	4,811.03	-100.0%
Contact Voltage	162,353	0.92	149,365.14	162,353	0.92	149,365.14	-	0.0%
Late Payment Penalty	162,353	0.04	6,494.14	162,353	0.04	6,494.14	-	0.0%
Foregone Revenue Rate Rider - fixed rate	162,353	(0.01)	(1,623.53)	-	-	-	1,623.53	-100.0%
Foregone Revenue Rate Rider - variable rate	25,755.00	(0.16580)	(4,270.18)	-	-	-	4,270.18	-100.0%
Sub Total A - Distribution	1,076,707.52			1,244,576.81			167,869.29	15.6%
RTST - Network	25,755	2.1658	55,780.18	25,755.00	2.21850	57,137.47	1,357.29	2.4%
RTSR - Connection	25,755	2.1022	54,142.16	25,755.00	2.14740	55,306.29	1,164.13	2.2%
Sub Total B (including Sub-Total A) - Distribution	- 1,186,629.86			- 1,357,020.56			170,390.70	14.4%
Wholesale Market Rate	9,620,365	0.0052	50,025.90	9,620,365.21	0.00520	50,025.90	-	0.0%
RRRP	9,620,365	0.0013	12,506.47	9,620,365.21	0.00130	12,506.47	-	0.0%
DRC	9,271,748	0.0070	64,902.23	9,271,747.50	0.00700	64,902.23	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1.00	0.25000	0.25	-	0.0%
Special Purpose Charge	9,620,365	-	-	9620365.21	0.00000	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750.00	0.06800	51.00	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	9,619,615	0.079	759,949.60	9,619,615.21	0.07900	759,949.60	-	0.0%
Total Bill (including Sub-Total B)	2,074,065.32			2,244,456.02			170,390.70	8.2%
	kWh	Connections	kW	KVA	Hours Use	PF	Net/Conn	
Consumption Details	9,271,747.50	162,353	25,755	25,755.00	360	100%	100%	
Total Loss Factor	1.0376							

Table 2: Street Lighting, 2013

Street Lighting	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Connection Charge	162,353	1.48	240,283.06	162,353	1.65	267,883.14	27,600.08	11.5%
Distribution	25,755	32.7436	843,311.42	25,755.00	36.3576	936,389.99	93,078.57	11.0%
GEA Rate Rider	1	0.46	0.46	1	0.46	0.46	-	0.0%
Regulatory Assets - 2011/12 Rate Rider	25,755	(0.3015)	(7,765.13)	-	-	-	7,765.13	-100.0%
Regulatory Assets - Global Adjustment - RPP	9,271,748	0.00139	12,887.73	-	-	-	(12,887.73)	-100.0%
Regulatory Assets - 2011 Rate Rider	-	-	-	-	-	-	-	n/a
Contact Voltage	162,353	0.92	149,365.14	-	-	-	(149,365.14)	-100.0%
Late Payment Penalty	162,353	0.04	6,494.14	-	-	-	(6,494.14)	-100.0%
Foregone Revenue Rate Rider - fixed rate	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate	-	-	-	-	-	-	-	n/a
Sub Total A - Distribution			1,244,576.81			1,204,273.58	(40,303.23)	-3.2%
RTST - Network	25,755	2.2185	57,137.47	25,755.00	2.20420	56,769.17	(368.30)	-0.6%
RTSR - Connection	25,755	2.1474	55,306.29	25,755.00	2.13250	54,922.54	(383.75)	-0.7%
Sub Total B (including Sub-Total A) - Distribution		-	1,357,020.56		-	1,315,965.29	(41,055.27)	-3.0%
Wholesale Market Rate	9,620,365	0.0052	50,025.90	9,620,365.21	0.0052	50,025.90	-	0.0%
RRRP	9,620,365	0.0013	12,506.47	9,620,365.21	0.0013	12,506.47	-	0.0%
DRC	9,271,748	0.0070	64,902.23	9,271,747.50	0.0070	64,902.23	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1.00	0.25	0.25	-	0.0%
Special Purpose Charge	9,620,365	-	-	9620365.21	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750.00	0.068	51.00	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	9,619,615	0.079	759,949.60	9,619,615.21	0.079	759,949.60	-	0.0%
Total Bill (including Sub-Total B)			2,244,456.02			2,203,400.75	(41,055.27)	-1.8%
	kWh	Connections	kW	KVA	Hours Use	PF	Net/Conn	
Consumption Details	9,271,747.50	162,353	25,755	25,755.00	360	100%	100%	
Total Loss Factor	1.0376							

Table 3: Street Lighting, 2014

Street Lighting	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Connection Charge	162,353	1.65	267,883.14	162,353	1.83	297,106.75	29,223.61	10.9%
Distribution	25,755	36.3576	936,389.99	25,755.00	40.4247	1,041,138.15	104,748.16	11.2%
GEA Rate Rider	1	0.46	0.46	1	0.46	0.46	-	0.0%
Regulatory Assets - 2011/12 Rate Rider	-	-	-	-	-	-	-	n/a
Regulatory Assets - Global Adjustment - RPP	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011 Rate Rider	-	-	-	-	-	-	-	n/a
Contact Voltage	-	-	-	-	-	-	-	n/a
Late Payment Penalty	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - fixed rate	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate	-	-	-	-	-	-	-	n/a
Sub Total A - Distribution			1,204,273.58			1,338,245.36	133,971.78	11.1%
RTST - Network	25,755	2.2042	56,769.17	25,755.00	2.18750	56,339.06	(430.11)	-0.8%
RTSR - Connection	25,755	2.1325	54,922.54	25,755.00	2.11530	54,479.55	(442.99)	-0.8%
Sub Total B (including Sub-Total A) - Distribution		-	1,315,965.29		-	1,449,063.97	133,098.68	10.1%
Wholesale Market Rate	9,620,365	0.0052	50,025.90	9,620,365.21	0.0052	50,025.90	-	0.0%
RRRP	9,620,365	0.0013	12,506.47	9,620,365.21	0.0013	12,506.47	-	0.0%
DRC	9,271,748	0.0070	64,902.23	9,271,747.50	0.0070	64,902.23	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1.00	0.25	0.25	-	0.0%
Special Purpose Charge	9,620,365	-	-	9620365.21	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750.00	0.068	51.00	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	9,619,615	0.079	759,949.60	9,619,615.21	0.079	759,949.60	-	0.0%
Total Bill (including Sub-Total B)			2,203,400.75			2,336,499.43	133,098.68	6.0%
	kWh	Connections	kW	KVA	Hours Use	PF	Net/Conn	
Consumption Details	9,271,747.50	162,353	25,755	25,755.00	360	100%	100%	
Total Loss Factor	1.0376							

Table 4: USL, 2012

USL	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Service Charge (per 30 days)	1	4.84	4.84	1	5.50	5.50	0.66	13.6%
Connection Charge	1	0.49	0.49	1	0.56	0.56	0.07	14.3%
Distribution	365	0.06070	22.16	365	0.06891	25.15	3.00	13.5%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
LRAM Rider	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011/12 Rate Rider	365	(0.00197)	(0.72)	365	(0.00050)	(0.18)	0.54	-74.6%
Regulatory Assets - Global Adjustment - RPP	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011 Rate Rider	365	(0.00041)	(0.15)	-	-	-	0.15	-100.0%
Contact Voltage	1	1.51	1.51	-	-	-	(1.51)	-100.0%
Late Payment Penalty	1	0.09	0.09	1	0.09	0.09	-	0.0%
Foregone Revenue Rate Rider - fixed rate - customer	1	(0.03)	(0.03)	-	-	-	0.03	-100.0%
Foregone Revenue Rate Rider - variable rate - connection	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate	365	(0.00007)	(0.03)	-	-	-	0.03	-100.0%
Sub Total A - Distribution			28.16			31.58	3.42	12.1%
RTST - Network	379	0.00428	1.62	379	0.00474	1.80	0.17	10.7%
RTSR - Connection	379	0.00324	1.23	379	0.00358	1.36	0.13	10.5%
Sub Total B (including Sub-Total A) - Distribution			31.01			34.73	3.72	12.0%
Wholesale Market Rate	379	0.0052	1.97	379	0.00520	1.97	-	0.0%
RRRP	379	0.0013	0.49	379	0.00130	0.49	-	0.0%
DRC	365	0.0070	2.56	365	0.00700	2.56	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1	0.25000	0.25	-	0.0%
Special Purpose Charge	-	-	-	-	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	379	0.068	25.75	379	0.06800	25.75	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	-	0.079	-	-	0.07900	-	-	n/a
Total Bill (including Sub-Total B)			62.03			65.75	3.72	6.0%
	Kwh	Customer	Connection					
Consumption Details	365	1	1					
Total Loss Factor	1.0376							

Table 5: USL, 2013

USL	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Service Charge (per 30 days)	1	5.50	5.50	1	5.96	5.96	0.46	8.4%
Connection Charge	1	0.56	0.56	1	0.61	0.61	0.05	8.9%
Distribution	365	0.06891	25.15	365	0.07472	27.27	2.12	8.4%
GEA Rate Rider	1	0.46	0.46	1	0.46	0.46	-	0.0%
LRAM Rider	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011/12 Rate Rider	365	(0.00050)	(0.18)	-	-	-	0.18	-100.0%
Regulatory Assets - Global Adjustment - RPP	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011 Rate Rider	-	-	-	-	-	-	-	n/a
Contact Voltage	-	-	-	-	-	-	-	n/a
Late Payment Penalty	1	0.09	0.09	-	-	-	(0.09)	-100.0%
Foregone Revenue Rate Rider - fixed rate - customer	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate - connection	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate	-	-	-	-	-	-	-	n/a
Sub Total A - Distribution			31.58			34.30	2.72	8.6%
RTST - Network	379	0.00474	1.80	379	0.00471	1.78	(0.01)	-0.6%
RTSR - Connection	379	0.00358	1.36	379	0.00356	1.35	(0.01)	-0.6%
Sub Total B (including Sub-Total A) - Distribution			34.73			37.43	2.70	7.8%
Wholesale Market Rate	379	0.00520	1.97	379	0.0052	1.97	-	0.0%
RRRP	379	0.00130	0.49	379	0.0013	0.49	-	0.0%
DRC	365	0.00700	2.56	365	0.0070	2.56	-	0.0%
Standard Supply Service Charge	1	0.25000	0.25	1	0.25	0.25	-	0.0%
Special Purpose Charge	-	-	-	-	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	379	0.06800	25.75	379	0.068	25.75	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	-	0.07900	-	-	0.079	-	-	n/a
Total Bill (including Sub-Total B)			65.75			68.45	2.70	4.1%
	Kwh	Customer	Connection					
Consumption Details	365	1	1					
Total Loss Factor	1.0376							

Table 6: USL, 2014

USL	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Service Charge (per 30 days)	1	5.96	5.96	1	6.56	6.56	0.60	10.1%
Connection Charge	1	0.61	0.61	1	0.67	0.67	0.06	9.8%
Distribution	365	0.07472	27.27	365	0.08230	30.04	2.77	10.1%
GEA Rate Rider	1	0.46	0.46	1	0.46	0.46	-	0.0%
LRAM Rider	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011/12 Rate Rider	-	-	-	-	-	-	-	n/a
Regulatory Assets - Global Adjustment - RPP	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011 Rate Rider	-	-	-	-	-	-	-	n/a
Contact Voltage	-	-	-	-	-	-	-	n/a
Late Payment Penalty	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - fixed rate - customer	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate - connection	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate	-	-	-	-	-	-	-	n/a
Sub Total A - Distribution			34.30			37.73	3.43	10.0%
RTST - Network	379	0.00471	1.78	379	0.00468	1.77	(0.01)	-0.6%
RTSR - Connection	379	0.00356	1.35	379	0.00354	1.34	(0.01)	-0.6%
Sub Total B (including Sub-Total A) - Distribution			37.43			40.84	3.41	9.1%
Wholesale Market Rate	379	0.0052	1.97	379	0.0052	1.97	-	0.0%
RRRP	379	0.0013	0.49	379	0.0013	0.49	-	0.0%
DRC	365	0.0070	2.56	365	0.0070	2.56	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1	0.25	0.25	-	0.0%
Special Purpose Charge	379	-	-	379	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	379	0.068	25.75	379	0.068	25.75	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	-	0.079	-	-	0.079	-	-	n/a
Total Bill (including Sub-Total B)			68.45			71.86	3.41	5.0%
	Kwh	Customer	Connection					
Consumption Details	365	1	1					
Total Loss Factor	1.0376							

PROPERTY, PLANT AND EQUIPMENT

PREVIOUSLY FILED AT EXHIBIT D1, TAB 1, SCHEDULE 1 –

INTRODUCTION

Table 2: Continuity of Fixed Assets Summary (\$ millions)

Description	2008 Historical	2009 Historical	2010 Historical	2011 Bridge	2012 Test	2013 Test	2014 Test
Opening Balance	3,523.6	3,768.1	3,905.4	4,179.7	4,569.4	5,041.6	5,651.4
In-Service Additions	282.8	211.6	299.5	389.7	476.2	607.5	617.4
Reductions	(4.8)	(44.9)	(5.8)	0.0	0.0	0.0	0.0
Transfers	(33.5)	(29.4)	(19.4)	0.0	(4.0)	0.0	0.0
Closing Balance	3,768.1	3,905.4	4,179.7	4,569.4	5,041.6	5,651.4	6,271.5
Average Balance	3,645.9	3,836.8	4,042.6	4,374.6	4,819.7	5,346.5	5,961.4

1 **PREVIOUSLY FILED AT EXHIBIT D1, TAB 2, SCHEDULE 1 – CONTINUITY**
2 **OF GROSS FIXED ASSETS: HISTORICAL, BOARD-APPROVED, BRIDGE,**
3 **TEST**

4
5 **Table 5: Year Ending December 2012 – Test (\$ millions)**

	Opening Balance	Additions	Reductions	Transfers	Closing Balance	Average Balance
Land and Buildings	57.2	5.6	0.0	0.0	62.9	60.0
TS Primary Above 50	11.9	3.1	0.0	0.0	15.0	13.5
Distribution System	212.5	27.3	0.0	0.0	239.8	226.1
Poles and Wires	2,872.4	291.6	0.0	0.0	3,164.1	3,018.2
Line Transformers	717.2	54.4	0.0	0.0	771.6	744.4
Services and Meters	312.2	27.0	0.0	(41.3)	297.9	305.1
General Plant	131.7	9.3	0.0	0.0	141.0	136.3
Equipment	180.0	21.0	0.0	0.0	201.0	190.5
IT Assets	267.7	46.5	0.0	8.8	323.1	295.4
Other Distribution Assets	85.5	7.7	0.0	0.0	93.3	89.4
Non Distribution Asset	0.0	2.5	0.0	28.5	30.9	29.7
Contributions and Grants	(278.9)	(20.0)	0.0	0.0	(298.9)	(288.9)
Total In-Service Assets	4,569.4	476.2	0.0	(4.0)	5,041.6	4,819.7

1 **Table 6: Year Ending December 2013 – Test (\$ millions)**

	Opening Balance	Additions	Reductions	Transfers	Closing Balance	Average Balance
Land and Buildings	62.9	33.4	0.0	0.0	96.2	79.5
TS Primary Above 50	15.0	51.2	0.0	0.0	66.3	40.6
Distribution System	239.8	64.0	0.0	0.0	303.8	271.8
Poles and Wires	3,164.1	308.4	0.0	0.0	3,472.5	3,318.3
Line Transformers	771.6	52.9	0.0	0.0	824.5	798.1
Services and Meters	297.9	32.6	0.0	0.0	330.5	314.2
General Plant	141.0	11.0	0.0	0.0	152.0	146.5
Equipment	201.0	13.7	0.0	0.0	214.8	207.9
IT Assets	323.1	42.9	0.0	0.0	366.0	344.5
Other Distribution Assets	93.3	8.7	0.0	0.0	102.0	97.6
Non Distribution Asset	30.9	2.8	0.0	0.0	33.8	32.3
Contributions and Grants	(298.9)	(12.0)	0.0	0.0	(310.9)	(304.9)
Total In-Service Assets	5,041.6	609.8	0.0	0.0	5,651.4	5,346.5

2 **Table 7: Year Ending December 2014 – Test (\$ millions)**

	Opening Balance	Additions	Reductions	Transfers	Closing Balance	Average Balance
Land and Buildings	96.2	16.0	0.0	0.0	112.2	104.2
TS Primary Above 50	66.3	33.0	0.0	0.0	99.2	82.7
Distribution System	303.8	35.8	0.0	0.0	339.6	321.7
Poles and Wires	3,472.5	340.8	0.0	0.0	3,813.3	3,642.9
Line Transformers	824.5	79.3	0.0	0.0	903.8	864.1
Services and Meters	330.5	32.4	0.0	0.0	362.9	346.7
General Plant	152.0	10.7	0.0	0.0	162.7	157.3
Equipment	214.8	20.7	0.0	0.0	235.5	225.1
IT Assets	366.0	51.8	0.0	0.0	417.7	391.8
Other Distribution Assets	102.0	9.1	0.0	0.0	111.1	106.6
Non Distribution Asset	33.8	2.8	0.0	0.0	36.5	35.1
Contributions and Grants	(310.9)	(12.3)	0.0	0.0	(323.2)	(317.0)
Total In-Service Assets	5,651.4	620.1	0.0	0.0	6,271.5	5,961.4

1 **PREVIOUSLY FILED AT EXBHITI D1, TAB 3, SCHEDULE 2 – VARIANCE**
2 **ANALYSIS: DISTRIBUTION FIXED ASSETS**

3

4 **Table 1: Years Ending December 31 – Historical, Bridge and Test Years (\$**
5 **millions)**

	2008 Historical	2009 Historical	2010 Historical	2011 Bridge	2012 Test	2013 Test	2014 Test
Land and Buildings	53.0	48.8	51.6	56.3	60.0	79.5	104.2
TS Primary above 50	11.9	11.9	11.9	11.9	13.5	40.6	82.7
Distribution System	164.3	191.6	200.7	206.0	226.1	271.8	321.7
Poles and Wires	2,283.1	2,412.9	2,549.3	2,750.9	3,018.2	3,318.3	3,642.9
Transformers	590.5	623.5	660.8	699.9	744.4	798.1	864.1
Service and Meters	246.3	258.3	274.0	297.7	305.1	314.2	346.7
General Plant	118.9	120.8	123.3	128.4	136.3	146.5	157.3
Equipment	148.0	149.0	154.6	172.1	190.5	207.9	225.1
Information Technology	178.6	185.2	195.8	240.5	295.4	344.5	391.8
Other Distribution Assets	63.9	68.2	71.1	79.3	89.4	97.6	106.6
Non Distribution Asset	0.0	0.0	0.0	0.0	29.7	32.3	35.1
Contributions and Grants	(212.7)	(233.5)	(250.4)	(268.5)	(288.9)	(304.9)	(317.0)
Gross Assets	3,645.9	3,836.8	4,042.6	4,374.6	4,819.7	5,346.5	5,961.4
Accumulated Depreciation	(1,942.7)	(2,069.5)	(2,204.3)	(2,354.4)	(2,464.4)	(2,588.5)	(2,768.5)
Average Net Assets	1,703.2	1,767.3	1,838.3	2,020.2	2,355.3	2,758.0	3,192.9

1 **Table 5: 2011 Bridge versus 2014 Test (\$ millions)**

	2011 Bridge	2014 Test	Variance (\$)	Variance (%)
Land and Buildings	56.3	104.2	47.9	85.1
TS Primary above 50	11.9	82.7	70.8	594.5
Distribution System	206.0	321.7	115.8	56.2
Poles and Wires	2,750.9	3,642.9	892.0	32.4
Transformers	699.9	864.1	164.2	23.5
Service and Meters	297.7	346.7	49.0	16.5
General Plant	128.4	157.3	28.9	22.5
Equipment	172.1	225.1	53.0	30.8
Information Technology	240.5	391.8	151.3	62.9
Other Distribution Assets	79.3	106.6	27.3	34.4
Non Distribution Asset	0.0	35.1	35.1	0.0
Contributions and Grants	(268.5)	(317.0)	(48.5)	18.1
Gross Assets	4,374.6	5,961.4	1,586.9	36.3
Accumulated Depreciation	(2,354.4)	(2,768.5)	(414.1)	17.6
Net Assets	2,020.2	3,192.9	1,172.8	58.1

1 **PREVIOUSLY FILED AT EXHIBIT D1, TAB 6, SCHEDULE 1 – GROSS ASSETS**

2 **PP&E: SUMMARY CONTINUITY OF GROSS FIXED ASSETS**

3

4 **Table 1: Years Ending December 31 (\$ millions)**

Description	2008 Historical	2009 Historical	2010 Historical	2011 Bridge	2012 Test	2013 Test	2014 Test
Opening Balance	3,523.6	3,768.1	3,905.4	4,179.7	4,569.4	5,041.6	5,651.4
In-Service Additions	282.8	211.6	299.5	389.7	476.2	607.5	617.4
Reductions	(4.8)	(44.9)	(5.8)	0.0	0.0	0.0	0.0
Transfers	(33.5)	(29.4)	(19.4)	0.0	(4.0)	0.0	0.0
Closing Balance	3,768.1	3,905.4	4,179.7	4,569.4	5,041.6	5,651.4	6,271.5
Average Balance	3,645.9	3,836.8	4,042.6	4,374.6	4,819.7	5,346.5	5,961.4

1 **PREVIOUSLY FILED AT EXHIBIT D1, TAB 6, SCHEDULE 2 – GROSS ASSETS**
2 **PP&E: CONTINUITY OF CONSTRUCTION WORK IN PROGRESS**

3

4 **Table 1: Years Ending December 31 (\$ millions)**

	2008 Historical	2009 Historical	2010 Historical	2011 Bridge	2012 Test	2013 Test	2014 Test
Opening Balance	130.1	81.7	128.9	220.3	256.5	374.5	380.1
Net Expenditures / (In Service)[1]	(48.4)	47.2	91.4	36.2	118.0	5.5	20.0
Closing Balance	81.7	128.9	220.3	256.5	374.5	380.1	400.0
Average Balance	105.9	105.3	174.6	238.4	315.5	377.3	390.0

1 **PREVIOUSLY FILED AT EXHIBIT D1, TAB 6, SCHEDULE 3 – GROSS ASSETS**

2 **PP&E: CONTINUITY OF FIXED ASSETS ACCUMULATED DEPRECIATION**

3

4 **Table 1: Years Ending December 31 (\$ millions)**

	2008 Historical	2009 Historical	2010 Historical	2011 Bridge	2012 Test	2013 Test	2014 Test
Opening Balance	1,871.0	2,014.3	2,124.6	2,283.9	2,424.9	2,504.0	2,672.9
Additions	149.0	155.5	165.0	140.9	150.8	168.9	191.2
Reductions	(4.7)	(44.8)	(5.7)	0.0	0.0	0.0	0.0
Transfers	(1.0)	(0.3)	0.0	0.0	(71.7)	0.0	0.0
Closing Balance	2,014.3	2,124.6	2,283.9	2,424.9	2,504.0	2,672.9	2,864.1
% of Gross Asset Value	53.5%	54.4%	54.6%	53.1%	49.7%	47.3%	45.7%
Average Balance	1,942.7	2,069.5	2,204.3	2,354.4	2,464.4	2,588.5	2,768.5

1 **PREVIOUSLY FILED AT EXHIBIT D1, TAB 6, SCHEDULE 4 – GROSS ASSETS**
2 **PP&E: ACCUMULATED AMORTIZATION AS A PERCENTAGE OF GROSS**
3 **FIXED ASSETS**

4
5 **Table 5: Year Ending December 2012 – Test (\$ millions)**

Accumulated Depreciation	Closing Balance	Percentage of Gross Assets
Land and Buildings	20.6	32.9%
TS Primary Above 50	5.4	35.9%
Distribution System	102.3	42.7%
Poles and Wires	1,492.7	47.2%
Line Transformers	397.9	51.6%
Services and Meters	75.8	25.4%
General Plant	69.5	49.3%
Equipment	134.0	66.7%
IT Assets	220.3	68.2%
Other Distribution Assets	54.1	58.0%
Contributions and Grants	(69.8)	23.3%
Non-Distribution Assets	1.1	n/a
Total In-Service Assets	2,504.0	49.7%

1 **Table 6: Year Ending December 2013 – Test (\$ millions)**

Accumulated Depreciation	Closing Balance	Percentage of Gross Assets
Land and Buildings	22.8	23.7%
TS Primary Above 50	6.5	9.8%
Distribution System	109.7	36.1%
Poles and Wires	1,560.1	44.9%
Line Transformers	419.5	50.9%
Services and Meters	89.9	27.2%
General Plant	76.1	50.1%
Equipment	149.6	69.7%
IT Assets	255.7	69.9%
Other Distribution Assets	59.5	58.3%
Contributions and Grants	(78.9)	25.4%
Non-Distribution Assets	2.3	n/a
Total In-Service Assets	2,672.9	47.3%

2 **Table 7: Year Ending December 2014 – Test (\$ millions)**

Accumulated Depreciation	Closing Balance	Percentage of Gross Assets
Land and Buildings	25.7	22.9%
TS Primary Above 50	8.8	8.8%
Distribution System	118.5	34.9%
Poles and Wires	1,636.2	42.9%
Line Transformers	442.3	48.9%
Services and Meters	105.3	29.0%
General Plant	83.3	51.2%
Equipment	166.1	70.5%
IT Assets	297.4	71.2%
Other Distribution Assets	65.3	58.8%
Contributions and Grants	(88.4)	27.4%
Non-Distribution Assets	3.6	n/a
Total In-Service Assets	2,864.1	45.7%

PREVIOUSLY FILED AT EXHIBIT D1, TAB 6, SCHEDULE 5 – GROSS ASSETS PP&E: FIXED ASSETS CONTINUITY

Table 5: Year Ending December 2012 – Test (\$ millions)

Table 5: Fixed Asset Continuity Schedule - Test 2012				Cost				Accumulated Depreciation				Net Book Value
CCA Class	OEB	Description	Depreciation Rate	Opening Balance	Additions	Disposals and Transfers	Closing Balance	Opening Balance	Additions	Disposals and Transfers	Closing Balance	
N/A	1805	Land	NA	7.7	-	-	7.7	-	-	-	-	7.7
CEC	1806	Land Rights	NA	-	-	-	-	-	-	-	-	-
47	1808	Buildings	Note 1	47.7	5.6	-	53.3	19.0	1.7	-	20.6	32.7
47	1815	Transformer Station Equipment >50 kV	Note 1	11.9	3.1	-	15.0	4.9	0.5	-	5.4	9.6
47	1820	Substation Equipment	Note 1	212.5	27.3	-	239.8	95.7	6.6	-	102.3	137.5
47	1830	Poles, Towers & Fixtures	Note 1	370.9	30.7	-	401.6	176.7	6.3	-	183.1	218.6
47	1835	OH Conductors & Devices	Note 1	410.1	44.4	-	454.6	244.9	5.2	-	250.1	204.5
47	1840	UG Conduit	Note 1	1,297.6	129.5	-	1,427.1	620.4	32.6	-	653.0	774.1
47	1845	UG Conductors & Devices	Note 1	793.7	87.0	-	880.7	391.4	15.1	-	406.5	474.2
47	1850	Line Transformers	Note 1	717.2	54.4	-	771.6	377.9	20.0	-	397.9	373.7
47	1855	Services (OH & UG)	Note 1	82.1	15.7	-	97.8	14.5	1.8	-	16.3	81.5
47	1860	Meters	Note 1	157.8	7.4	(108.0)	57.1	103.7	1.9	(88.0)	17.6	39.5
47	1861	Smart Meters	6.7%	72.3	3.9	66.7	142.9	20.4	9.4	12.1	41.9	101.0
Note 2	1875	Street Lighting and Signal Systems. Note 2	Note 1	-	2.5	28.5	30.9	-	1.1	-	1.1	29.8
N/A	1905	Land	NA	1.9	-	-	1.9	-	-	-	-	1.9
CEC	1906	Land Rights	NA	-	-	-	-	-	-	-	-	-
47	1908	Buildings & Fixtures	Note 1	111.9	8.0	-	119.9	44.2	5.8	-	50.0	69.9
13	1910	Leasehold Improvements	20.0%	19.7	1.4	-	21.1	18.7	0.7	-	19.5	1.6
8	1915	Office Furniture & Equipment 10yr	10.0%	18.8	1.1	-	19.9	8.4	1.5	-	9.9	10.0
10	1920	Computer - Hardware	25.0%	46.8	11.1	0.6	58.4	35.4	5.4	0.3	41.1	17.3
12	1925	Computer Software	20.0%	220.9	35.5	8.3	264.6	149.7	25.6	3.9	179.2	85.5
10	1930	Transportation Equipment - Automobiles	25.0%	10.7	1.3	-	12.1	2.0	2.7	-	4.7	7.4
10	1930	Transportation Equipment - Trucks <3 tonnes	20.0%	11.9	1.3	-	13.2	9.3	1.1	-	10.4	2.8
10	1930	Transportation Equipment - Trucks >3 tonnes	12.5%	59.8	11.1	-	70.9	37.0	5.3	-	42.3	28.6
10	1930	Transportation Equipment - Work and Service	12.5%	2.8	0.2	-	3.0	2.2	0.2	-	2.3	0.6
8	1935	Stores Equipment	10.0%	5.5	-	-	5.5	5.5	0.0	-	5.5	0.0
8	1940	Tools, Shop & Garage Equipment	10.0%	37.9	1.4	-	39.3	27.3	1.9	-	29.2	10.1
8	1945	Measurement & Testing Equipment	10.0%	5.7	4.5	-	10.2	4.5	0.3	-	4.8	5.4
8	1955	Communications Equipment	20.0%	26.8	-	-	26.8	23.2	1.8	-	24.9	1.9
8	1960	Graphics Equipment	NA	0.2	-	-	0.2	0.0	0.0	-	0.0	0.1
47	1970	Load Management Controls	10.0%	14.4	-	-	14.4	9.7	1.0	-	10.7	3.7
47	1975	Load Management Controls Utility Premises	10.0%	0.6	-	-	0.6	0.6	-	-	0.6	-
47	1980	System Supervisor Equipment	Note 1	57.1	7.7	-	64.8	37.9	1.9	-	39.9	24.9
47	1985	Miscellaneous Fixed Assets	NA	-	-	-	-	-	-	-	-	-
47	1995	Contributions & Grants	Note 1	(278.9)	(20.0)	-	(298.9)	(61.2)	(8.6)	-	(69.8)	(229.1)
10	2005	Property Under Capital Lease	25.0%	13.5	-	-	13.5	1.0	1.9	-	3.0	10.5
		Total		4,569.4	476.2	(4.0)	5,041.6	2,424.9	150.8	(71.7)	2,504.0	2,537.6

1 **Table 6: Year Ending December 2013 – Test (\$ millions)****Table 6: Fixed Asset Continuity Schedule - Test 2013**

CCA Class	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book Value
				Opening Balance	Additions	Disposals and Transfers	Closing Balance	Opening Balance	Additions	Disposals and Transfers	Closing Balance	
N/A	1805	Land	NA	7.7	-	-	7.7	-	-	-	-	7.7
CEC	1806	Land Rights	NA	-	-	-	-	-	-	-	-	-
47	1808	Buildings	Note 1	53.3	33.4	-	86.7	20.6	2.1	-	22.8	63.9
47	1815	Transformer Station Equipment >50 kV	Note 1	15.0	51.2	-	66.3	5.4	1.1	-	6.5	59.8
47	1820	Substation Equipment	Note 1	239.8	64.0	-	303.8	102.3	7.4	-	109.7	194.1
47	1830	Poles, Towers & Fixtures	Note 1	401.6	31.8	-	433.5	183.1	7.1	-	190.2	243.3
47	1835	OH Conductors & Devices	Note 1	454.6	47.8	-	502.3	250.1	6.5	-	256.6	245.7
47	1840	UG Conduit	Note 1	1,427.1	138.6	-	1,565.8	653.0	36.4	-	689.4	876.4
47	1845	UG Conductors & Devices	Note 1	880.7	90.2	-	970.9	406.5	17.4	-	423.9	547.0
47	1850	Line Transformers	Note 1	771.6	52.9	-	824.5	397.9	21.6	-	419.5	405.1
47	1855	Services (OH & UG)	Note 1	97.8	20.5	-	118.4	16.3	2.2	-	18.5	99.9
47	1860	Meters	Note 1	57.1	9.5	-	66.6	17.6	2.3	-	19.9	46.7
47	1861	Smart Meters	6.7%	142.9	2.6	-	145.6	41.9	9.6	-	51.5	94.0
Note 2	1875	Street Lighting and Signal Systems	Note 1	30.9	2.8	-	33.8	1.1	1.2	-	2.3	31.4
N/A	1905	Land	NA	1.9	-	-	1.9	-	-	-	-	1.9
CEC	1906	Land Rights	NA	-	-	-	-	-	-	-	-	-
47	1908	Buildings & Fixtures	Note 1	119.9	9.9	-	129.8	50.0	6.1	-	56.1	73.7
13	1910	Leasehold Improvements	20.0%	21.1	1.1	-	22.2	19.5	0.6	-	20.0	2.2
8	1915	Office Furniture & Equipment 10yr	10.0%	19.9	0.9	-	20.8	9.9	1.6	-	11.4	9.3
10	1920	Computer - Hardware	25.0%	58.4	11.5	-	69.9	41.1	7.2	-	48.3	21.6
12	1925	Computer Software	20.0%	264.6	31.4	-	296.0	179.2	28.2	-	207.4	88.6
10	1930	Transportation Equipment - Automobiles	25.0%	12.1	0.0	-	12.1	4.7	2.9	-	7.6	4.5
10	1930	Transportation Equipment - Trucks <3 tonnes	20.0%	13.2	0.4	-	13.6	10.4	1.0	-	11.5	2.1
10	1930	Transportation Equipment - Trucks >3 tonnes	12.5%	70.9	3.0	-	73.9	42.3	6.1	-	48.4	25.5
10	1930	Transportation Equipment - Work and Service	12.5%	3.0	0.1	-	3.1	2.3	0.2	-	2.5	0.5
8	1935	Stores Equipment	10.0%	5.5	-	-	5.5	5.5	0.0	-	5.5	0.0
8	1940	Tools, Shop & Garage Equipment	10.0%	39.3	0.9	-	40.2	29.2	2.0	-	31.2	9.0
8	1945	Measurement & Testing Equipment	10.0%	10.2	8.5	-	18.7	4.8	1.0	-	5.7	12.9
8	1955	Communications Equipment	20.0%	26.8	-	-	26.8	24.9	0.9	-	25.8	1.0
8	1960	Graphics Equipment	NA	0.2	-	-	0.2	0.0	0.0	-	0.1	0.1
47	1970	Load Management Controls	10.0%	14.4	-	-	14.4	10.7	1.0	-	11.7	2.7
47	1975	Load Management Controls Utility Premises	10.0%	0.6	-	-	0.6	0.6	-	-	0.6	-
47	1980	System Supervisor Equipment	Note 1	64.8	8.7	-	73.5	39.9	2.5	-	42.4	31.2
47	1985	Miscellaneous Fixed Assets	NA	-	-	-	-	-	-	-	-	-
47	1995	Contributions & Grants	Note 1	(298.9)	(12.0)	-	(310.9)	(69.8)	(9.1)	-	(78.9)	(232.0)
10	2005	Property Under Capital Lease	25.0%	13.5	-	-	13.5	3.0	1.8	-	4.8	8.7
		Total		5,041.6	609.8	-	5,651.4	2,504.0	168.9	-	2,672.9	2,978.5

1 **Table 7: Year Ending December 2014 – Test (\$ millions)**

Table 7: Fixed Asset Continuity Schedule - Test 2014				Cost				Accumulated Depreciation				Net Book Value
CCA Class	OEB	Description	Depreciation Rate	Opening Balance	Additions	Disposals and Transfers	Closing Balance	Opening Balance	Additions	Disposals and Transfers	Closing Balance	
N/A	1805	Land	NA	7.7	-	-	7.7	-	-	-	-	7.7
CEC	1806	Land Rights	NA	-	-	-	-	-	-	-	-	-
47	1808	Buildings	Note 1	86.7	16.0	-	102.6	22.8	3.0	-	25.7	76.9
47	1815	Transformer Station Equipment >50 kV	Note 1	66.3	33.0	-	99.2	6.5	2.3	-	8.8	90.4
47	1820	Substation Equipment	Note 1	303.8	35.8	-	339.6	109.7	8.8	-	118.5	221.1
47	1830	Poles, Towers & Fixtures	Note 1	433.5	34.7	-	468.2	190.2	7.9	-	198.1	270.0
47	1835	OH Conductors & Devices	Note 1	502.3	54.8	-	557.2	256.6	7.9	-	264.5	292.7
47	1840	UG Conduit	Note 1	1,565.8	141.4	-	1,707.1	689.4	40.4	-	729.8	977.4
47	1845	UG Conductors & Devices	Note 1	970.9	109.9	-	1,080.8	423.9	19.9	-	443.8	637.0
47	1850	Line Transformers	Note 1	824.5	79.3	-	903.8	419.5	22.8	-	442.3	461.5
47	1855	Services (OH & UG)	Note 1	118.4	21.5	-	139.9	18.5	2.8	-	21.3	118.6
47	1860	Meters	Note 1	66.6	8.3	-	74.9	19.9	2.8	-	22.7	52.2
47	1861	Smart Meters	6.7%	145.6	2.6	-	148.1	51.5	9.8	-	61.3	86.8
Note 2	1875	Street Lighting and Signal Systems	Note 1	33.8	2.8	-	36.5	2.3	1.3	-	3.6	32.9
N/A	1905	Land	NA	1.9	-	-	1.9	-	-	-	-	1.9
CEC	1906	Land Rights	NA	-	-	-	-	-	-	-	-	-
47	1908	Buildings & Fixtures	Note 1	129.8	10.7	-	140.5	56.1	6.5	-	62.6	77.9
13	1910	Leasehold Improvements	20.0%	22.2	0.0	-	22.2	20.0	0.6	-	20.7	1.5
8	1915	Office Furniture & Equipment 10yr	10.0%	20.8	1.0	-	21.8	11.4	1.6	-	13.1	8.7
10	1920	Computer - Hardware	25.0%	69.9	13.8	-	83.7	48.3	9.5	-	57.8	25.9
12	1925	Computer Software	20.0%	296.0	38.0	-	334.0	207.4	32.2	-	239.5	94.5
10	1930	Transportation Equipment - Automobiles	25.0%	12.1	-	-	12.1	7.6	2.8	-	10.3	1.7
10	1930	Transportation Equipment - Trucks <3 tonnes	20.0%	13.6	0.9	-	14.5	11.5	1.0	-	12.5	2.0
10	1930	Transportation Equipment - Trucks >3 tonnes	12.5%	73.9	8.0	-	81.9	48.4	6.4	-	54.8	27.2
10	1930	Transportation Equipment - Work and Service	12.5%	3.1	0.2	-	3.2	2.5	0.2	-	2.7	0.5
8	1935	Stores Equipment	10.0%	5.5	-	-	5.5	5.5	0.0	-	5.5	-
8	1940	Tools, Shop & Garage Equipment	10.0%	40.2	0.0	-	40.2	31.2	2.0	-	33.1	7.1
8	1945	Measurement & Testing Equipment	10.0%	18.7	10.7	-	29.4	5.7	1.8	-	7.6	21.8
8	1955	Communications Equipment	20.0%	26.8	-	-	26.8	25.8	0.7	-	26.5	0.4
8	1960	Graphics Equipment	NA	0.2	-	-	0.2	0.1	0.0	-	0.1	0.1
47	1970	Load Management Controls	10.0%	14.4	-	-	14.4	11.7	1.0	-	12.8	1.7
47	1975	Load Management Controls Utility Premises	10.0%	0.6	-	-	0.6	0.6	-	-	0.6	-
47	1980	System Supervisor Equipment	Note 1	73.5	9.1	-	82.7	42.4	3.1	-	45.4	37.2
47	1985	Miscellaneous Fixed Assets	NA	-	-	-	-	-	-	-	-	-
47	1995	Contributions & Grants	Note 1	(310.9)	(12.3)	-	(323.2)	(78.9)	(9.5)	-	(88.4)	(234.8)
10	2005	Property Under Capital Lease	25.0%	13.5	-	-	13.5	4.8	1.8	-	6.6	6.9
		Total		5,651.4	620.1	-	6,271.5	2,672.9	191.2	-	2,864.1	3,407.4

Notes:

Note 1. Street Lighting Depreciation Rate Summary included below. Please refer to Appendix A of EB-2011-0144 for other assets.

Asset Description	Acct'g Update UL	#
187500 Street Lighting Underground Cable	40	#
187500 Street Lighting Overhead Cable	40	#
187500 Street Lighting Civil	50	#
187500 Street Lighting Poles	40	#
187500 Street Lighting Pole Foundation	50	#

Note 2. CCA Class 1 applies to the initial Street Lighting transfer. Any additions after the transfer will be CCA Class 47.

PREVIOUSLY FILED AT EXHIBIT D1, TAB 3, SCHEDULE 1 - VARIANCE ANALYSIS: DISTRIBUTION EXPENSES**Table 1: Distribution Expense Summary (\$ millions)**

	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test	2013 Test	2014 Test
Operations	45.7	49.0	50.9	68.5	76.6	83.2	90.4
Maintenance	41.3	46.5	48.9	46.5	56.6	58.5	60.3
Billing and Collections	31.9	35.1	32.1	40.6	42.1	43.8	46.0
Community Relations	3.5	5.5	4.0	4.9	6.4	6.6	6.9
Administrative and General	46.1	47.3	72.5	71.9	77.4	85.3	91.5
Other Distribution Expenses	14.0	11.8	8.1	6.8	7.0	7.2	7.3
Amortization Expense	149.0	155.5	165.0	137.8	147.8	165.8	188.1
TOTAL	331.6	350.7	381.6	377.1	413.8	450.3	490.6

Table 5: 2012 Test versus 2011 Bridge (\$ millions)

	2011 Bridge	2012 Test	Variance (\$)	Variance (%)
Operations	68.5	76.6	8.1	11.8
Maintenance	46.5	56.6	10.1	21.6
Billing and Collections	40.6	42.1	1.5	3.6
Community Relations	4.9	6.4	1.5	30.3
Administrative and General	71.9	77.4	5.5	7.6
Other Distribution Expenses	6.8	7.0	0.2	3.3
Amortization Expense	137.8	147.8	9.9	7.2
TOTAL	377.1	413.8	36.7	9.7

Table 6: 2013 Test versus 2012 Test (\$ millions)

	2012 Test	2013 Test	Variance (\$)	Variance (%)
Operations	76.6	83.2	6.6	8.6
Maintenance	56.6	58.5	1.9	3.4
Billing and Collections	42.1	43.8	1.7	4.0
Community Relations	6.4	6.6	0.2	3.2
Administrative and General	77.4	85.3	7.9	10.2
Other Distribution Expenses	7.0	7.2	0.1	2.1
Amortization Expense	147.8	165.8	18.0	12.2
TOTAL	413.8	450.3	36.5	8.8

Table 7: 2014 Test versus 2013 Test (\$ millions)

	2013 Test	2014 Test	Variance (\$)	Variance (%)
Operations	83.2	90.4	7.2	8.7
Maintenance	58.5	60.3	1.8	3.1
Billing and Collections	43.8	46.0	2.3	5.2
Community Relations	6.6	6.9	0.3	4.8
Administrative and General	85.3	91.5	6.3	7.3
Other Distribution Expenses	7.2	7.3	0.2	2.1
Amortization Expense	165.8	188.1	22.3	13.5
TOTAL	450.3	490.6	40.4	9.0

PREVIOUSLY FILED AT EXHIBIT D1, TAB 8, SCHEDULE 1

Table 1: Summary of Capital Budget (\$millions)

	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test	2013 Test	2014 Test
OPERATIONAL INVESTMENTS							
Grid System Investments							
Underground System	62.0	68.5	111.6	111.5	135.6	146.8	176.6
Overhead System	19.3	20.5	31.7	44.5	94.6	101.3	114.6
Network System	4.7	5.0	7.4	2.9	20.2	46.4	63.9
Stations	16.8	14.1	17.0	19.1	24.5	24.1	24.0
Total Grid System Investments	102.9	108.2	167.7	177.9	274.9	318.6	379.1
Reactive Work	19.3	20.7	25.1	23.3	27.3	28.6	30.1
Customer Connections	42.8	37.6	42.6	38.6	34.8	35.0	35.0
Customer Capital Contribution	(32.7)	(23.4)	(26.6)	(13.0)	(15.8)	(14.6)	(13.7)
Externally Initiated Plant Relocations	-	-	-	5.7	17.9	11.9	7.4
Capital Contributions to HONI	0.4	0.3	1.1	14.4	22.8	17.5	7.0
Engineering Capital	26.4	25.8	34.5	23.4	30.6	33.2	35.2
AFUDC	2.0	2.8	3.5	6.0	7.8	7.9	8.3
Other	(4.3)	3.1	12.3	3.4	2.0	2.4	2.5
Total Distribution Plant Capital	156.8	175.1	260.3	279.8	402.4	440.3	490.8
CORPORATE OPERATIONAL INVESTMENTS							
Fleet & Equipment Services	7.9	9.9	10.6	10.9	14.4	11.5	8.7
Facilities	3.4	7.6	12.1	11.8	24.2	26.3	30.7
Other	0.3	3.2	-	2.7	1.0	-	-
Total Corporate Operational Investments	11.6	20.7	22.7	25.4	39.6	37.8	39.4
CUSTOMER SERVICES							
Wholesale Metering	4.4	(0.5)	1.8	3.4	0.8	5.9	5.7
Smart Metering	5.6	2.6	0.4	8.5	1.1	-	-
Suite Metering	2.7	3.3	6.4	4.8	4.2	4.3	4.4
Other	0.5	0.3	0.2	1.5	3.3	4.2	5.0
Total CUSTOMER SERVICES	13.2	5.6	8.8	18.2	9.4	14.4	15.1
Total INFORMATION TECHNOLOGY	24.1	35.7	33.0	30.5	42.1	48.2	53.1
Total OPERATIONAL INVESTMENTS	205.7	237.1	324.7	353.9	493.5	540.8	598.4
CRITICAL ISSUES							
Standardization	-	5.7	30.2	21.7	9.0	10.3	6.1
Downtown Contingency	-	-	1.1	-	1.1	9.3	9.2
FESI / WPF	-	-	16.7	17.6	11.0	10.5	10.5
Stations System Enhancements	-	(1.0)	5.8	19.9	66.8	31.9	6.0
Secondary Upgrade	-	-	2.6	16.0	8.6	12.2	9.8
Street Lighting	-	-	-	-	3.2	2.7	2.8
Total CRITICAL ISSUES		4.7	56.4	75.2	99.7	76.9	44.4
TOTAL CAPITAL	205.7	241.7	381.1	429.1	593.2	617.7	642.8

PREVIOUSLY FILED AT EXHIBIT F1, Tab 1, SCHEDULE 1 - DISTRIBUTION EXPENSES O&M INTRODUCTION**Table 1: Summary of Distribution Costs (\$ millions)**

Description	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test	2013 Test	2014 Test
Operation and Maintenance Costs	155.9	166.9	174.6	206.6	231.4	245.1	259.0

Table 2: Summary of Distribution O&M Budget (\$ millions)

Description	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test	2013 Test	2014 Test
Maintenance Programs	26.8	33.3	34.7	34.4	39.0	41.2	43.9
Fleet and Equipment Services	9.2	10.9	10.7	12.9	12.6	12.9	13.3
Facilities Services	25.4	22.9	23.8	25.4	28.6	29.7	31.5
Metering and Field Services	-	-	-	5.8	9.2	9.6	10.1
Supply Chain Services	8.4	8.8	8.8	11.2	12.3	13.0	13.4
Control Centre	7.2	7.0	6.0	7.4	5.9	6.3	6.9
Operations Support	37.1	36.8	45.5	68.4	79.2	85.2	90.3
Customer Care	41.0	46.1	44.8	40.6	43.9	46.4	48.8
Customer Driven Operating	0.8	1.0	0.3	0.5	0.8	0.8	0.8
Total	155.9	166.9	174.6	206.6	231.4	245.1	259.0

PREVIOUSLY FILED AT EXHIBIT F2, Tab 1, SCHEDULE 1 - DISTRIBUTION EXPENSES A&G**Table 1: Distribution Expenses Administrative and General (\$ millions)**

	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test	2013 Test	2014 Test
Governance	14.9	11.9	9.2	3.1	1.3	3.1	4.0
Charitable Contributions	0.1	0.2	0.3	0.7	0.7	0.8	0.9
Finance	4.3	4.5	10.5	14.5	15.1	16.1	17.1
Treasury, Rates and Regulatory	9.9	12.2	13.9	14.8	15.6	16.4	16.8
Legal	3.1	2.9	4.8	5.0	5.5	5.7	5.9
Communications	4.3	3.6	4.3	3.2	3.8	3.9	4.0
Information Technology	21.4	22.8	23.4	22.8	24.1	25.1	27.4
Organizational Effectiveness & Environmental Health and Safety	9.7	12.2	12.7	15.0	15.8	16.7	17.3
Strategic Management	1.1	1.4	1.9	1.8	2.0	2.2	2.2
Total	68.9	71.7	81.0	81.0	83.9	90.0	95.5

PREVIOUSLY FILED AT EXHIBIT I1, TAB 1, SCHEDULE 1 - REVENUE OFFSETS INTRODUCTION

Table 1: Other Revenue Offsets (\$000s)

Description	Actual Year 2008	Actual Year 2009	Actual Year 2010	Bridge Year 2011	Test Year 2012	Test Year 2013	Test Year 2014
Specific Service Charges Excluding Pole Attachment (4235)	\$5.9	\$6.0	\$6.5	\$5.8	\$5.8	\$5.8	\$5.8
Late Payment Charge (4225)	\$4.8	\$5.1	\$5.3	\$4.9	\$5.0	\$5.0	\$5.0
Other Distribution Revenue Excluding Duct Rental (4082,4084,4090,4210,4215,4220)	\$4.3	\$3.6	\$4.4	\$3.1	\$10.2	\$10.4	\$10.6
Other Income & Deductions Including Pole Attachments (4325,4330,4355,4398,4405)	\$15.7	\$8.9	\$22.0	\$12.2	\$3.9	\$4.4	\$5.0
Total Revenue Offset	\$30.7	\$23.7	\$38.2	\$26.0	\$25.0	\$25.7	\$26.4

PRO FORMA STATEMENTS OF FINANCIAL POSITION			
[in thousands of dollars, unaudited]			
As at December 31	Plan 2012 \$	Plan 2013 \$	Plan 2014 \$
ASSETS			
Current			
Cash and cash equivalents	80,870	57,153	45,110
Accounts receivable, net of allowance for doubtful accounts	206,001	224,325	235,378
Unbilled revenue	275,804	279,544	276,926
Inventories	8,932	8,932	8,932
Prepaid expenses	2,900	3,218	2,975
Current portion of regulatory assets	14,761	10,884	3,628
Total current assets	589,268	584,056	572,949
Property, plant, and equipment, net	2,806,643	3,230,696	3,666,783
Intangible assets, net	139,980	164,662	180,107
Regulatory assets	45,317	35,632	32,122
Other assets	7,219	7,297	7,026
Future income tax asset	191,412	179,412	164,412
Total assets	3,779,839	4,201,755	4,623,399
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current			
Accounts payable and accrued liabilities	399,299	430,025	448,633
Other liabilities	44,460	44,537	44,618
Notes payable to related party	179,835	-	-
Promissory note payable to related party	245,058	-	-
Total current liabilities	868,652	474,562	493,251
Long-term liabilities			
Notes payable to related party	1,368,865	2,090,960	2,390,441
Post-employment benefits	214,944	224,365	233,801
Regulatory liabilities	194,546	186,854	171,699
Other liabilities	9,739	7,965	6,182
Asset retirement obligations	3,425	3,378	3,353
Customers' advance deposits	20,363	20,363	20,363
Total long-term liabilities	1,811,882	2,533,885	2,825,839
Total liabilities	2,680,534	3,008,447	3,319,090
Shareholder's equity			
Share capital	557,333	557,333	557,333
Retained earnings	529,215	623,218	734,219
Contributed surplus	12,757	12,757	12,757
Total shareholder's equity	1,099,305	1,193,308	1,304,309
Total liabilities and shareholder's equity	3,779,839	4,201,755	4,623,399

PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME [in thousands of dollars, unaudited]			
Year ending December 31	Plan 2012 \$	Plan 2013 \$	Plan 2014 \$
Revenues			
Sale of electricity	2,739,703	2,896,692	3,082,507
Other income	38,134	38,995	39,903
	2,777,837	2,935,687	3,122,410
Costs			
Purchased power and other	2,183,549	2,292,228	2,406,366
Operating expenses	263,728	281,785	299,774
Depreciation and amortization	147,753	165,797	188,138
	2,595,030	2,739,810	2,894,278
Income before the following:	182,807	195,877	228,132
Net financing charges	(85,433)	(96,340)	(108,879)
Income before provision for payments in lieu of corporate taxes	97,374	99,537	119,253
Provision for payments in lieu of corporate taxes	5,979	5,534	8,252
Net income	91,395	94,003	111,001

PRO FORMA STATEMENTS OF RETAINED EARNINGS [in thousands of dollars, unaudited]			
Year ending December 31	Plan 2012 \$	Plan 2013 \$	Plan 2014 \$
Retained earnings, beginning of year	437,820	529,215	623,218
Net income	91,395	94,003	111,001
Retained earnings, end of year	529,215	623,218	734,219

PRO FORMA STATEMENTS OF CASH FLOWS			
[in thousands of dollars, unaudited]			
Year ending December 31	Plan 2012 \$	Plan 2013 \$	Plan 2014 \$
OPERATING ACTIVITIES			
Net income	91,395	94,003	111,001
Adjustments for non-cash items			
Depreciation and amortization	147,753	165,797	188,138
Net change in other assets and liabilities	4,290	1,373	1,781
Payments in lieu of corporate taxes	6,614	-	-
Post-employment benefits	9,393	9,421	9,436
Changes in non-cash working capital balances			
Increase in accounts receivable	(25,920)	(18,324)	(11,053)
Decrease (increase) in unbilled revenue	(3,151)	(3,740)	2,618
Increase in inventories	(2,315)	-	-
Decrease (increase) in prepaid expenses	1,697	(318)	243
Increase in accounts payable and accrued liabilities	29,675	30,726	18,607
Net cash provided by operating activities	259,431	278,938	320,771
INVESTING ACTIVITIES			
Purchase of property, plant, and equipment	(525,184)	(561,427)	(591,733)
Purchase of intangible assets	(52,285)	(53,105)	(47,937)
Decrease (increase) in regulatory assets	(8,914)	13,563	10,766
Increase (decrease) in regulatory liabilities	(33,779)	4,308	(155)
Net cash used in investing activities	(620,162)	(596,661)	(629,059)
FINANCING ACTIVITIES			
Increase in note payable to related party	437,853	296,162	298,401
Increase in customers' advance deposits	4,393	-	-
Repayment of capital lease liability	(2,156)	(2,156)	(2,156)
Net cash provided by financing activities	440,090	294,006	296,245
Net increase (decrease) in cash and cash equivalents during the year	79,359	(23,717)	(12,043)
Cash and cash equivalents, beginning of year	1,511	80,870	57,153
Cash and cash equivalents, end of year	80,870	57,153	45,110



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited

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Rate Base

\$ 2,666,530,896

Questions that must be answered

1. Does the applicant have any Investment Tax Credits (ITC)?
2. Does the applicant have any SRED Expenditures?
3. Does the applicant have any Capital Gains or Losses for tax purposes?
4. Does the applicant have any Capital Leases?
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
6. Since 1999, has the applicant acquired another regulated applicant's assets?
7. Did the applicant pay dividends?
If Yes, please describe what was the tax treatment in the manager's summary.
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historic	Bridge	Test Year
Yes	Yes	Yes
Yes	Yes	Yes
Yes	Yes	No
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	No	No



Ontario Energy Board

**PILS / INCOME TAXES WORK
FORM
2012 COST OF SERVICE YEAR**

**Toronto Hydro-Electric System Limited
Tax Rates & Exemptions**

Tax Rates

**Federal & Provincial
As of March 22, 2011**

Federal income tax

General corporate rate
Federal tax abatement
Adjusted federal rate

Effective
1-Jan-11

Effective
1-Jan-12

Effective
1-Jan-13

Effective
1-Jan-14

38.00%
-10.00%
28.00%

38.00%
-10.00%
28.00%

38.00%
-10.00%
28.00%

38.00%
-10.00%
28.00%

Surtax (4% of line 3)

0.00%
28.00%

0.00%
28.00%

0.00%
28.00%

0.00%
28.00%

Rate reduction

-11.50%
16.50%

-13.00%
15.00%

-13.00%
15.00%

-13.00%
15.00%

(refer to Note 1)

Ontario income tax

11.75%

11.25%

10.50%

10.00%

Combined federal and Ontario

28.25%

26.25%

25.50%

25.00%

Federal & Ontario Small Business

Federal small business threshold
Ontario Small Business Threshold

500,000
500,000

500,000
500,000

500,000
500,000

500,000
500,000

Federal small business rate

11.00%

11.00%

11.00%

11.00%

Ontario small business rate

4.50%

4.50%

4.50%

4.50%

NOTES:

1. Federal Budgets of March 22, 2011 and June 6, 2011 reaffirmed the corporate tax rate reductions to 16.5% in 2011 and 15% in 2012.



Class	Class Description	UCC End of Year Historic per tax returns	Less: Non- Distribution Portion	UCC Regulated Historic Year
1	Distribution System - post 1987	1,138,134,029		1,138,134,029
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election			0
2	Distribution System - pre 1988	372,889,008		372,889,008
8	General Office/Stores Equip	39,276,769		39,276,769
10	Computer Hardware/ Vehicles	24,490,365		24,490,365
10.1	Certain Automobiles	0		0
12	Computer Software	12,380,816		12,380,816
13 ₁	Lease # 1	118,715		118,715
13 ₂	Lease #2	3,021,653		3,021,653
13 ₃	Lease # 3	878,182		878,182
13 ₄	Lease # 4	148,025		148,025
13 ₅	Lease # 5	280,516		280,516
13 ₆	Lease # 6	0		0
13 ₇	Lease # 7	0		0
14	Franchise	0		0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	13,207,248		13,207,248
42	Fibre Optic Cable	54,895		54,895
43.1	Certain Energy-Efficient Electrical Generating Equipment	0		0
43.2	Certain Clean Energy Generation Equipment			0
45	Computers & Systems Software acq'd post Mar 22/04	490,806		490,806
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0		0
47	Distribution System - post February 2005	819,899,268		819,899,268
50	Data Network Infrastructure Equipment - post Mar 2007	1,029,150		1,029,150
52	Computer Hardware and system software			0
95	CWIP	259,737,856		259,737,856
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	2,686,037,301	0	2,686,037,301



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

**Toronto Hydro-Electric System Limited
Schedule 10 CEC - Historical Year**

Cumulative Eligible Capital - Beginning of Year

12,401,582

Additions

Cost of Eligible Capital Property Acquired during Test Year

Other Adjustments

Subtotal

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

Amount transferred on amalgamation or wind-up of subsidiary

Subtotal

x 3/4 = 0

x 1/2 = 0

0 0

0

12,401,582

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

Subtotal

x 3/4 = 0

Cumulative Eligible Capital Balance

12,401,582

Current Year Deduction

12,401,582 x 7% = 868,111

Cumulative Eligible Capital - Closing Balance

11,533,471





Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System
Schedule 13 Tax Reserves -

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)	173,810,208	0	173,810,208
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	0	0	0





Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited
Schedule 7-1 Loss Carry Forward - Historic

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historic			0

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual Historic			0



 Ontario Energy Board

**PILS / INCOME TAXES WORK
FORM
2012 COST OF SERVICE YEAR**

**Toronto Hydro-Electric System
Adjusted Taxable Income - Historic Year**

See Exhibit H1, Tab 2, Schedule 4 for copy of 2010 tax return.



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

**2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited
PILs Tax Provision - Historic Year

See Exhibit H1, Tab 2, Schedule 4 for copy of 2010 tax return.

Class	Class Description	UCC Regulated Historic Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	\$ 1,138,134,029	\$ 7,995,239	-\$ 702,060	\$ 1,145,427,208	\$ 3,646,590	\$ 1,141,780,619	4%	\$ 45,671,225	\$ 1,099,755,983
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election				\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ 372,889,008	\$ -	\$ -	\$ 372,889,008	\$ -	\$ 372,889,008	6%	\$ 22,373,340	\$ 350,515,668
8	General Office/Stores Equip	\$ 39,276,769	\$ 4,968,412	\$ -	\$ 44,245,181	\$ 2,484,206	\$ 41,760,975	20%	\$ 8,352,195	\$ 35,892,986
10	Computer Hardware/ Vehicles	\$ 24,490,365	\$ 11,231,498	-\$ 239,206	\$ 35,482,657	\$ 5,496,146	\$ 29,986,511	30%	\$ 8,995,953	\$ 26,486,704
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 12,380,816	\$ 39,834,987	\$ -	\$ 52,215,803	\$ 19,917,494	\$ 32,298,310	100%	\$ 32,298,310	\$ 19,917,494
13 1	Lease # 1	\$ 118,715	\$ -	\$ -	\$ 118,715	\$ -	\$ 118,714	SL	\$ 118,714	\$ 1
13 2	Lease #2	\$ 3,021,653	\$ -	\$ -	\$ 3,021,653	\$ -	\$ 3,021,653	SL	\$ 2,014,435	\$ 1,007,218
13 3	Lease # 3	\$ 878,182	\$ -	\$ -	\$ 878,182	\$ -	\$ 878,182	SL	\$ 351,273	\$ 526,909
13 4	Lease # 4	\$ 148,025	\$ -	\$ -	\$ 148,025	\$ -	\$ 148,025	SL	\$ 42,293	\$ 105,732
13 5	Lease # 5	\$ 280,516	\$ -	\$ -	\$ 280,516	\$ -	\$ 280,516	SL	\$ 62,337	\$ 218,179
13 6	Lease # 6	\$ -	\$ 176,896	\$ -	\$ 176,896	\$ -	\$ 176,896	SL	\$ 17,690	\$ 159,206
14	Franchise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 13,207,248	\$ -	-\$ 73,016	\$ 13,134,232	\$ -	\$ 13,134,232	8%	\$ 1,050,739	\$ 12,083,493
42	Fibre Optic Cable	\$ 54,895	\$ -	\$ -	\$ 54,895	\$ -	\$ 54,895	12%	\$ 6,587	\$ 48,308
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment				\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 490,806	\$ -	\$ -	\$ 490,806	\$ -	\$ 490,806	45%	\$ 220,863	\$ 269,943
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 819,899,268	\$ 294,076,608	\$ -	\$ 1,113,975,876	\$ 147,038,304	\$ 966,937,572	8%	\$ 77,355,006	\$ 1,036,620,870
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 1,029,150	\$ 13,358,942	\$ -	\$ 14,388,092	\$ 6,679,471	\$ 7,708,621	55%	\$ 4,239,742	\$ 10,148,350
52	Computer Hardware and system software		\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ 259,737,856			\$ 259,737,856	\$ -	\$ 259,737,856		\$ -	\$ 259,737,856
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 2,686,037,301	\$ 371,642,582	-\$ 1,014,282	\$ 3,056,665,601	\$ 185,262,210	\$ 2,871,403,391		\$ 203,170,701	\$ 2,853,494,900





Ontario Energy Board

**PILS / INCOME TAXES
 WORK FORM
 2012 COST OF SERVICE
 YEAR**

Toronto Hydro-Electric System Limited

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital

11,533,471

Additions

Cost of Eligible Capital Property Acquired during Test Year

0

Other Adjustments

0

Subtotal

0

$\times 3/4 =$ 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

$\times 1/2 =$ 0

0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

11,533,471

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

0

Subtotal

0

$\times 3/4 =$ 0

Cumulative Eligible Capital Balance

11,533,471

Current Year Deduction

11,533,471 $\times 7\% =$ 807,343

Cumulative Eligible Capital - Closing Balance

10,726,128



Continuity of Reserves

Description	Historic Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	Change During the Year	Disallowed Expenses
				Additions	Disposals			
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	0	0	0	0	0	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)	173,810,208		173,810,208	10,575,000		184,385,208	10,575,000	
General Reserve for Inventory Obsolescence (non-specific)			0			0	0	
General reserve for bad debts	0		0			0	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accumulated Sick Leave	0		0			0	0	
- Termination Cost	373,000		373,000	527,000		900,000	527,000	
- Other Post-Employment Benefits	166,790,000		166,790,000	9,248,000		176,038,000	9,248,000	
D 8	-720,000		-720,000			-720,000		
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0	800,000		800,000	800,000	
Other Contingent Liabilities	7,367,208		7,367,208			7,367,208	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other			0			0	0	
	0		0			0	0	
Total		0			0			0





Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF
SERVICE YEAR**

Toronto Hydro-Electric System Limited

Schedule 7-1 Loss Carry Forward -

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total
Actual Historic	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0

Net Capital Loss Carry Forward Deduction	Total
Actual Historic	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0



Toronto Hydro-Electric System Limited
Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILS/Taxes	A	88,789,071
Additions:		
Interest and penalties on taxes	103	0
Amortization of tangible assets	104	137,830,953
Amortization of intangible assets	106	0
Recapture of capital cost allowance from Schedule 8	107	0
Gain on sale of eligible capital property from Schedule 10	108	0
Income or loss for tax purposes- joint ventures or partnerships	109	0
Loss in equity of subsidiaries and affiliates	110	0
Loss on disposal of assets	111	0
Charitable donations	112	0
Taxable Capital Gains	113	1,465,629
Political Donations	114	0
Deferred and prepaid expenses	116	0
Scientific research expenditures deducted on financial statements	118	0
Capitalized interest	119	0
Non-deductible club dues and fees	120	425,988
Non-deductible meals and entertainment expense	121	187,001
Non-deductible automobile expenses	122	0
Non-deductible life insurance premiums	123	0
Non-deductible company pension plans	124	0
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	184,385,208
Soft costs on construction and renovation of buildings	127	0
Book loss on joint ventures or partnerships	205	0
Capital items expensed	206	0
Debt issue expense	208	0
Development expenses claimed in current year	212	0
Financing fees deducted in books	216	0
Gain on settlement of debt	220	0
Non-deductible advertising	226	0
Non-deductible interest	227	0
Non-deductible legal and accounting fees	228	0
Recapture of SR&ED expenditures	231	0
Share issue expense	235	0
Write down of capital property	236	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited

Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	0
Realized Income from Deferred Credit Accounts	291	0
Pensions	292	0
Non-deductible penalties	293	0
Debt Financing Expenses for Book Purposes	294	627,523
ARO Accretion expense	295	151,727
Capital Contributions Received (ITA 12(1)(x))	295	20,807,664
Lease Inducements Received (ITA 12(1)(x))	295	100,000
Deferred Revenue (ITA 12(1)(a))	295	821,000
Non-deductible portion of auto leases (>\$800/month)	295	79,563
Prior Year Investment Tax Credits received	295	2,050,985
Total Additions		348,933,241
Deductions:		
Gain on disposal of assets per financial statements	401	0
Dividends not taxable under section 83	402	0
Capital cost allowance from Schedule 8	403	203,170,701
Terminal loss from Schedule 8	404	0
Cumulative eligible capital deduction from Schedule 10	405	807,343
Allowable business investment loss	406	0
Deferred and prepaid expenses	409	0
Scientific research expenses claimed in year	411	0
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	173,810,208
Contributions to deferred income plans	416	0
Book income of joint venture or partnership	305	0
Equity in income from subsidiary or affiliates	306	0
Other deductions: (Please explain in detail the nature of the item)		
Interest capitalized for accounting deducted for tax	390	0
Capital Lease Payments	391	0
Non-taxable imputed interest income on deferral and variance accounts	392	
Financing Fees for Tax Under S.20(1)(e)	393	1,084,882
Excess Interest (see Tab "Sch 7-3 Interest Bridge")	394	4,986,663
ARO Payments - Deductible for Tax when Paid	394	695,732

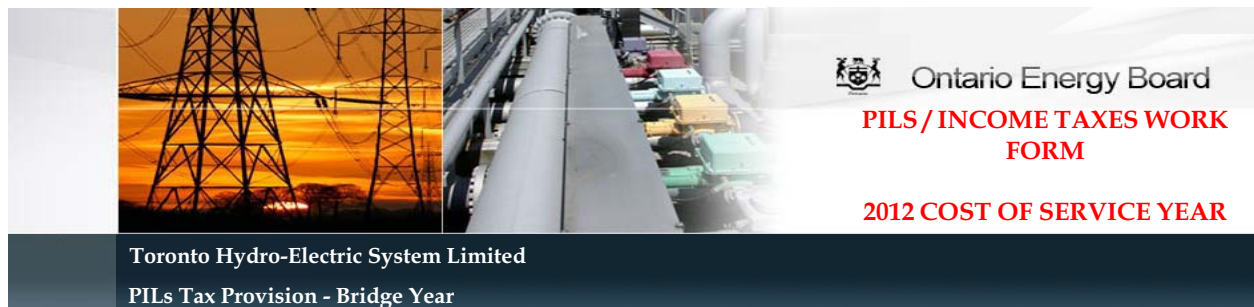


Toronto Hydro-Electric System Limited
Adjusted Taxable Income - Bridge Year

ITA 13(7.4) Election - Capital Contributions Received	394	20,807,664
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds	394	100,000
Deferred Revenue - ITA 20(1)(m) reserve	394	821,000
Principal portion of lease payments	394	175,726
Lease payment capitalized for accounting	394	366,667
Lease Inducement Book Amortization credit to income	394	139,919
Lease Inducement Book Amortization credit to income	394	621,471
Total Deductions		407,587,976
Net Income for Tax Purposes		30,134,335
Charitable donations from Schedule 2	311	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0
TAXABLE INCOME		30,134,335



Calculated Deemed Interest Expense	71,958,074	
2011 Actual Interest Expense	76,944,737	2-2 UNADJUSTED ACCOUNTING DATA L 491
2011 Capitalized Interest (USoA 6040)		2-2 UNADJUSTED ACCOUNTING DATA L 431
2011 Capitalized Interest (USoA 6042)	0	2-2 UNADJUSTED ACCOUNTING DATA L 432
2011 Actual Interest	76,944,737	
Interest Forecast for Tier 1 or 2 Adjustments		
Total Interest	76,944,737	
Excess Interest Expense for 2011 PILs	4,986,663	



Wires Only

Regulatory Taxable Income

\$ 30,134,335 **A**

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.75% **B**

\$ 3,540,784 **C = A * B**

Small business credit

Ontario Small Business Threshold
Rate reduction

\$ 500,000 **D**
-7.25% **E**

-\$ 36,200 **F = D * E**

Ontario Income tax

\$ 3,504,584 **J = C + F**

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate
Combined tax rate

11.63% **K = J / A**
16.50% **L**

28.13% **M = L + L**

Total Income Taxes

\$ 8,476,750 **N = A * M**

Investment Tax Credits

\$ 1,550,000 **O**

Miscellaneous Tax Credits

\$ 600,000 **P**

Total Tax Credits

\$ 2,150,000 **Q = O + P**

Corporate PILs/Income Tax Provision for Bridge Year

\$ 6,326,750 **R = N - Q**

Corporate PILs/Income Tax Provision Gross Up ¹

71.75% **S = 1 - M**

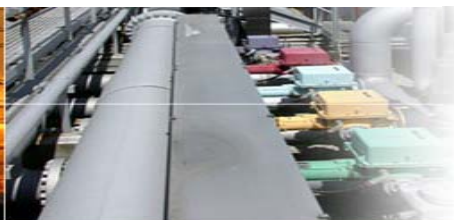
\$ 2,491,020 **T = R / S - N**

Income Tax (grossed-up)

\$ 8,817,770 **U = R + T**

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

Toronto Hydro-Electric System Limited
Schedule 8 CCA - Test Year

Class	Class Description	UCC Test Year Opening Balance (note 1)	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 1,128,214,802	13,477,472	0	\$ 1,141,692,274	\$ 6,738,736	\$ 1,134,953,538	4%	\$ 45,398,142	\$ 1,096,294,132
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -	-	-	\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ 350,515,668	0	0	\$ 350,515,668	\$ -	\$ 350,515,668	6%	\$ 21,030,940	\$ 329,484,727
8	General Office/Stores Equip	\$ 35,892,986	14,660,749	0	\$ 50,553,735	\$ 7,330,375	\$ 43,223,360	20%	\$ 8,644,672	\$ 41,909,063
10	Computer Hardware/ Vehicles	\$ 26,486,704	13,780,686	0	\$ 40,267,390	\$ 6,890,343	\$ 33,377,047	30%	\$ 10,013,114	\$ 30,254,276
10.1	Certain Automobiles	\$ -	-	-	\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 19,917,494	34,509,225	0	\$ 54,426,719	\$ 17,254,613	\$ 37,172,106	100%	\$ 37,172,106	\$ 17,254,613
13 1	Lease # 1	\$ 1	0	0	\$ 1	\$ -	\$ 1	-	\$ -	\$ 1
13 2	Lease #2	\$ 1,007,218	0	0	\$ 1,007,218	\$ -	\$ 1,007,218	-	\$ 1,007,218	\$ -
13 3	Lease # 3	\$ 526,909	0	0	\$ 526,909	\$ -	\$ 526,909	-	\$ 351,273	\$ 175,636
13 4	Lease # 4	\$ 105,732	0	0	\$ 105,732	\$ -	\$ 105,732	-	\$ 42,293	\$ 63,439
13 5	Lease # 5	\$ 218,179	0	0	\$ 218,179	\$ -	\$ 218,179	-	\$ 62,337	\$ 155,842
13 6	Lease # 6	\$ 159,206	0	0	\$ 159,206	\$ -	\$ 159,206	-	\$ 35,380	\$ 123,826
13 7	Lease # 7	\$ -	1,344,194	0	\$ 1,344,194	\$ -	\$ 1,344,194	-	\$ 134,419	\$ 1,209,775
14	Franchise	\$ -	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 12,083,493	0	0	\$ 12,083,493	\$ -	\$ 12,083,493	8%	\$ 966,679	\$ 11,116,814
42	Fibre Optic Cable	\$ 48,308	0	0	\$ 48,308	\$ -	\$ 48,308	12%	\$ 5,797	\$ 42,511
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -	0	0	\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment	\$ -	-	-	\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 269,943	-	-	\$ 269,943	\$ -	\$ 269,943	45%	\$ 121,474	\$ 148,469
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -	-	-	\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 1,036,620,870	376,742,138	0	\$ 1,413,363,008	\$ 188,371,069	\$ 1,224,991,939	8%	\$ 97,999,355	\$ 1,315,363,653
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 10,148,350	10,952,525	0	\$ 21,100,875	\$ 5,476,263	\$ 15,624,613	55%	\$ 8,593,537	\$ 12,507,338
52	Computer Hardware and system software	\$ -	-	0	\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ 259,737,856	0	0	\$ 259,737,856	\$ -	\$ 259,737,856	0%	\$ -	\$ 259,737,856
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
			-	-	\$ -	\$ -	\$ -	0%	\$ -	\$ -
	TOTAL	\$ 2,881,953,719	\$ 465,466,989	\$ -	\$ 3,347,420,708	\$ 232,061,397	\$ 3,115,359,310	-	\$ 231,578,737	\$ 3,115,841,971

Note 1 - UCC Opening balance for Class 1

UCC ending balance per 2011 Bridge Year Schedule 8

UCC re: Transfer of Streetlighting assets per OEB's decision

Adjusted UCC opening balance for Class 1

1,099,755,983

28,458,819

1.128.214.802



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

**Toronto Hydro-Electric System Limited
Schedule 10 CEC - Test Year**

Cumulative Eligible Capital - Beginning of Year

10,726,128

Additions

Cost of Eligible Capital Property Acquired during Test Year	3,114,464		
Other Adjustments	0		
Subtotal	3,114,464	x 3/4 =	2,335,848
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2008	0	x 1/2 =	0
			2,335,848
Amount transferred on amalgamation or wind-up of subsidiary	0		0
Subtotal			13,061,976

Deductions

Proceeds of sale (less outlays and expenses not otherwise deducted) from the disposition of all ECP during Test Year	0		
Other Adjustments	0		
Subtotal	0	x 3/4 =	0

Cumulative Eligible Capital Balance **13,061,976**

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income") **13,061,976** **x 7% =** **914,338**

Cumulative Eligible Capital - Closing Balance **12,147,638**



Ontario Energy Board

**PILS / INCOME TAXES WORK
FORM
2012 COST OF SERVICE YEAR**

**Toronto Hydro-Electric System Limited
Schedule 13 Tax Reserves - Test Year**

Continuity of Reserves

Description	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
				Additions	Disposals			
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
Total	0	0	0	0	0	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)	184,385,208		184,385,208	9,308,000	0	193,693,208	9,308,000	
			0			0		
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	0		0			0	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accumulated Sick Leave	0		0			0	0	
- Termination Cost	900,000		900,000			900,000	0	
- Other Post-Employment Benefits	176,038,000		176,038,000	9,308,000		185,346,000	9,308,000	
	-720,000		-720,000			-720,000		
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	800,000		800,000			800,000	0	
Other Contingent Liabilities	7,367,208		7,367,208			7,367,208	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	0		0			0	0	
	0		0			0	0	
Total		0		9,308,000	0		9,308,000	0





Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited
Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited

Taxable Income - Test Year

		Test Year Taxable Income
Net Income Before Taxes		102,181,464
	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	0
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	147,753,069
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	0
Recapture of capital cost allowance from Schedule 8	107	0
Gain on sale of eligible capital property from Schedule 10	108	0
Income or loss for tax purposes- joint ventures or partnerships	109	0
Loss in equity of subsidiaries and affiliates	110	0
Loss on disposal of assets	111	0
Charitable donations	112	0
Taxable Capital Gains	113	0
Political Donations	114	0
Deferred and prepaid expenses	116	0
Scientific research expenditures deducted on financial statements	118	0
Capitalized interest	119	0
Non-deductible club dues and fees	120	440,046
Non-deductible meals and entertainment expense	121	185,555
Non-deductible automobile expenses	122	0
Non-deductible life insurance premiums	123	0
Non-deductible company pension plans	124	0
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	193,693,208
Soft costs on construction and renovation of buildings	127	0
Book loss on joint ventures or partnerships	205	0
Capital items expensed	206	0
Debt issue expense	208	0
Development expenses claimed in current year	212	0
Financing fees deducted in books	216	896,679



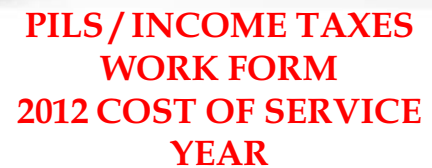
Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited

Taxable Income - Test Year

Gain on settlement of debt	220	0
Non-deductible advertising	226	0
Non-deductible interest	227	0
Non-deductible legal and accounting fees	228	0
Recapture of SR&ED expenditures	231	0
Share issue expense	235	0
Write down of capital property	236	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0
<i>Other Additions: (please explain in detail the nature of the item)</i>		0
Interest Expensed on Capital Leases	290	0
Realized Income from Deferred Credit Accounts	291	0
Pensions	292	0
Non-deductible penalties	293	0
	294	0
ARO Accretion expense	295	156,734
Capital Contributions Received (ITA 12(1)(x))	295	19,968,265
Non-deductible portion of auto leases (>\$800/month)	295	68,323
Prior Year Investment Tax Credits received	295	1,550,000
Total Additions		364,711,879
Deductions:		
Gain on disposal of assets per financial statements	401	0
Dividends not taxable under section 83	402	0
Capital cost allowance from Schedule 8	403	231,578,737



Toronto Hydro-Electric System Limited

Taxable Income - Test Year

[illegible]



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2012 COST OF SERVICE
YEAR**

**Toronto Hydro-Electric System Limited
Taxable Income - Test Year**

Total Deductions		452,272,526
NET INCOME FOR TAX PURPOSES		14,620,817
Charitable donations	311	0
Taxable dividends received under section 112 or 113	320	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0
REGULATORY TAXABLE INCOME		14,620,817

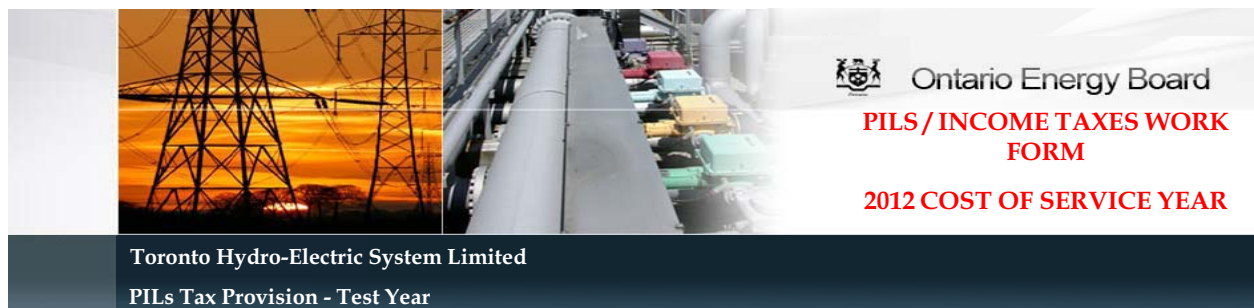


Calculated Deemed Interest Expense	78,779,989
2012 Actual Interest Expense	89,175,240
2012 Capitalized Interest (USoA 6040)	0
2012 Capitalized Interest (USoA 6042)	0
2012 Actual Interest	89,175,240
Interest Forecast for Tier 1 or 2 Adjustments	
Total Interest	89,175,240
Excess Interest Expense for 2012 PILs	10,395,251

2-2 UNADJUSTED ACCOUNTING DATA L 491

2-2 UNADJUSTED ACCOUNTING DATA L 431

2-2 UNADJUSTED ACCOUNTING DATA L 432



Wires Only

Regulatory Taxable Income

\$ 14,620,817 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.25% B

\$

1,644,842 C = A * B

Small business credit

Ontario Small Business Threshold
Rate reduction

\$ 500,000 D

-6.75% E

-\$

33,743 F = D * E

Ontario Income tax

\$ 1,611,099 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate
Combined tax rate

11.02%

15.00%

K = J / A

L

26.02% M = L + L

Total Income Taxes

\$ 3,804,221 N = A * M

Investment Tax Credits

\$ 1,550,000 O

Miscellaneous Tax Credits

\$ 610,000 P

Total Tax Credits

\$ 2,160,000 Q = O + P

Corporate PILs/Income Tax Provision for Test Year

\$ 1,644,221 R = N - Q

Corporate PILs/Income Tax Provision Gross Up ¹

73.75%

S = 1 - M

\$ 585,231 T = R / S - N

Income Tax (grossed-up)

\$ 2,229,453 U = R + T

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

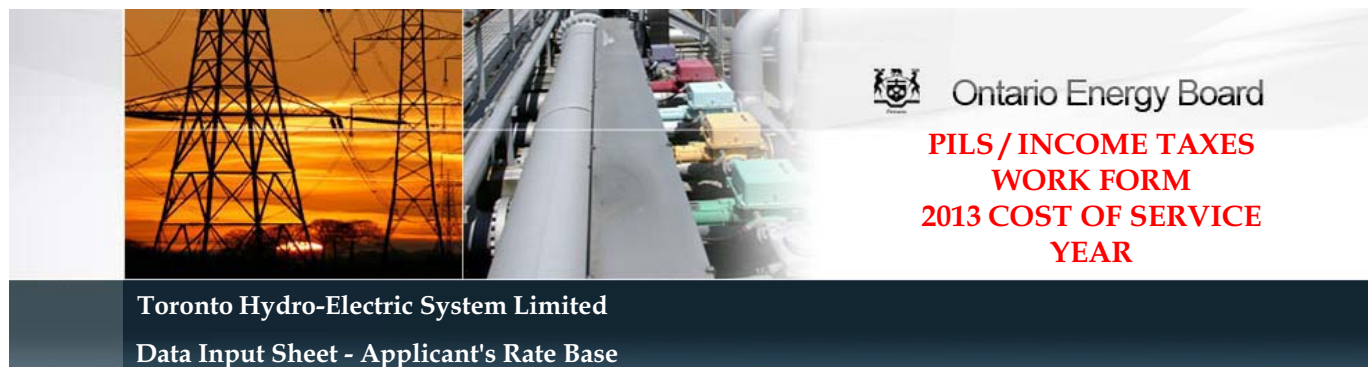


Ontario Energy Board

**PILS / INCOME TAXES WORK
FORM
2013 COST OF SERVICE YEAR**

Toronto Hydro-Electric System Limited
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- [T. PILs, Tax Provision](#)



Rate Base

\$ 3,084,556,225

Questions that must be answered

Test Year

1. Does the applicant have any Investment Tax Credits (ITC)?
2. Does the applicant have any SRED Expenditures?
3. Does the applicant have any Capital Gains or Losses for tax purposes?
4. Does the applicant have any Capital Leases?
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
6. Since 1999, has the applicant acquired another regulated applicant's assets?
7. Did the applicant pay dividends?
If Yes, please describe what was the tax treatment in the manager's summary.
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Yes

Yes

No

Yes

No

No

No

No



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2013 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited

Tax Rates & Exemptions

Tax Rates Federal & Provincial As of March 22, 2011	Effective 1-Jan-11	Effective 1-Jan-12	Effective 1-Jan-13	Effective 1-Jan-14
Federal income tax				
General corporate rate	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%
Surtax (4% of line 3)	0.00%	0.00%	0.00%	0.00%
	28.00%	28.00%	28.00%	28.00%
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%
	16.50%	15.00%	15.00%	15.00%
				(refer to Note 1)
Ontario income tax	11.75%	11.25%	10.50%	10.00%
Combined federal and Ontario	28.25%	26.25%	25.50%	25.00%
Federal & Ontario Small Business				
Federal small business threshold	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%

NOTES:

1. Federal Budgets of March 22, 2011 and June 6, 2011 reaffirmed the corporate tax rate reductions to 16.5% in 2011 and 15% in 2012.



Ontario Energy Board

PILS/INCOME TAXES WORK FORM

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 1,096,294,132	42,817,275		\$ 1,139,111,407	\$ 21,408,638	\$ 1,117,702,770	4%	\$ 44,708,111	\$ 1,094,403,296
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ 329,484,727	0		\$ 329,484,727	\$ -	\$ 329,484,727	6%	\$ 19,769,084	\$ 309,715,644
8	General Office/Stores Equip	\$ 41,909,063	18,998,256		\$ 60,907,319	\$ 9,499,128	\$ 51,408,191	20%	\$ 10,281,638	\$ 50,625,681
10	Computer Hardware/ Vehicles	\$ 30,254,276	3,322,308		\$ 33,576,584	\$ 1,661,154	\$ 31,915,430	30%	\$ 9,574,629	\$ 24,001,955
10.1	Certain Automobiles	\$ -	0		\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 17,254,613	31,025,616		\$ 48,280,229	\$ 15,512,808	\$ 32,767,421	100%	\$ 32,767,421	\$ 15,512,808
13 1	Lease # 1	\$ 1	0		\$ 1	\$ -	\$ 1		\$ -	\$ 1
13 2	Lease #2	\$ -	0		\$ -	\$ -	\$ -		\$ -	\$ -
13 3	Lease # 3	\$ 175,636	0		\$ 175,636	\$ -	\$ 175,636		\$ 175,636	\$ -
13 4	Lease # 4	\$ 63,439	0		\$ 63,439	\$ -	\$ 63,439		\$ 42,293	\$ 21,146
13 5	Lease # 5	\$ 155,842	0		\$ 155,842	\$ -	\$ 155,842		\$ 62,337	\$ 93,505
13 6	Lease # 6	\$ 123,826	0		\$ 123,826	\$ -	\$ 123,826		\$ 35,380	\$ 88,446
13 7	Lease # 7	\$ 1,209,775	0		\$ 1,209,775	\$ -	\$ 1,209,775		\$ 268,839	\$ 940,936
13 8	Lease # 8	\$ -	1,074,218		\$ 1,074,218	\$ -	\$ 1,074,218		\$ 107,422	\$ 966,796
14	Franchise	\$ -	0		\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 11,116,814	0		\$ 11,116,814	\$ -	\$ 11,116,814	8%	\$ 889,345	\$ 10,227,469
42	Fibre Optic Cable	\$ 42,511	0		\$ 42,511	\$ -	\$ 42,511	12%	\$ 5,101	\$ 37,409
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -	0		\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment	\$ -			\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 148,469	0		\$ 148,469	\$ -	\$ 148,469	45%	\$ 66,811	\$ 81,658
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -	0		\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 1,315,363,653	491,577,250		\$ 1,806,940,903	\$ 245,788,625	\$ 1,561,152,278	8%	\$ 124,892,182	\$ 1,682,048,720
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 12,507,338	11,418,666		\$ 23,926,004	\$ 5,709,333	\$ 18,216,671	55%	\$ 10,019,169	\$ 13,906,835
52	Computer Hardware and system software	\$ -	0		\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ 259,737,856	0		\$ 259,737,856	\$ -	\$ 259,737,856	0%	\$ -	\$ 259,737,856
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
	TOTAL	\$ 3,115,841,970	\$ 600,233,589	\$ -	\$ 3,716,075,559	\$ 299,579,685	\$ 3,416,495,873		\$ 253,665,398	\$ 3,462,410,161



Cumulative Eligible Capital - Beginning of Year

12,147,638

Additions

Cost of Eligible Capital Property Acquired during Test Year

505,656

Other Adjustments

0

Subtotal 505,656

x 3/4 = 379,242

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

379,242

379,242

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

12,526,880

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

Subtotal 0

x 3/4 =

0

Cumulative Eligible Capital Balance

12,526,880

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")

12,526,880

x 7% =

876,882

Cumulative Eligible Capital - Closing Balance

11,649,998



Toronto Hydro-Electric System Limited
Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
				Additions	Disposals			
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	0	0	0	0	0	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)	193,693,208		193,693,208	9,448,566		203,141,774	9,448,566	
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	0		0			0	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accumulated Sick Leave	0		0			0	0	
- Termination Cost	900,000		900,000			900,000	0	
- Other Post-Employment Benefits	184,626,000		184,626,000	9,448,566		194,074,566	9,448,566	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	800,000		800,000			800,000	0	
Other Contingent Liabilities	7,367,208		7,367,208			7,367,208	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total		0			0		9,448,566	0



Toronto Hydro-Electric System Limited
Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



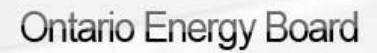
Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2013 COST OF SERVICE
YEAR**

**Toronto Hydro-Electric System Limited
Taxable Income - Test Year**

	Test Year Taxable Income
Net Income Before Taxes	118,200,195

	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	0
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	165,797,474
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	0
Recapture of capital cost allowance from Schedule 8	107	0
Gain on sale of eligible capital property from Schedule 10	108	0
Income or loss for tax purposes- joint ventures or partnerships	109	0
Loss in equity of subsidiaries and affiliates	110	0
Loss on disposal of assets	111	0
Charitable donations	112	0
Taxable Capital Gains	113	0
Political Donations	114	0
Deferred and prepaid expenses	116	0
Scientific research expenditures deducted on financial statements	118	0
Capitalized interest	119	0
Non-deductible club dues and fees	120	449,287
Non-deductible meals and entertainment expense	121	189,452
Non-deductible automobile expenses	122	0
Non-deductible life insurance premiums	123	0
Non-deductible company pension plans	124	0
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	203,141,774
Soft costs on construction and renovation of buildings	127	0
Book loss on joint ventures or partnerships	205	0
Capital items expensed	206	0
Debt issue expense	208	0



**PILS / INCOME TAXES
WORK FORM
2013 COST OF SERVICE
YEAR**

Toronto Hydro-Electric System Limited

Taxable Income - Test Year

[illegible]



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2013 COST OF SERVICE
YEAR**

**Toronto Hydro-Electric System Limited
Taxable Income - Test Year**

Total Additions		384,297,979
Deductions:		
Gain on disposal of assets per financial statements	401	0
Dividends not taxable under section 83	402	0
Capital cost allowance from Schedule 8	403	253,665,398
Terminal loss from Schedule 8	404	0
Cumulative eligible capital deduction from Schedule 10 CEC	405	876,882
Allowable business investment loss	406	0
Deferred and prepaid expenses	409	0
Scientific research expenses claimed in year	411	0
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	193,693,208
Contributions to deferred income plans	416	0
Book income of joint venture or partnership	305	0
Equity in income from subsidiary or affiliates	306	0
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	0
Capital Lease Payments	391	0
Non-taxable imputed interest income on deferral and variance accounts	392	
Financing Fees for Tax Under S.20(1)(e) / S.20(1)(e.1)	393	1,966,191
Excess Interest (see Tab "Sch 7-3 Interest Test Year")	394	9,210,607
ARO Payments - Deductible for Tax when Paid	394	205,556
ITA 13(7.4) Election - Capital Contributions Received	394	12,026,926
Lease payment capitalized for accounting	394	2,200,000
Principal portion of lease payments	394	162,689



Toronto Hydro-Electric System Limited
Taxable Income - Test Year

Total Deductions		474,007,456
NET INCOME FOR TAX PURPOSES		28,490,718
Charitable donations	311	0
Taxable dividends received under section 112 or 113	320	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0
REGULATORY TAXABLE INCOME		28,490,718



Calculated Deemed Interest Expense	90,456,462	
2013 Actual Interest Expense	99,667,069	2-2 UNADJUSTED ACCOUNTING DATA L 491
2013 Capitalized Interest (USoA 6040)	0	2-2 UNADJUSTED ACCOUNTING DATA L 431
2013 Capitalized Interest (USoA 6042)	0	2-2 UNADJUSTED ACCOUNTING DATA L 432
2013 Actual Interest	99,667,069	
Interest Forecast for Tier 1 or 2 Adjustments		
Total Interest	99,667,069	
Excess Interest Expense for 2013 PILs	9,210,607	



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

2013 COST OF SERVICE
YEAR

Toronto Hydro-Electric System Limited

PILs Tax Provision - Test Year

Wires Only

Regulatory Taxable Income

\$ 28,490,718 A

Ontario Income Taxes

Income tax / Ontario Income Tax 10.50% B \$ 2,991,525 C = A * B

Small business Ontario Small Business \$ 500,000 D
Rate reduction -6.00% E -\$ 29,979 F = D * E

Ontario Income tax

\$ 2,961,546 J = C + F

Combined Tax Effective Ontario Tax Rate

10.39%

K = J / A

Federal tax rate

15.00%

L

Combined tax rate

25.39% M = L + L

Total Income Taxes

\$ 7,235,154 N = A * M

Investment Tax Credits

\$ 1,550,000 O

Miscellaneous Tax Credits

\$ 610,000 P

Total Tax Credits

\$ 2,160,000 Q = O + P

Corporate PILs/Income Tax Provision for Test Year

\$ 5,075,154 R = N - Q

Corporate PILs/Income Tax Provision Gross Up ¹

74.50%

S = 1 - M

\$ 1,737,133 T = R / S - N

Income Tax (grossed-up)

\$ 6,812,287 U = R + T

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.



Ontario Energy Board

**PILS / INCOME TAXES WORK
FORM
2014 COST OF SERVICE YEAR**

Toronto Hydro-Electric System Limited
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- [S. Taxable Income Test Year](#)
- [T. PILs, Tax Provision](#)





Ontario Energy Board

**PILS / INCOME TAXES
 WORK FORM
 2014 COST OF SERVICE
 YEAR**

Toronto Hydro-Electric System Limited
Data Input Sheet - Applicant's Rate Base

Rate Base

\$ 3,535,936,142

Questions that must be answered

1. Does the applicant have any Investment Tax Credits (ITC)?
2. Does the applicant have any SRED Expenditures?
3. Does the applicant have any Capital Gains or Losses for tax purposes?
4. Does the applicant have any Capital Leases?
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
6. Since 1999, has the applicant acquired another regulated applicant's assets?
7. Did the applicant pay dividends?
If Yes, please describe what was the tax treatment in the manager's summary.
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Test Year

Yes

Yes

No

Yes

No

No

No

No



**Tax Rates
Federal & Provincial
As of August 11, 2011**

Federal income tax
General corporate rate
Federal tax abatement
Adjusted federal rate

Effective 1-Jan-11	Effective 1-Jan-12	Effective 1-Jan-13	Effective 1-Jan-14
38.00%	38.00%	38.00%	38.00%
-10.00%	-10.00%	-10.00%	-10.00%
28.00%	28.00%	28.00%	28.00%

Surtax (4% of line 3)

0.00%	0.00%	0.00%	0.00%
28.00%	28.00%	28.00%	28.00%

Rate reduction

-11.50%	-13.00%	-13.00%	-13.00%
16.50%	15.00%	15.00%	15.00%

(refer to Note 1)

Ontario income tax

11.75%	11.25%	10.50%	10.00%
--------	--------	--------	--------

Combined federal and Ontario

28.25%	26.25%	25.50%	25.00%
--------	--------	--------	--------

Federal & Ontario Small Business

Federal small business threshold
Ontario Small Business Threshold

500,000	500,000	500,000	500,000
500,000	500,000	500,000	500,000

Federal small business rate

11.00%	11.00%	11.00%	11.00%
--------	--------	--------	--------


Ontario small business rate

4.50%	4.50%	4.50%	4.50%
-------	-------	-------	-------

NOTES:

1. Federal Budgets of March 22, 2011 and June 6, 2011 reaffirmed the corporate tax rate reductions to 16.5% in 2011 and 15% in 2012.

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 1,094,403,296	26,595,499		\$ 1,120,998,795	\$ 13,297,750	\$ 1,107,701,046	4%	\$ 44,308,042	\$ 1,076,690,753
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ 309,715,644	0		\$ 309,715,644	\$ -	\$ 309,715,644	6%	\$ 18,582,939	\$ 291,132,705
8	General Office/Stores Equip	\$ 50,625,681	20,749,712		\$ 71,375,393	\$ 10,374,856	\$ 61,000,537	20%	\$ 12,200,107	\$ 59,175,286
10	Computer Hardware/ Vehicles	\$ 24,001,955	8,871,208		\$ 32,873,163	\$ 4,435,604	\$ 28,437,559	30%	\$ 8,531,268	\$ 24,341,895
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 15,512,808	37,549,601		\$ 53,062,409	\$ 18,774,801	\$ 34,287,609	100%	\$ 34,287,609	\$ 18,774,801
13 1	Lease # 1	\$ 1	0		\$ 1	\$ -	\$ 1		\$ -	\$ 1
13 2	Lease #2	\$ -	0		\$ -	\$ -	\$ -		\$ -	\$ -
13 3	Lease # 3	\$ -	0		\$ -	\$ -	\$ -		\$ -	\$ -
13 4	Lease # 4	\$ 21,146	0		\$ 21,146	\$ -	\$ 21,146		\$ 21,146	\$ -
13 5	Lease # 5	\$ 93,505	0		\$ 93,505	\$ -	\$ 93,505		\$ 62,337	\$ 31,168
13 6	Lease # 6	\$ 88,446	0		\$ 88,446	\$ -	\$ 88,446		\$ 35,380	\$ 53,066
13 7	Lease # 7	\$ 940,936	0		\$ 940,936	\$ -	\$ 940,936		\$ 268,839	\$ 672,097
13 8	Lease # 8	\$ 966,796	0		\$ 966,796	\$ -	\$ 966,796		\$ 214,844	\$ 751,952
13 9	Lease # 9	\$ -	12,743		\$ 12,743	\$ -	\$ 12,743		\$ 1,274	\$ 11,469
14	Franchise	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 10,227,469	0		\$ 10,227,469	\$ -	\$ 10,227,469	8%	\$ 818,198	\$ 9,409,271
42	Fibre Optic Cable	\$ 37,409	0		\$ 37,409	\$ -	\$ 37,409	12%	\$ 4,489	\$ 32,920
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -	0		\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment	\$ -			\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 81,658			\$ 81,658	\$ -	\$ 81,658	45%	\$ 36,746	\$ 44,912
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 1,682,048,720	471,292,157		\$ 2,153,340,877	\$ 235,646,079	\$ 1,917,694,799	8%	\$ 153,415,584	\$ 1,999,925,294
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 13,906,835	13,584,243		\$ 27,491,079	\$ 6,792,122	\$ 20,698,957	55%	\$ 11,384,426	\$ 16,106,652
52	Computer Hardware and system software	\$ -	0		\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ 259,737,856			\$ 259,737,856	\$ -	\$ 259,737,856	0%	\$ -	\$ 259,737,856
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
	TOTAL	\$ 3,462,410,160	\$ 578,655,164	\$ -	\$ 4,041,065,325	\$ 289,321,211	\$ 3,751,744,114		\$ 284,173,227	\$ 3,756,892,098





Ontario Energy Board

PILS / INCOME TAXES

WORK FORM

2014 COST OF SERVICE

YEAR

Toronto Hydro-Electric System Limited
Schedule 10 CEC - Test Year

Cumulative Eligible Capital - Beginning of Year				11,649,998
Additions				
Cost of Eligible Capital Property Acquired during Test Year	31,510,324			
Other Adjustments	0			
Subtotal	31,510,324	x 3/4 =	23,632,743	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0	
			23,632,743	23,632,743
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				35,282,741
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =		0
Cumulative Eligible Capital Balance				35,282,741
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	35,282,741	x 7% =		2,469,792
Cumulative Eligible Capital - Closing Balance				32,812,949




Ontario Energy Board


**PILS / INCOME TAXES
WORK FORM
2014 COST OF SERVICE
YEAR**

**Toronto Hydro-Electric System Limited
Schedule 13 Tax Reserves - Test Year**

Continuity of Reserves

Description	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
				Additions	Disposals			
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	0	0	0	0	0	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)	203,141,774		203,141,774	9,424,285		212,566,059	9,424,285	
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	0		0			0	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accumulated Sick Leave	0		0			0	0	
- Termination Cost	900,000		900,000			900,000	0	
- Other Post-Employment Benefits	194,074,566		194,074,566	9,424,285		203,498,851	9,424,285	
Provision for Environmental Costs			0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	800,000		800,000			800,000	0	
Other Contingent Liabilities	7,367,208		7,367,208			7,367,208	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total		0			0			0





Ontario Energy Board

PILS / INCOME TAXES

WORK FORM

2014 COST OF SERVICE

Toronto Hydro-Electric System Limited

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2014 COST OF SERVICE**

Toronto Hydro-Electric System Limited

Taxable Income - Test Year

		Test Year Taxable Income
Net Income Before Taxes		135,497,073

	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	0
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	188,137,762
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	0
Recapture of capital cost allowance from Schedule 8	107	0
Gain on sale of eligible capital property from Schedule 10	108	0
Income or loss for tax purposes- joint ventures or partnerships	109	0
Loss in equity of subsidiaries and affiliates	110	0
Loss on disposal of assets	111	0
Charitable donations	112	0
Taxable Capital Gains	113	0
Political Donations	114	0
Deferred and prepaid expenses	116	0
Scientific research expenditures deducted on financial statements	118	0
Capitalized interest	119	0
Non-deductible club dues and fees	120	458,722
Non-deductible meals and entertainment expense	121	193,430
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	212,566,059
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	

Toronto Hydro-Electric System Limited
Taxable Income - Test Year

[illegible]



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM
2014 COST OF SERVICE**

Toronto Hydro-Electric System Limited

Taxable Income - Test Year

Total Additions		416,355,894
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	284,173,227
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	2,469,792
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	203,141,774
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
Financing Fees for Tax Under S.20(1)(e) / S.20(1)(e.1)	393	1,958,525
Excess Interest (from Tab "Schedule 7-3")	394	8,483,999
ARO Payments - Deductible for Tax when Paid	394	183,001



Ontario Energy Board

**PILS / INCOME TAXES
 WORK FORM
 2014 COST OF SERVICE**



Toronto Hydro-Electric System Limited

Taxable Income - Test Year

ITA 13(7.4) Election - Capital Contributions Received	394	12,269,295
Lease payment capitalized for accounting	394	2,200,000
Principal portion of lease payments	394	162,689
Total Deductions		515,042,303
NET INCOME FOR TAX PURPOSES		36,810,664
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	0
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		36,810,664



Calculated Deemed Interest Expense	104,267,685	
2014 Actual Interest Expense	112,751,684	2-2 UNADJUSTED ACCOUNTING DATA L 491
2014 Capitalized Interest (USoA 6040)	0	2-2 UNADJUSTED ACCOUNTING DATA L 431
2014 Capitalized Interest (USoA 6042)	0	2-2 UNADJUSTED ACCOUNTING DATA L 432
2014 Actual Interest	112,751,684	
Interest Forecast for Tier 1 or 2 Adjustments		
Total Interest	112,751,684	
Excess Interest Expense for 2014 PILs	8,483,999	

 		Ontario Energy Board PILS / INCOME TAXES WORK FORM 2014 COST OF SERVICE YEAR
Toronto Hydro-Electric System Limited PILs Tax Provision - Test Year		

Wires Only

Regulatory Taxable Income						\$ 36,810,664 A	
Ontario Income Taxes							
Income tax payable	Ontario Income Tax	10.00%	B	\$	3,681,066	C = A * B	
Small business credit	Ontario Small Business Threshold	\$ 500,000	D				
	Rate reduction	-5.50%	E	-\$	27,500	F = D * E	
Ontario Income tax						\$ 3,653,566 J = C + F	
Combined Tax Rate and PILs							
	Effective Ontario Tax Rate	9.93%	K = J / A				
	Federal tax rate	15.00%	L				
	Combined tax rate					24.93%	M = L + L
Total Income Taxes						\$ 9,175,166 N = A * M	
	Investment Tax Credits					\$ 1,550,000 O	
	Miscellaneous Tax Credits					\$ 610,000 P	
Total Tax Credits						\$ 2,160,000 Q = O + P	
Corporate PILs/Income Tax Provision for Test Year						\$ 7,015,166 R = N - Q	
Corporate PILs/Income Tax Provision Gross Up ¹		75.00%	S = 1 - M			\$ 2,338,389 T = R / S - N	
Income Tax (grossed-up)						\$ 9,353,555 U = R + T	

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

	 Ontario Energy Board REVENUE REQUIREMENT WORK FORM Version 2.20	
Choose Your Utility: <div>Thunder Bay Hydro Electricity Distribution Inc. Tillsonburg Hydro Inc. Toronto Hydro-Electric System Limited</div>	File Number: <div>EB-2011-0144</div>	Rate Year: <div>2012 - V5</div>

Application Contact Information

Name:	<input type="text"/>
Title:	<input type="text"/>
Phone Number:	<input type="text"/>
Email Address:	<input type="text"/>

Copyright

This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of your application, any subsequent updates and preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.



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[9. Rev Reqt](#)

[10A. Bill Impacts - Residential](#)

[10B. Bill Impacts - GS LT 50kW](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**



Ontario Energy Board

**REVENUE REQUIREMENT
WORK FORM**

Version 2.20

**Toronto Hydro-Electric System Limited
Data Input ⁽¹⁾**

	Initial Application		(6)		Per Board Decision
1	<u>Rate Base</u>				
Gross Fixed Assets (average)	\$4,820,972,818		\$ 4,820,972,818		\$4,820,972,818
Accumulated Depreciation (average)	(\$2,465,008,916) (5)		(\$2,465,008,916)		(\$2,465,008,916)
Allowance for Working Capital:					
Controllable Expenses	\$266,071,414		\$ 266,071,414		\$266,071,414
Cost of Power	\$2,170,630,600		\$ 2,170,630,600		\$2,170,630,600
Working Capital Rate (%)	12.75%		12.75%		12.75%
2	<u>Utility Income</u>				
Operating Revenues:					
Distribution Revenue at Current Rates	\$524,684,356				
Distribution Revenue at Proposed Rates	\$572,005,087				
Other Revenue:					
Specific Service Charges	\$8,292,276				
Late Payment Charges	\$5,000,000				
Other Distribution Revenue	\$9,499,258				
Other Income and Deductions	\$2,218,768				
Total Revenue Offsets	\$25,010,302 (7)				
Operating Expenses:					
OM+A Expenses	\$259,044,553		\$ 259,044,553		\$259,044,553
Depreciation/Amortization	\$147,753,069		\$ 147,753,069		\$147,753,069
Property taxes	\$7,026,861		\$ 7,026,861		\$7,026,861
Other expenses					
3	<u>Taxes/PILs</u>				
Taxable Income:					
	(\$87,560,647) (3)				
Adjustments required to arrive at taxable income					
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$1,644,222				
Income taxes (grossed up)	\$2,229,453				
Federal tax (%)	15.00%				
Provincial tax (%)	11.25%				
Income Tax Credits	(\$2,193,743)				
4	<u>Capitalization/Cost of Capital</u>				
Capital Structure:					
Long-term debt Capitalization Ratio (%)	56.0%				
Short-term debt Capitalization Ratio (%)	4.0% (2)		(2)		(2)
Common Equity Capitalization Ratio (%)	40.0%				
Preferred Shares Capitalization Ratio (%)					
	100.0%				
Cost of Capital					
Long-term debt Cost Rate (%)	5.10%				
Short-term debt Cost Rate (%)	2.46%				
Common Equity Cost Rate (%)	9.58%				
Preferred Shares Cost Rate (%)					

Notes:

- General** Data inputs are required on Sheets 3, 10A and 10B. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement



Toronto Hydro-Electric System Limited Rate Base and Working Capital

Rate Base

Line No.	Particulars	Initial Application	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$4,820,972,818	\$4,820,972,818
2	Accumulated Depreciation (average) (3)	(\$2,465,008,916)	(\$2,465,008,916)
3	Net Fixed Assets (average) (3)	\$2,355,963,902	\$2,355,963,902
4	Allowance for Working Capital (1)	\$310,566,995	\$310,566,995
5	Total Rate Base	\$2,666,530,896	\$2,666,530,896

Allowance for Working Capital - Derivation

(1)

6	Controllable Expenses	\$266,071,414	\$ -	\$266,071,414	\$ -	\$266,071,414
7	Cost of Power	\$2,170,630,600	\$ -	\$2,170,630,600	\$ -	\$2,170,630,600
8	Working Capital Base	\$2,436,702,014	\$ -	\$2,436,702,014	\$ -	\$2,436,702,014
9	Working Capital Rate % (2)	12.75%	0.00%	12.75%	0.00%	12.75%
10	Working Capital Allowance	\$310,566,995	\$ -	\$310,566,995	\$ -	\$310,566,995

Notes

(2)

Some Applicants may have a unique rate as a result of a lead-lag study.

(3)

Average of opening and closing balances for the year.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Utility Income

Line No.	Particulars	Initial Application						Per Board Decision
	Operating Revenues:							
1	Distribution Revenue (at Proposed Rates)	\$572,005,087	(\$572,005,087)	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue	(1) \$25,010,302	(\$25,010,302)	\$ -	\$ -	\$ -	\$ -	\$ -
3	Total Operating Revenues	\$597,015,389	(\$597,015,389)	\$ -	\$ -	\$ -	\$ -	\$ -
	Operating Expenses:							
4	OM+A Expenses	\$259,044,553	\$ -	\$259,044,553	\$ -	\$259,044,553	\$ -	\$259,044,553
5	Depreciation/Amortization	\$147,753,069	\$ -	\$147,753,069	\$ -	\$147,753,069	\$ -	\$147,753,069
6	Property taxes	\$7,026,861	\$ -	\$7,026,861	\$ -	\$7,026,861	\$ -	\$7,026,861
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$413,824,483	\$ -	\$413,824,483	\$ -	\$413,824,483	\$ -	\$413,824,483
10	Deemed Interest Expense	\$78,779,989	(\$78,779,989)	\$ -	\$ -	\$ -	\$ -	\$ -
11	Total Expenses (lines 9 to 10)	\$492,604,472	(\$78,779,989)	\$413,824,483	\$ -	\$413,824,483	\$ -	\$413,824,483
12	Utility income before income taxes	\$104,410,917	(\$518,235,400)	(\$413,824,483)	\$ -	(\$413,824,483)	\$ -	(\$413,824,483)
13	Income taxes (grossed-up)	\$2,229,453	\$ -	\$2,229,453	\$ -	\$2,229,453	\$ -	\$2,229,453
14	Utility net income	\$102,181,464	(\$518,235,400)	(\$416,053,936)	\$ -	(\$416,053,936)	\$ -	(\$416,053,936)
Notes								
	Other Revenues / Revenue Offsets							
(1)	Specific Service Charges	\$8,292,276		\$ -		\$ -		\$ -
	Late Payment Charges	\$5,000,000		\$ -		\$ -		\$ -
	Other Distribution Revenue	\$9,499,258		\$ -		\$ -		\$ -
	Other Income and Deductions	\$2,218,768		\$ -		\$ -		\$ -
	Total Revenue Offsets	\$25,010,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Ontario Energy Board

**REVENUE REQUIREMENT
WORK FORM**

Version 2.20

**Toronto Hydro-Electric System Limited
Taxes/PILs**

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$102,181,464		\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$87,560,647)		\$ -	(\$87,560,647)
3	Taxable income	<u>\$14,620,817</u>		<u>\$ -</u>	<u>(\$87,560,647)</u>
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	<u>\$1,644,222</u>		<u>\$1,644,222</u>	<u>\$1,644,222</u>
6	Total taxes	<u>\$1,644,222</u>		<u>\$1,644,222</u>	<u>\$1,644,222</u>
7	Gross-up of Income Taxes	<u>\$585,231</u>		<u>\$585,231</u>	<u>\$585,231</u>
8	Grossed-up Income Taxes	<u>\$2,229,453</u>		<u>\$2,229,453</u>	<u>\$2,229,453</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$2,229,453</u>		<u>\$2,229,453</u>	<u>\$2,229,453</u>
10	Other tax Credits	(\$2,193,743)		(\$2,193,743)	(\$2,193,743)
<u>Tax Rates</u>					
11	Federal tax (%)	15.00%		15.00%	15.00%
12	Provincial tax (%)	11.25%		11.25%	11.25%
13	Total tax rate (%)	26.25%		26.25%	26.25%

Notes



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$1,493,257,302	5.10%	\$76,156,122
2	Short-term Debt	4.00%	\$106,661,236	2.46%	\$2,623,866
3	Total Debt	60.00%	\$1,599,918,538	4.92%	\$78,779,989
Equity					
4	Common Equity	40.00%	\$1,066,612,359	9.58%	\$102,181,464
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$1,066,612,359	9.58%	\$102,181,464
7	Total	100.00%	\$2,666,530,896	6.79%	\$180,961,453
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
Equity					
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$2,666,530,896	0.00%	\$ -
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	5.10%	\$ -
9	Short-term Debt	0.00%	\$ -	2.46%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
Equity					
11	Common Equity	0.00%	\$ -	9.58%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$2,666,530,896	0.00%	\$ -

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$47,320,731		(\$145,000,093)
2	Distribution Revenue	\$524,684,356	\$524,684,356	\$524,684,356	\$717,005,180
3	Other Operating Revenue Offsets - net	\$25,010,302	\$25,010,302	\$ -	\$ -
4	Total Revenue	\$549,694,657	\$597,015,389	\$524,684,356	\$572,005,087
5	Operating Expenses	\$413,824,483	\$413,824,483	\$413,824,483	\$413,824,483
6	Deemed Interest Expense	\$78,779,989	\$78,779,989	\$ -	\$ -
	Total Cost and Expenses	\$492,604,472	\$492,604,472	\$413,824,483	\$413,824,483
7	Utility Income Before Income Taxes	\$57,090,186	\$104,410,917	\$110,859,873	\$158,180,604
8					
9	Tax Adjustments to Accounting Income per 2009 PILs	(\$87,560,647)	(\$87,560,647)	(\$87,560,647)	(\$87,560,647)
10	Taxable Income	(\$30,470,461)	\$16,850,270	\$23,299,226	\$70,619,958
11	Income Tax Rate	26.25%	26.25%	26.25%	26.25%
12	Income Tax on Taxable Income	(\$7,998,496)	\$4,423,196	\$6,116,047	\$18,537,739
13	Income Tax Credits	(\$2,193,743)	(\$2,193,743)	(\$2,193,743)	(\$2,193,743)
14	Utility Net Income	\$67,282,425	\$102,181,464	\$106,937,569	(\$416,053,936)
15	Utility Rate Base	\$2,666,530,896	\$2,666,530,896	\$2,666,530,896	\$2,666,530,896
16	Deemed Equity Portion of Rate Base	\$1,066,612,359	\$1,066,612,359	\$ -	\$ -
17	Income/(Equity Portion of Rate Base)	6.31%	9.58%	0.00%	0.00%
18	Target Return - Equity on Rate Base	9.58%	9.58%	0.00%	0.00%
19	Deficiency/Sufficiency in Return on Equity	-3.27%	0.00%	0.00%	0.00%
20	Indicated Rate of Return	5.48%	6.79%	4.01%	0.00%
21	Requested Rate of Return on Rate Base	6.79%	6.79%	0.00%	0.00%
22	Deficiency/Sufficiency in Rate of Return	-1.31%	0.00%	4.01%	0.00%
23	Target Return on Equity	\$102,181,464	\$102,181,464	\$ -	\$ -
24	Revenue Deficiency/(Sufficiency)	\$34,899,039	\$0	(\$106,937,569)	\$ -
25	Gross Revenue	\$47,320,731 (1)		(\$145,000,093) (1)	
26	Deficiency/(Sufficiency)				

Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$259,044,553		\$259,044,553	
2	Amortization/Depreciation	\$147,753,069		\$147,753,069	
3	Property Taxes	\$7,026,861		\$7,026,861	
5	Income Taxes (Grossed up)	\$2,229,453		\$2,229,453	
6	Other Expenses	\$ -		\$ -	
7	Return				
	Deemed Interest Expense	\$78,779,989	\$ -	\$ -	
	Return on Deemed Equity	\$102,181,464	\$ -	\$ -	
8	Service Revenue Requirement (before Revenues)	<u>\$597,015,389</u>	<u>\$416,053,936</u>	<u>\$416,053,936</u>	
9	Revenue Offsets	\$25,010,302	\$ -	\$ -	
10	Base Revenue Requirement	<u>\$572,005,087</u>	<u>\$416,053,936</u>	<u>\$416,053,936</u>	
11	Distribution revenue	\$572,005,087	\$ -	\$ -	
12	Other revenue	\$25,010,302	\$ -	\$ -	
13	Total revenue	<u>\$597,015,389</u>	<u>\$ -</u>	<u>\$ -</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0</u> (1)	<u>(\$416,053,936)</u> (1)	<u>(\$416,053,936)</u> (1)	

Notes

(1) Line 11 - Line 8



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Bill Impacts - Residential

☐ Application of New Loss Factor to all applicable items

☐ Application of new Loss Factor to Delivery Items Only

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1	Monthly Service Charge	\$ 18.2500	1	\$ 18.25	\$ 20.0100	1	\$ 20.01	\$ 1.76	9.64%
2	Smart Meter Rate Adder	\$ 0.6800	1	\$ 0.68	\$ 1.2800	1	\$ 1.28	\$ 0.60	88.24%
3	Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate	\$ 0.0152	800	\$ 12.16	\$ 0.0167	800	\$ 13.34	\$ 1.18	9.67%
6	Low Voltage Rate Adder		800	\$ -		800	\$ -	\$ -	
7	Volumetric Rate Adder(s)		800	\$ -		800	\$ -	\$ -	
8	Volumetric Rate Rider(s)	-\$ 0.0019	800	-\$ 1.51	-\$ 0.0005	800	-\$ 0.39	\$ 1.12	-74.07%
9	Smart Meter Disposition Rider		800	\$ -		800	\$ -	\$ -	
10	LRAM & SSM Rate Rider		800	\$ -	\$ 0.0001	800	\$ 0.09	\$ 0.09	
11	Deferral/Variance Account Disposition Rate Rider		800	\$ -		800	\$ -	\$ -	
12	Contact Voltage/GEA	\$ 0.1600	1	\$ 0.16	\$ 0.4600	1	\$ 0.46	\$ 0.30	187.50%
13	Late Payment Penalty	\$ 0.2400	1	\$ 0.24	\$ 0.2400	1	\$ 0.24	\$ -	0.00%
14	Regulatory Assets - 2011 Rate Rider	-\$ 0.0004	800	-\$ 0.34		800	\$ -	\$ 0.34	-100.00%
15	Foregone Revenue Rate Rider - variable rate	-\$ 0.0002	800	-\$ 0.14			\$ -	\$ 0.14	-100.00%
16	Sub-Total A - Distribution			\$ 29.50			\$ 35.02	\$ 5.52	18.73%
17	RTSR - Network	0.00703	830.08	\$ 5.84	0.00688	830.08	\$ 5.71	-\$ 0.12	-2.13%
18	RTSR - Line and Transformation Connection	0.00513	830.08	\$ 4.26	0.00520	830.08	\$ 4.32	\$ 0.06	1.36%
19	Sub-Total B - Delivery (including Sub-Total A)			\$ 39.59			\$ 45.05	\$ 5.46	13.78%
20	Wholesale Market Service Charge (WMSC)	\$ 0.0052	830.08	\$ 4.32	\$ 0.0052	830.08	\$ 4.32	\$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	\$ 0.0013	830.08	\$ 1.08	\$ 0.0013	830.08	\$ 1.08	\$ -	0.00%
22	Special Purpose Charge		830.08	\$ -		830.08	\$ -	\$ -	
23	Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24	Debt Retirement Charge (DRC)	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
25	Energy	\$ -	830.08	\$ -	\$ -	830.08	\$ -	\$ -	
26	Cost of Power Commodity - 1st Tier	\$ 0.0680	600	\$ 40.80	\$ 0.0680	600	\$ 40.80	\$ -	0.00%
27	Cost of Power Commodity - 2nd Tier	\$ 0.0790	230.08	\$ 18.18	\$ 0.0790	230.08	\$ 18.18	\$ -	0.00%
28	Total Bill (before Taxes)			\$ 109.81			\$ 115.27	\$ 5.46	4.97%
29	HST	13%		\$ 14.28	13%		\$ 14.99	\$ 0.71	4.97%
30	Total Bill (including Sub-total B)			\$ 124.09			\$ 130.26	\$ 6.17	4.97%
31	Ontario Clean Energy Benefit (OCEB)	-10%		-\$ 12.41	-10%		-\$ 13.03	-\$ 0.62	5.00%
32	Total Bill (including OCEB)			\$ 111.68			\$ 117.23	\$ 5.55	4.97%
33	Loss Factor (%)	Note 1	3.76%		3.76%				

Notes:

(1): Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Bill Impacts - General Service < 50 kW



☒ Application of New Loss Factor to all applicable items ☐ Application of new Loss Factor to Delivery Items Only

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1	Monthly Service Charge	\$ 24.3000	1	\$ 24.30	\$ 26.6500	1	\$ 26.65	\$ 2.35	9.67%
2	Smart Meter Rate Adder	\$ 0.6800	1	\$ 0.68	\$ 1.0100	1	\$ 1.01	\$ 0.33	48.53%
3	Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate	\$ 0.0225	2000	\$ 44.94	\$ 0.0246	2000	\$ 49.28	\$ 4.34	9.66%
6	Low Voltage Rate Adder		2000	\$ -		2000	\$ -	\$ -	
7	Volumetric Rate Adder(s)		2000	\$ -		2000	\$ -	\$ -	
8	Volumetric Rate Rider(s)	-\$ 0.0018	2000	-\$ 3.58	-\$ 0.0005	2000	-\$ 0.90	\$ 2.68	-74.86%
9	Smart Meter Disposition Rider		2000	\$ -		2000	\$ -	\$ -	
10	LRAM & SSM Rider		2000	\$ -	\$ 0.0001	2000	\$ 0.16	\$ 0.16	
11	Deferral/Variance Account Disposition Rate Rider		2000	\$ -		2000	\$ -	\$ -	
12	Contact Voltage/GEA	\$ 0.1600	1	\$ 0.16	\$ 0.4600	1	\$ 0.46	\$ 0.30	187.50%
13	Late Payment Penalty	\$ 0.6900	1	\$ 0.69	\$ 0.6900	1	\$ 0.69	\$ -	0.00%
14	Regulatory Assets - 2011 Rate Rider	-\$ 0.0004	2000	-\$ 0.88			\$ -	\$ 0.88	-100.00%
15	Foregone Revenue Rate Rider - variable rate	-\$ 0.0001	2000	-\$ 0.16			\$ -	\$ 0.16	-100.00%
16	Sub-Total A - Distribution			\$ 66.15			\$ 77.35	\$ 11.20	16.93%
17	RTSR - Network	0.00680	2075.2	\$ 14.11	0.00695	2075.2	\$ 14.42	\$ 0.31	2.21%
18	RTSR - Line and Transformation Connection	0.00463	2075.2	\$ 9.61	0.00490	2075.2	\$ 10.17	\$ 0.56	5.83%
19	Sub-Total B - Delivery (including Sub-Total A)			\$ 89.87			\$ 101.94	\$ 12.07	13.43%
20	Wholesale Market Service Charge (WMSC)	\$ 0.0052	2075.2	\$ 10.79	\$ 0.0052	2075.2	\$ 10.79	\$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	\$ 0.0013	2075.2	\$ 2.70	\$ 0.0013	2075.2	\$ 2.70	\$ -	0.00%
22	Special Purpose Charge	\$ -	2075.2	\$ -	\$ -	2075.2	\$ -	\$ -	
23	Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24	Debt Retirement Charge (DRC)	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
25	Energy	\$ -	2075.2	\$ -	\$ -	2075.2	\$ -	\$ -	
26	Cost of Power Commodity - 1st Tier	\$ 0.0680	750	\$ 51.00	\$ 0.0680	750	\$ 51.00	\$ -	0.00%
27	Cost of Power Commodity - 2nd Tier	\$ 0.0790	1,325	\$ 104.69	\$ 0.0790	1,325	\$ 104.69	\$ -	0.00%
28	Total Bill (before Taxes)			\$ 273.30			\$ 285.37	\$ 12.07	4.42%
29	HST	13%		\$ 35.53	13%		\$ 37.10	\$ 1.57	4.42%
30	Total Bill (including Sub-total B)			\$ 308.83			\$ 322.47	\$ 13.64	4.42%
31	Ontario Clean Energy Benefit (OCEB)	-10%		-\$ 30.88	-10%		-\$ 32.25	-\$ 1.37	4.44%
32	Total Bill (including OCEB)			\$ 277.95			\$ 290.22	\$ 12.27	4.41%
33	Loss Factor (1)			3.76%			3.76%		

Notes:

(1): See Note (1) from Sheet 10A, Bill Impacts - Residential

		
<div> Ontario Energy Board</div> <div>REVENUE REQUIREMENT WORK FORM</div> <div>Version 2.20</div>		
Choose Your Utility:	File Number:	Rate Year:
<div>Thunder Bay Hydro Electricity Distribution Inc. ▲</div> <div>Tillsonburg Hydro Inc.</div> <div>Toronto Hydro-Electric System Limited ▼</div>	EB-2011-0144	2013-V5

Application Contact Information

Name:	<input type="text"/>
Title:	<input type="text"/>
Phone Number:	<input type="text"/>
Email Address:	<input type="text"/>

Copyright

This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of your application, any subsequent updates and preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.



1. Info	7. Cost of Capital
2. Table of Contents	8. Rev_Def_Suff
3. Data_Input_Sheet	9. Rev_Reqt
4. Rate_Base	10A. Bill Impacts - Residential
5. Utility Income	10B. Bill Impacts - GS LT 50kW
6. Taxes PILs	

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**



	Initial Application		(6)	Per Board Decision
1	Rate Base			
	Gross Fixed Assets (average)	\$5,346,503,645	\$ 5,346,503,645	\$5,346,503,645
	Accumulated Depreciation (average)	(\$2,588,462,437) (5)	(\$2,588,462,437)	(\$2,588,462,437)
	Allowance for Working Capital:			
	Controllable Expenses	\$284,484,578	\$ 284,484,578	\$284,484,578
	Cost of Power	\$2,279,162,129	\$ 2,279,162,129	\$2,279,162,129
	Working Capital Rate (%)	12.74%	12.74%	12.74%
2	Utility Income			
	Operating Revenues:			
	Distribution Revenue at Current Rates	\$571,614,824		
	Distribution Revenue at Proposed Rates	\$640,037,267		
	Other Revenue:			
	Specific Service Charges	\$8,774,589		
	Late Payment Charges	\$5,000,000		
	Other Distribution Revenue	\$9,724,940		
	Other Income and Deductions	\$2,214,199		
	Total Revenue Offsets	\$25,713,728 (7)		
	Operating Expenses:			
	OM+A Expenses	\$277,310,153	\$ 277,310,153	\$277,310,153
	Depreciation/Amortization	\$165,797,474	\$ 165,797,474	\$165,797,474
	Property taxes	\$7,174,425	\$ 7,174,425	\$7,174,425
	Other expenses			
3	Taxes/PILs			
	Taxable Income:			
		(\$89,709,477) (3)		
	Adjustments required to arrive at taxable income			
	Utility Income Taxes and Rates:			
	Income taxes (not grossed up)	\$5,075,154		
	Income taxes (grossed up)	\$6,812,287		
	Federal tax (%)	15.00%		
	Provincial tax (%)	10.50%		
	Income Tax Credits	(\$2,189,979)		
4	Capitalization/Cost of Capital			
	Capital Structure:			
	Long-term debt Capitalization Ratio (%)	56.0%		
	Short-term debt Capitalization Ratio (%)	4.0% (2)	(2)	(2)
	Common Equity Capitalization Ratio (%)	40.0%		
	Preferred Shares Capitalization Ratio (%)	100.0%		
	Cost of Capital			
	Long-term debt Cost Rate (%)	5.06%		
	Short-term debt Cost Rate (%)	2.46%		
	Common Equity Cost Rate (%)	9.58%		
	Preferred Shares Cost Rate (%)			

Notes:

- General** Data inputs are required on Sheets 3, 10A and 10B. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement



Rate Base

Line No.	Particulars	Initial Application	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$5,346,503,645	\$5,346,503,645
2	Accumulated Depreciation (average) (3)	#####	(\$2,588,462,437)
3	Net Fixed Assets (average) (3)	\$2,758,041,208	\$2,758,041,208
4	Allowance for Working Capital (1)	\$326,515,017	\$326,515,017
5	Total Rate Base	\$3,084,556,225	\$3,084,556,225

Allowance for Working Capital - Derivation

(1)

6	Controllable Expenses	\$284,484,578	\$ -	\$284,484,578	\$ -	\$284,484,578
7	Cost of Power	\$2,279,162,129	\$ -	\$2,279,162,129	\$ -	\$2,279,162,129
8	Working Capital Base	\$2,563,646,707	\$ -	\$2,563,646,707	\$ -	\$2,563,646,707
9	Working Capital Rate % (2)	12.74%	0.00%	12.74%	0.00%	12.74%
10	Working Capital Allowance	\$326,515,017	\$ -	\$326,515,017	\$ -	\$326,515,017

Notes

(2)

Some Applicants may have a unique rate as a result of a lead-lag study.

(3)

Average of opening and closing balances for the year.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Utility Income

Line No.	Particulars	Initial Application				Per Board Decision			
	Operating Revenues:								
1	Distribution Revenue (at Proposed Rates)	\$640,037,267		(\$640,037,267)		\$ -		\$ -	
2	Other Revenue	(1) \$25,713,728		(\$25,713,728)		\$ -		\$ -	
3	Total Operating Revenues	\$665,750,995		(\$665,750,995)		\$ -		\$ -	
	Operating Expenses:								
4	OM+A Expenses	\$277,310,153		\$ -		\$277,310,153		\$ -	
5	Depreciation/Amortization	\$165,797,474		\$ -		\$165,797,474		\$ -	
6	Property taxes	\$7,174,425		\$ -		\$7,174,425		\$ -	
7	Capital taxes	\$ -		\$ -		\$ -		\$ -	
8	Other expense	\$ -		\$ -		\$ -		\$ -	
9	Subtotal (lines 4 to 8)	\$450,282,052		\$ -		\$450,282,052		\$ -	
10	Deemed Interest Expense	\$90,456,462		(\$90,456,462)		\$ -		\$ -	
11	Total Expenses (lines 9 to 10)	\$540,738,514		(\$90,456,462)		\$450,282,052		\$ -	
12	Utility income before income taxes	\$125,012,481		(\$575,294,533)		(\$450,282,052)		\$ -	
13	Income taxes (grossed-up)	\$6,812,287		\$ -		\$6,812,287		\$ -	
14	Utility net income	\$118,200,194		(\$575,294,533)		(\$457,094,339)		\$ -	

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$8,774,589				\$ -			
	Late Payment Charges	\$5,000,000				\$ -			
	Other Distribution Revenue	\$9,724,940				\$ -			
	Other Income and Deductions	\$2,214,199				\$ -			
	Total Revenue Offsets	\$25,713,728		\$ -		\$ -		\$ -	



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Taxes/PILs

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$118,200,195		\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$89,709,477)		\$ -	(\$89,709,477)
3	Taxable income	<u>\$28,490,717</u>		<u>\$ -</u>	<u>(\$89,709,477)</u>
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	<u>\$5,075,154</u>		<u>\$5,075,154</u>	<u>\$5,075,154</u>
6	Total taxes	<u>\$5,075,154</u>		<u>\$5,075,154</u>	<u>\$5,075,154</u>
7	Gross-up of Income Taxes	<u>\$1,737,133</u>		<u>\$1,737,133</u>	<u>\$1,737,133</u>
8	Grossed-up Income Taxes	<u>\$6,812,287</u>		<u>\$6,812,287</u>	<u>\$6,812,287</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$6,812,287</u>		<u>\$6,812,287</u>	<u>\$6,812,287</u>
10	Other tax Credits	(\$2,189,979)		(\$2,189,979)	(\$2,189,979)
<u>Tax Rates</u>					
11	Federal tax (%)	15.00%		15.00%	15.00%
12	Provincial tax (%)	10.50%		10.50%	10.50%
13	Total tax rate (%)	<u>25.50%</u>		<u>25.50%</u>	<u>25.50%</u>

Notes



Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$1,727,351,486	5.06%	\$87,421,259
2	Short-term Debt	4.00%	\$123,382,249	2.46%	\$3,035,203
3	Total Debt	60.00%	\$1,850,733,735	4.89%	\$90,456,462
	Equity				
4	Common Equity	40.00%	\$1,233,822,490	9.58%	\$118,200,195
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$1,233,822,490	9.58%	\$118,200,195
7	Total	100.00%	\$3,084,556,225	6.76%	\$208,656,657
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$3,084,556,225	0.00%	\$ -
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	5.06%	\$ -
9	Short-term Debt	0.00%	\$ -	2.46%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
11	Common Equity	0.00%	\$ -	9.58%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$3,084,556,225	0.00%	\$ -

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$68,422,443		(\$154,978,270)
2	Distribution Revenue	\$571,614,824	\$571,614,824	\$571,614,824	\$795,015,537
3	Other Operating Revenue	\$25,713,728	\$25,713,728	\$ -	\$ -
	Offsets - net				
4	Total Revenue	\$597,328,552	\$665,750,995	\$571,614,824	\$640,037,267
5	Operating Expenses	\$450,282,052	\$450,282,052	\$450,282,052	\$450,282,052
6	Deemed Interest Expense	\$90,456,462	\$90,456,462	\$ -	\$ -
	Total Cost and Expenses	\$540,738,514	\$540,738,514	\$450,282,052	\$450,282,052
7	Utility Income Before Income Taxes	\$56,590,038	\$125,012,481	\$121,332,772	\$189,755,215
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$89,709,477)	(\$89,709,477)	(\$89,709,477)	(\$89,709,477)
9	Taxable Income	(\$33,119,439)	\$35,303,004	\$31,623,295	\$100,045,738
10	Income Tax Rate	25.50%	25.50%	25.50%	25.50%
11	Income Tax on Taxable Income	(\$8,445,457)	\$9,002,266	\$8,063,940	\$25,511,663
12	Income Tax Credits	(\$2,189,979)	(\$2,189,979)	(\$2,189,979)	(\$2,189,979)
13	Utility Net Income	\$67,225,474	\$118,200,194	\$115,458,811	(\$457,094,339)
14	Utility Rate Base	\$3,084,556,225	\$3,084,556,225	\$3,084,556,225	\$3,084,556,225
	Deemed Equity Portion of Rate Base	\$1,233,822,490	\$1,233,822,490	\$ -	\$ -
15	Income/(Equity Portion of Rate Base)	5.45%	9.58%	0.00%	0.00%
16	Target Return - Equity on Rate Base	9.58%	9.58%	0.00%	0.00%
17	Deficiency/Sufficiency in Return on Equity	-4.13%	0.00%	0.00%	0.00%
18	Indicated Rate of Return	5.11%	6.76%	3.74%	0.00%
19	Requested Rate of Return on Rate Base	6.76%	6.76%	0.00%	0.00%
20	Deficiency/Sufficiency in Rate of Return	-1.65%	0.00%	3.74%	0.00%
21	Target Return on Equity	\$118,200,195	\$118,200,195	\$ -	\$ -
22	Revenue Deficiency/(Sufficiency)	\$50,974,720	(\$0)	(\$115,458,811)	\$ -
23	Gross Revenue	\$68,422,443 (1)		(\$154,978,270) (1)	\$450,282,052 (1)

Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$277,310,153		\$277,310,153	
2	Amortization/Depreciation	\$165,797,474		\$165,797,474	
3	Property Taxes	\$7,174,425		\$7,174,425	
5	Income Taxes (Grossed up)	\$6,812,287		\$6,812,287	
6	Other Expenses	\$ -		\$ -	
7	Return				
	Deemed Interest Expense	\$90,456,462	\$ -	\$ -	
	Return on Deemed Equity	\$118,200,195	\$ -	\$ -	
8	Service Revenue Requirement (before Revenues)	<u>\$665,750,995</u>	<u>\$457,094,339</u>	<u>\$457,094,339</u>	
9	Revenue Offsets	\$25,713,728	\$ -	\$ -	
10	Base Revenue Requirement	<u>\$640,037,267</u>	<u>\$457,094,339</u>	<u>\$457,094,339</u>	
11	Distribution revenue	\$640,037,267	\$ -	\$ -	
12	Other revenue	\$25,713,728	\$ -	\$ -	
13	Total revenue	<u>\$665,750,995</u>	<u>\$ -</u>	<u>\$ -</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>(\$0)</u>	<u>(\$457,094,339)</u>	<u>(\$457,094,339)</u>	(1)

Notes

(1) Line 11 - Line 8



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Bill Impacts - Residential

☒ Application of New Loss Factor to all applicable items

☐ Application of new Loss Factor to Delivery Items Only

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge		\$ 20.0100	1	\$ 20.01	\$ 21.9500	1	\$ 21.95	\$ 1.94	9.70%
2 Smart Meter Rate Adder		\$ 1.2800	1	\$ 1.28	\$ 1.2800	1	\$ 1.28	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate		\$ 0.0167	800	\$ 13.34	\$ 0.0194	800	\$ 15.53	\$ 2.19	16.44%
6 Low Voltage Rate Adder			800	\$ -		800	\$ -	\$ -	
7 Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider		\$ 0.0001	800	\$ 0.09		800	\$ -	-\$ 0.09	-100.00%
11 Deferral/Variance Account Disposition Rate Rider			800	\$ -		800	\$ -	\$ -	
12 Regulatory Assets - 2011/12 Rate Rider		-\$ 0.0005	800	-\$ 0.39			\$ -	\$ 0.39	-100.00%
13 Contact Voltage/CEA		\$ 0.4600	1	\$ 0.46	\$ 0.4600	1	\$ 0.46	\$ -	0.00%
14 Late Payment Penalty		\$ 0.2400	1	\$ 0.24			\$ -	-\$ 0.24	-100.00%
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 35.02			\$ 39.22	\$ 4.20	11.98%
17 RTSR - Network		\$ 0.0069	830.08	\$ 5.71	\$ 0.0069	830.08	\$ 5.75	\$ 0.04	0.73%
18 RTSR - Line and Transformation Connection		\$ 0.0052	830.08	\$ 4.32	\$ 0.0052	830.08	\$ 4.34	\$ 0.02	0.58%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 45.05			\$ 49.31	\$ 4.26	9.46%
20 Wholesale Market Service Charge (WMSC)		\$ 0.0052	830.08	\$ 4.32	\$ 0.0052	830.08	\$ 4.32	\$ -	0.00%
21 Rural and Remote Rate Protection (RRRP)		\$ 0.0013	830.08	\$ 1.08	\$ 0.0013	830.08	\$ 1.08	\$ -	0.00%
22 Special Purpose Charge			830.08	\$ -		830.08	\$ -	\$ -	
23 Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)		\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
25 Energy			830.08	\$ -		830.08	\$ -	\$ -	
26 Cost of Power Commodity - 1st Tier		\$ 0.0680	600	\$ 40.80	\$ 0.0680	600	\$ 40.80	\$ -	0.00%
27 Cost of Power Commodity - 2nd Tier		\$ 0.0790	230.08	\$ 18.18	\$ 0.0790	230.08	\$ 18.18	\$ -	0.00%
28 Total Bill (before Taxes)				\$ 115.27			\$ 119.53	\$ 4.26	3.70%
29 HST		13%		\$ 14.99	13%		\$ 15.54	\$ 0.55	3.70%
30 Total Bill (including Sub-total B)				\$ 130.26			\$ 135.07	\$ 4.81	3.69%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 13.03	-10%		-\$ 13.51	-\$ 0.48	3.68%
32 Total Bill (including OCEB)				\$ 117.23			\$ 121.56	\$ 4.33	3.69%
33 Loss Factor (%)	Note 1			3.76%			3.76%		

Notes:

(1): Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Bill Impacts - General Service < 50 kW



☒ Application of New Loss Factor to all applicable items ☐ Application of new Loss Factor to Delivery Items Only

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge		26.65	1	\$ 26.65	\$ 29.8500	1	\$ 29.85	\$ 3.20	12.01%
2 Smart Meter Rate Adder		\$ 1.0100	1	\$ 1.01	\$ 1.0100	1	\$ 1.01	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate		\$ 0.0246	2000	\$ 49.28	\$ 0.0276	2000	\$ 55.20	\$ 5.92	12.01%
6 Low Voltage Rate Adder		\$ 0.0001	2000	\$ 0.16		2000	\$ -	\$ 0.16	-100.00%
7 Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
10 LRAM & SSM Rider			2000	\$ -		2000	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider			2000	\$ -		2000	\$ -	\$ -	
12 Regulatory Assets - 2011/12 Rate Rider		-\$ 0.0005	2000	-\$ 0.90			\$ -	\$ 0.90	-100.00%
13 Contact Voltage/GEA		\$ 0.4600	1	\$ 0.46	\$ 0.4600	1	\$ 0.46	\$ -	0.00%
14 Late Payment Penalty		\$ 0.6900	1	\$ 0.69			\$ -	-\$ 0.69	-100.00%
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 77.35			\$ 86.52	\$ 9.17	11.86%
17 RTSR - Network		\$ 0.0070	2075.2	\$ 14.42	\$ 0.0071	2075.2	\$ 14.67	\$ 0.25	1.73%
18 RTSR - Line and Transformation Connection		\$ 0.0049	2075.2	\$ 10.17	\$ 0.0050	2075.2	\$ 10.33	\$ 0.17	1.63%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 101.94			\$ 111.53	\$ 9.59	9.40%
20 Wholesale Market Service Charge (WMSC)		\$ 0.0052	2075.2	\$ 10.79	\$ 0.0052	2075.2	\$ 10.79	\$ -	0.00%
21 Rural and Remote Rate Protection (RRRP)		\$ 0.0013	2075.2	\$ 2.70	\$ 0.0013	2075.2	\$ 2.70	\$ -	0.00%
22 Special Purpose Charge		\$ -	2075.2	\$ -	\$ -	2075.2	\$ -	\$ -	
23 Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)		\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
25 Energy		\$ -	2075.2	\$ -	\$ -	2075.2	\$ -	\$ -	
26 Cost of Power Commodity - 1st Tier		\$ 0.0680	750	\$ 51.00	\$ 0.0680	750	\$ 51.00	\$ -	0.00%
27 Cost of Power Commodity - 2nd Tier		\$ 0.0790	1325.2	\$ 104.69	\$ 0.0790	1325.2	\$ 104.69	\$ -	0.00%
28 Total Bill (before Taxes)				\$ 285.37			\$ 294.96	\$ 9.59	3.36%
29 HST		13%		\$ 37.10	13%		\$ 38.34	\$ 1.25	3.36%
30 Total Bill (including Sub-total B)				\$ 322.47			\$ 333.30	\$ 10.83	3.36%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 32.25	-10%		-\$ 33.33	-\$ 1.08	3.35%
32 Total Bill (including OCEB)				\$ 290.22			\$ 299.97	\$ 9.75	3.36%
33 Loss Factor	(1)			3.76%			3.76%		

Notes:

(1): See Note (1) from Sheet 10A. Bill Impacts - Residential

		
<div> Ontario Energy Board REVENUE REQUIREMENT WORK FORM Version 2.20</div>		
Choose Your Utility:	File Number:	Rate Year:
<div>Tillsonburg Hydro Inc. Toronto Hydro-Electric System Limited Veridian Connections Inc.</div>	<div>EB-2011-0144</div>	<div>2014 - V5</div>

Application Contact Information

Name:	<input type="text"/>
Title:	<input type="text"/>
Phone Number:	<input type="text"/>
Email Address:	<input type="text"/>

Copyright

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Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Data Input ⁽¹⁾

	Initial Application		(6)	Per Board Decision
1	Rate Base			
	Gross Fixed Assets (average)	\$5,961,444,201	\$ 5,961,444,201	\$5,961,444,201
	Accumulated Depreciation (average)	(\$2,768,521,509) (5)	(\$2,768,521,509)	(\$2,768,521,509)
	Allowance for Working Capital:			
	Controllable Expenses	\$302,509,777	\$ 302,509,777	\$302,509,777
	Cost of Power	\$2,393,120,235	\$ 2,393,120,235	\$2,393,120,235
	Working Capital Rate (%)	12.72%	12.72%	12.72%
2	Utility Income			
	Operating Revenues:			
	Distribution Revenue at Current Rates	\$640,250,598		
	Distribution Revenue at Proposed Rates	\$713,335,277		
	Other Revenue:			
	Specific Service Charges	\$9,256,902		
	Late Payment Charges	\$5,000,000		
	Other Distribution Revenue	\$9,961,224		
	Other Income and Deductions	\$2,212,449		
	Total Revenue Offsets	\$26,430,575 (7)		
	Operating Expenses:			
	OM+A Expenses	\$295,184,689	\$ 295,184,689	\$295,184,689
	Depreciation/Amortization	\$188,137,762	\$ 188,137,762	\$188,137,762
	Property taxes	\$7,325,088	\$ 7,325,088	\$7,325,088
	Other expenses			
3	Taxes/PILs			
	Taxable Income:			
		(\$98,686,408) (3)		
	Adjustments required to arrive at taxable income			
	Utility Income Taxes and Rates:			
	Income taxes (not grossed up)	\$7,015,166		
	Income taxes (grossed up)	\$9,353,555		
	Federal tax (%)	15.00%		
	Provincial tax (%)	10.00%		
	Income Tax Credits	(\$2,187,500)		
4	Capitalization/Cost of Capital			
	Capital Structure:			
	Long-term debt Capitalization Ratio (%)	56.0%		
	Short-term debt Capitalization Ratio (%)	4.0% (2)	(2)	(2)
	Common Equity Capitalization Ratio (%)	40.0%		
	Preferred Shares Capitalization Ratio (%)	100.0%		
	Cost of Capital			
	Long-term debt Cost Rate (%)	5.09%		
	Short-term debt Cost Rate (%)	2.46%		
	Common Equity Cost Rate (%)	9.58%		
	Preferred Shares Cost Rate (%)			

Notes:

- General** Data inputs are required on Sheets 3, 10A and 10B. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement



Toronto Hydro-Electric System Limited Rate Base and Working Capital

Rate Base

Line No.	Particulars	Initial Application					Per Board Decision
1	Gross Fixed Assets (average) (3)	\$5,961,444,201	\$ -	\$5,961,444,201	\$ -	\$5,961,444,201	
2	Accumulated Depreciation (average) (3)	(\$2,768,521,509)	\$ -	(\$2,768,521,509)	\$ -	(\$2,768,521,509)	
3	Net Fixed Assets (average) (3)	\$3,192,922,691	\$ -	\$3,192,922,691	\$ -	\$3,192,922,691	
4	Allowance for Working Capital (1)	\$343,013,450	\$ -	\$343,013,450	\$ -	\$343,013,450	
5	Total Rate Base	\$3,535,936,142	\$ -	\$3,535,936,142	\$ -	\$3,535,936,142	

Allowance for Working Capital - Derivation

(1)

6	Controllable Expenses	\$302,509,777	\$ -	\$302,509,777	\$ -	\$302,509,777
7	Cost of Power	\$2,393,120,235	\$ -	\$2,393,120,235	\$ -	\$2,393,120,235
8	Working Capital Base	\$2,695,630,012	\$ -	\$2,695,630,012	\$ -	\$2,695,630,012
9	Working Capital Rate % (2)	12.72%	0.00%	12.72%	0.00%	12.72%
10	Working Capital Allowance	\$343,013,450	\$ -	\$343,013,450	\$ -	\$343,013,450

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

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Toronto Hydro-Electric System Limited Utility Income

Line No.	Particulars	Initial Application				Per Board Decision			
	Operating Revenues:								
1	Distribution Revenue (at Proposed Rates)	\$713,335,277		(\$713,335,277)		\$ -		\$ -	
2	Other Revenue	(1) \$26,430,575		(\$26,430,575)		\$ -		\$ -	
3	Total Operating Revenues	\$739,765,852		(\$739,765,852)		\$ -		\$ -	
	Operating Expenses:								
4	OM+A Expenses	\$295,184,689		\$ -		\$295,184,689		\$ -	
5	Depreciation/Amortization	\$188,137,762		\$ -		\$188,137,762		\$ -	
6	Property taxes	\$7,325,088		\$ -		\$7,325,088		\$ -	
7	Capital taxes	\$ -		\$ -		\$ -		\$ -	
8	Other expense	\$ -		\$ -		\$ -		\$ -	
9	Subtotal (lines 4 to 8)	\$490,647,539		\$ -		\$490,647,539		\$ -	
10	Deemed Interest Expense	\$104,267,685		(\$104,267,685)		\$ -		\$ -	
11	Total Expenses (lines 9 to 10)	\$594,915,224		(\$104,267,685)		\$490,647,539		\$ -	
12	Utility income before income taxes	\$144,850,628		(\$635,498,167)		(\$490,647,539)		\$ -	
13	Income taxes (grossed-up)	\$9,353,555		\$ -		\$9,353,555		\$ -	
14	Utility net income	\$135,497,073		(\$635,498,167)		(\$500,001,094)		\$ -	

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$9,256,902		\$ -		\$ -
	Late Payment Charges	\$5,000,000		\$ -		\$ -
	Other Distribution Revenue	\$9,961,224		\$ -		\$ -
	Other Income and Deductions	\$2,212,449		\$ -		\$ -
	Total Revenue Offsets	\$26,430,575	\$ -	\$ -	\$ -	\$ -



Toronto Hydro-Electric System Limited
Taxes/PILs

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$135,497,073		\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$98,686,408)		\$ -	(\$98,686,408)
3	Taxable income	<u>\$36,810,665</u>		<u>\$ -</u>	<u>(\$98,686,408)</u>
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	<u>\$7,015,166</u>		<u>\$7,015,166</u>	<u>\$7,015,166</u>
6	Total taxes	<u>\$7,015,166</u>		<u>\$7,015,166</u>	<u>\$7,015,166</u>
7	Gross-up of Income Taxes	<u>\$2,338,389</u>		<u>\$2,338,389</u>	<u>\$2,338,389</u>
8	Grossed-up Income Taxes	<u>\$9,353,555</u>		<u>\$9,353,555</u>	<u>\$9,353,555</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$9,353,555</u>		<u>\$9,353,555</u>	<u>\$9,353,555</u>
10	Other tax Credits	(\$2,187,500)		(\$2,187,500)	(\$2,187,500)
<u>Tax Rates</u>					
11	Federal tax (%)	15.00%		15.00%	15.00%
12	Provincial tax (%)	10.00%		10.00%	10.00%
13	Total tax rate (%)	25.00%		25.00%	25.00%

Notes



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$1,980,124,239	5.09%	\$100,788,324
2	Short-term Debt	4.00%	\$141,437,446	2.46%	\$3,479,361
3	Total Debt	60.00%	\$2,121,561,685	4.91%	\$104,267,685
	Equity				
4	Common Equity	40.00%	\$1,414,374,457	9.58%	\$135,497,073
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$1,414,374,457	9.58%	\$135,497,073
7	Total	100.00%	\$3,535,936,142	6.78%	\$239,764,758
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$3,535,936,142	0.00%	\$ -
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	5.09%	\$ -
9	Short-term Debt	0.00%	\$ -	2.46%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
11	Common Equity	0.00%	\$ -	9.58%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$3,535,936,142	0.00%	\$ -

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$73,084,679		(\$185,415,195)
2	Distribution Revenue	\$640,250,598	\$640,250,598	\$640,250,598	\$898,750,472
3	Other Operating Revenue	\$26,430,575	\$26,430,575	\$ -	\$ -
	Offsets - net				
4	Total Revenue	\$666,681,173	\$739,765,852	\$640,250,598	\$713,335,277
5	Operating Expenses	\$490,647,539	\$490,647,539	\$490,647,539	\$490,647,539
6	Deemed Interest Expense	\$104,267,685	\$104,267,685	\$ -	\$ -
	Total Cost and Expenses	\$594,915,224	\$594,915,224	\$490,647,539	\$490,647,539
7	Utility Income Before Income Taxes	\$71,765,949	\$144,850,628	\$149,603,059	\$222,687,738
8					
	Tax Adjustments to Accounting Income per 2009 PILs	(\$98,686,408)	(\$98,686,408)	(\$98,686,408)	(\$98,686,408)
9	Taxable Income	(\$26,920,459)	\$46,164,220	\$50,916,651	\$124,001,330
10	Income Tax Rate	25.00%	25.00%	25.00%	25.00%
11	Income Tax on Taxable Income	(\$6,730,115)	\$11,541,055	\$12,729,163	\$31,000,333
12	Income Tax Credits	(\$2,187,500)	(\$2,187,500)	(\$2,187,500)	(\$2,187,500)
13	Utility Net Income	\$80,683,564	\$135,497,073	\$139,061,396	(\$500,001,094)
14	Utility Rate Base	\$3,535,936,142	\$3,535,936,142	\$3,535,936,142	\$3,535,936,142
	Deemed Equity Portion of Rate Base	\$1,414,374,457	\$1,414,374,457	\$ -	\$ -
15	Income/(Equity Portion of Rate Base)	5.70%	9.58%	0.00%	0.00%
16	Target Return - Equity on Rate Base	9.58%	9.58%	0.00%	0.00%
17	Deficiency/Sufficiency in Return on Equity	-3.88%	0.00%	0.00%	0.00%
18	Indicated Rate of Return	5.23%	6.78%	3.93%	0.00%
19	Requested Rate of Return on Rate Base	6.78%	6.78%	0.00%	0.00%
20	Deficiency/Sufficiency in Rate of Return	-1.55%	0.00%	3.93%	0.00%
21	Target Return on Equity	\$135,497,073	\$135,497,073	\$ -	\$ -
22	Revenue Deficiency/(Sufficiency)	\$54,813,509	\$0	(\$139,061,396)	\$ -
23	Gross Revenue Deficiency/(Sufficiency)	\$73,084,679 (1)		(\$185,415,195) (1)	\$490,647,539 (1)

Notes:

(1)

Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$295,184,689		\$295,184,689	
2	Amortization/Depreciation	\$188,137,762		\$188,137,762	
3	Property Taxes	\$7,325,088		\$7,325,088	
5	Income Taxes (Grossed up)	\$9,353,555		\$9,353,555	
6	Other Expenses	\$ -			
7	Return				
	Deemed Interest Expense	\$104,267,685	\$ -	\$ -	
	Return on Deemed Equity	\$135,497,073	\$ -	\$ -	
8	Service Revenue Requirement (before Revenues)	<u>\$739,765,852</u>	<u>\$500,001,094</u>	<u>\$500,001,094</u>	
9	Revenue Offsets	\$26,430,575	\$ -	\$ -	
10	Base Revenue Requirement	<u>\$713,335,277</u>	<u>\$500,001,094</u>	<u>\$500,001,094</u>	
11	Distribution revenue	\$713,335,277	\$ -	\$ -	
12	Other revenue	\$26,430,575	\$ -	\$ -	
13	Total revenue	<u>\$739,765,852</u>	<u>\$ -</u>	<u>\$ -</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>(\$500,001,094) (1)</u>	<u>(\$500,001,094) (1)</u>	

Notes

(1)

Line 11 - Line 8



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Bill Impacts - Residential

☒ Application of New Loss Factor to all applicable items

☐ Application of new Loss Factor to Delivery Items Only

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1	Monthly Service Charge	\$ 21.9500	1	\$ 21.95	\$ 22.9500	1	\$ 22.95	\$ 1.00	4.56%
2	Smart Meter Rate Adder	\$ 1.2800	1	\$ 1.28	\$ 1.2800	1	\$ 1.28	\$ -	0.00%
3	Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate	\$ 0.0194	800	\$ 15.53	\$ 0.0241	800	\$ 19.24	\$ 3.71	23.91%
6	Low Voltage Rate Adder		800	\$ -		800	\$ -	\$ -	
7	Volumetric Rate Adder(s)		800	\$ -		800	\$ -	\$ -	
8	Volumetric Rate Rider(s)		800	\$ -		800	\$ -	\$ -	
9	Smart Meter Disposition Rider		800	\$ -		800	\$ -	\$ -	
10	LRAM & SSM Rate Rider		800	\$ -		800	\$ -	\$ -	
11	Deferral/Variance Account Disposition Rate Rider		800	\$ -		800	\$ -	\$ -	
12	Regulatory Assets - 2011/12 Rate Rider			\$ -			\$ -	\$ -	
13	Contact Voltage/GEA	\$ 0.4600	1	\$ 0.46	\$ 0.4600	1	\$ 0.46	\$ -	0.00%
14	Late Payment Penalty			\$ -			\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16	Sub-Total A - Distribution			\$ 39.22			\$ 43.93	\$ 4.71	12.01%
17	RTSR - Network	\$ 0.0069	830.08	\$ 5.75	\$ 0.0070	830.08	\$ 5.77	\$ 0.02	0.29%
18	RTSR - Line and Transformation Connection	\$ 0.0052	830.08	\$ 4.34	\$ 0.0052	830.08	\$ 4.35	\$ 0.01	0.19%
19	Sub-Total B - Delivery (including Sub-Total A)			\$ 49.31			\$ 54.05	\$ 4.74	9.61%
20	Wholesale Market Service Charge (WMSC)	\$ 0.0052	830.08	\$ 4.32	\$ 0.0052	830.08	\$ 4.32	\$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	\$ 0.0013	830.08	\$ 1.08	\$ 0.0013	830.08	\$ 1.08	\$ -	0.00%
22	Special Purpose Charge		830.08	\$ -		830.08	\$ -	\$ -	
23	Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24	Debt Retirement Charge (DRC)	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
25	Energy		830.08	\$ -		830.08	\$ -	\$ -	
26	Cost of Power Commodity - 1st Tier	\$ 0.0680	600	\$ 40.80	\$ 0.0680	600	\$ 40.80	\$ -	0.00%
27	Cost of Power Commodity - 2nd Tier	\$ 0.0790	230.08	\$ 18.18	\$ 0.0790	230.08	\$ 18.18	\$ -	0.00%
28	Total Bill (before Taxes)			\$ 119.53			\$ 124.27	\$ 4.74	3.96%
29	HST	13%		\$ 15.54	13%		\$ 16.16	\$ 0.62	3.96%
30	Total Bill (including Sub-total B)			\$ 135.07			\$ 140.43	\$ 5.36	3.97%
31	Ontario Clean Energy Benefit (OCEB)	-10%		-\$ 13.51	-10%		-\$ 14.04	-\$ 0.53	3.92%
32	Total Bill (including OCEB)			\$ 121.56			\$ 126.39	\$ 4.83	3.97%
33	Loss Factor (%)	Note 1	3.76%		3.76%				

Notes:

(1): Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Toronto Hydro-Electric System Limited Bill Impacts - General Service < 50 kW

☒ Application of New Loss Factor to all applicable items ☐ Application of new Loss Factor to Delivery Items Only

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge		\$ 29.8500	1	\$ 29.85	\$ 33.2600	1	\$ 33.26	\$ 3.41	11.42%
2 Smart Meter Rate Adder		\$ 1.0100	1	\$ 1.01	\$ 1.0100	1	\$ 1.01	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate		\$ 0.0276	2000	\$ 55.20	\$ 0.0308	2000	\$ 61.50	\$ 6.30	11.41%
6 Low Voltage Rate Adder			2000	\$ -		2000	\$ -	\$ -	
7 Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
10 LRAM & SSM Rider			2000	\$ -		2000	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider			2000	\$ -		2000	\$ -	\$ -	
12				\$ -			\$ -	\$ -	
13				\$ -			\$ -	\$ -	
14				\$ -			\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 86.06			\$ 95.77	\$ 9.71	11.28%
17 RTSR - Network		\$ 0.0071	2075.2	\$ 14.67	\$ 0.0072	2075.2	\$ 14.96	\$ 0.29	1.98%
18 RTSR - Line and Transformation Connection		\$ 0.0050	2075.2	\$ 10.33	\$ 0.0051	2075.2	\$ 10.52	\$ 0.19	1.81%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 111.07			\$ 121.25	\$ 10.19	9.17%
20 Wholesale Market Service Charge (WMSC)		\$ 0.0052	2075.2	\$ 10.79	\$ 0.0052	2075.2	\$ 10.79	\$ -	0.00%
21 Rural and Remote Rate Protection (RRRP)		\$ 0.0013	2075.2	\$ 2.70	\$ 0.0013	2075.2	\$ 2.70	\$ -	0.00%
22 Special Purpose Charge		\$ -	2075.2	\$ -	\$ -	2075.2	\$ -	\$ -	
23 Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)		\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
25 Energy		\$ -	2075.2	\$ -	\$ -	2075.2	\$ -	\$ -	
26		\$ 0.0680	750	\$ 51.00	\$ 0.0680	750	\$ 51.00	\$ -	0.00%
27		\$ 0.0790	1325.2	\$ 104.69	\$ 0.0790	1325.2	\$ 104.69	\$ -	0.00%
28 Total Bill (before Taxes)				\$ 294.50			\$ 304.68	\$ 10.19	3.46%
29 HST		13%		\$ 38.28	13%		\$ 39.61	\$ 1.32	3.46%
30 Total Bill (including Sub-total B)				\$ 332.78			\$ 344.29	\$ 11.51	3.46%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 33.28	-10%		-\$ 34.43	-\$ 1.15	3.46%
32 Total Bill (including OCEB)				\$ 299.50			\$ 309.86	\$ 10.36	3.46%
33 Loss Factor	(1)			3.76%			3.76%		

Notes:

(1): See Note (1) from Sheet 10A. Bill Impacts - Residential

OTHER REGULATED CHARGES

Other regulated charges are exclusive of the distribution monthly service charges, volumetric rates, and specific service charges. They include the Regulated Price Plan (“RPP”) Administration Charge, Retail Service Charges, and Non-competitive Energy Charges. The OEB, in its Electricity Distribution Rate Handbook (“EDRH”) issued on January 5, 2001, sets uniform rates for all these charges except the transmission service charges.

RPP ADMINISTRATION CHARGE

THESL has set the RPP Administration Charge at a standard charge of \$0.25 per 30 days per customer.

RETAIL SERVICE CHARGES

Retail Service Charges include contract and administration charges, Distributor-consolidated Billing Charge, Retailer-consolidated Billing Credit, Service Transaction Requests and Processing Charges. THESL applies the standard charges for Retail Service Charges in accordance with the EDRH.

TRANSITIONAL METER-ONLY RATE FOR CONVERTING BUILDINGS

Under section 5.1.9 of the Distribution System Code, THESL has the obligation to be the supplier of last resort in a market which is otherwise deemed by the Board to be contestable. Section 5.1.9 provides: “When requested to do so by a master consumer, a distributor shall install unit smart meters that meet the specifications prescribed by Ontario Regulation 389/10”. This means that THESL must provide service in situations where other sub-meterers decline to do so.

1 In these and in any other circumstances in which THESL provides suite metering to a
2 residential building which was initially bulk metered, THESL also has the obligation to
3 install the suite metering system in an efficient, cost-effective manner. This requires
4 THESL to install the entire suite metering system in the building at one time, rather than
5 on a piecemeal basis as each individual unit converts to individual direct service.

6
7 In the case of existing condominiums which are converting to unit metering, consent to
8 establish individual accounts is conveyed by the condominium corporation rather than
9 individual unit occupants. No significant period of time would exist during which
10 existing condominium units in a converting building would have meters installed which
11 would not be used for billing purposes.

12
13 However, in the case of rental buildings, landlords are required by law to obtain the
14 informed consent of tenants prior to conversion to individual billing. In the cases of new
15 rental buildings or condominiums, there is also a period during which the units are
16 habitable and electricity consumption occurs, but have not yet been occupied for the first
17 time.

18
19 In practice, this creates a situation in which suite meters are installed in rental and other
20 buildings but may not be used for purposes of billing an individual unit for an indefinite
21 period until consent has been obtained from the occupant of that unit (or until unit
22 occupancy changes), or until the unit is occupied for the first time.

23
24 Under the current tariff, THESL must bill the property owner under existing residential
25 rates (or the prospective suite meter rate, if approved) for each unit in which a suite meter
26 is installed. THESL cannot install the meters and then wait for an indefinite period to
27 begin recovering the associated costs. However, relative to the situation in which

1 consumption for unconverted units is billed under the applicable bulk rate, costs to the
2 property owner are substantially higher.

3
4 In the case of converting rental buildings, these increased costs to the landlord may then
5 be reflected in reduced maintenance or capital expenditures, or in rent increases to the
6 remaining unconverted tenants. In either case, the interests of the tenants of the building
7 are prejudiced. In the case of other building types, it is also reasonable to assume that
8 such costs will be passed on to the ultimate owners or occupants.

9
10 THESL submits that this result is an unintended and untoward outcome of the existing
11 statutory and regulatory framework.

12
13 THESL proposes a solution to this problem which minimizes the cost increase to
14 property owners without creating any cross subsidy from existing THESL ratepayers to
15 property owners or suite metered customers. Specifically, THESL proposes that for suite
16 metered buildings, and only for the transitional period during which units are being
17 gradually converted to individual direct accounts, THESL bill the property owner for
18 electricity consumption based on the bulk meter reading, adjusted to eliminate the
19 consumption and demand of the converted units, and apply a 'meter-only' rate to recover
20 the capital-related costs of the Quadlogic (or the successor) meters in units which have
21 not yet converted. The applicable monthly customer charge for the bulk meter account,
22 under the GS<50kW, GS 50-1000kW, or GS 1000-5000kW rate class as the case may be,
23 would continue to apply, and the meter-only rate would be a conditional rate component,
24 similar in that respect to the transformer credit which only applies in some cases
25 depending on the circumstances of the customer. The meter-only rate would be
26 applicable only during the transition period and would not be applicable to vacant units
27 after their conversion to individual billing.

The meter-only rate would be designed to recover only the capital related costs of the installed, but unutilized, meter. The capital related costs of the suite meter would be the depreciation, return, and taxes associated with the meter investment, and would be recovered through a fixed monthly charge reflecting the amortization period for the meters together with applicable values for the rate of return and PILs rates.

Using those proposed values together with the projected Quadlogic meter costs and an amortization period of 15 years for those meters, Table 5 below sets out the derivation of the monthly meter-only rate.

Table 5: Derivation of Monthly Meter-Only Rate

Item	Cost/Rate
Average Installed Meter Cost	\$550
Depreciation Rate (15-year amortization)	6.67%
Annual Depreciation and Amortization	\$36.67
Annual Return (at WACC of 6.79% on average NBV over meter life of \$275)	\$18.67
Annual PILs (at 35.6% grossed-up tax rate)	\$3.86
Total Annual Capital-Related Costs	\$59.20
Meter-Only Rate (per 30-day period)	\$4.87

The resulting figure of \$4.87 per month represents a meaningful reduction from, but not the elimination of, the otherwise applicable charge of \$15.47.

Regular billing and customer care costs related to the unconverted units would not be incurred by THESL during the transition since the meters would not be used for billing purposes in that period. However, there would be incremental administrative costs associated with maintaining information on unconverted units in a building, and calculating and adding the meter-only costs to the GS bill. THESL estimates that for 2012 the annual cost of this function would be approximately \$53,000, based on an

1 estimate of the time required to administer and bill. Spread over a forecast number of
2 buildings that would contain unconverted meters (110 buildings), this results in a per-
3 building monthly cost of approximately \$40. THESL proposes this administration fee
4 also be applied monthly to the bulk meter account for those buildings that have
5 unconverted meters, as an adjunct to the meter-only rate.

6
7 In summary, as noted above, THESL cannot decline to provide suite metering when
8 requested to do so by a master consumer. Neither can THESL absorb the costs of
9 unutilized meters, or incur the additional costs of installing a suite metering system on a
10 piecemeal basis. However, application of the standard suite meter rate to unconverted
11 units can reasonably be expected to accentuate a cost increase related to electrical service
12 that is likely to be to the detriment of tenants or unit owners. THESL believes that the
13 proposal set out above represents a responsible approach to the mitigation of this cost
14 increase given the overall circumstances in which THESL has been placed. It keeps
15 THESL and existing customers whole while avoiding the imposition of charges for
16 services (i.e., billing and customer care) not actually provided in the subject
17 circumstances.

20 **NON-COMPETITIVE ELECTRICITY CHARGES**

22 **Retail Transmission Service Rates ("RTSR")**

23 THESL's forecast of transmission costs for 2012-14 are based on the 2012-14 load
24 forecast and Hydro One Network Inc.'s ("HONI") current rates. The forecast 2012-14
25 Retail Transmission Rates are presented in Exhibit N1, Tab 2, Schedule 2. THESL will
26 update these rates if the Board sets new Uniform Transmission Rates prior to the
27 implementation of distribution rates.

1 On June 22, 2011, the OEB issued a revised Guideline on Electricity Distribution Retail
2 Transmission Service Rates. The guideline included a RTSR Adjustment Workform for
3 LDCs to use to calculate RTSR. THESL is unable to use the provided workform as it
4 does not accommodate the inclusion of the Switchgear Credit which THESL receives
5 from HONI for switchgear owned by THESL. Instead, as in past applications, THESL
6 has developed its own model to calculate RTSR, which is based on forecast demands by
7 class, forecast Switchgear credit amounts, and current Uniform Transmission Rates.
8 THESL believes the model achieves the same objective as that of the Board's model.
9 The model and proposed RTSR are shown in Exhibit N1, Tab 2, Schedule 2.
10
11 THESL has requested in EB-2010-0142 the clearance of the December 2010 balances in
12 the RTSR variance accounts. Therefore, the RTSR calculated in Exhibit N1, Tab 2,
13 Schedule 2 are intended only to recover the anticipated Uniform Transmission Rates in
14 2012-14, and do not include any adjustment to eliminate the balances in the RTSR
15 variance accounts.