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Board Secretary  
Ontario Energy Board  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

December 9, 2011

Dear Ms. Walli,

**RE: Burlington Hydro Inc.  
Board File Number EB-2011-0155  
Reply Submission**

Please find attached Burlington Hydro's Reply Submission to Board staff and the Vulnerable Energy Consumers Coalition's (VECC) submissions.

As set out in the filing requirements, Burlington Hydro has included two paper copies and one CD with an electronic copy of the files, together with a paper copy to VECC. Burlington Hydro has also filed through the Ontario Energy Board web portal [www.errr.ontarioenergyboard.ca](http://www.errr.ontarioenergyboard.ca).

I can be reached at 905-332-1851 ext. 234 or through e-mail at [sshields@burlingtonhydro.com](mailto:sshields@burlingtonhydro.com) should you require anything further.

Yours truly,

A handwritten signature in black ink, appearing to read 'Stephen Shields', is written over a light blue horizontal line.

Stephen Shields  
Manager, Regulatory Affairs  
Burlington Hydro Inc.

Cc: Vulnerable Energy Consumers Coalition,  
Mr. Michael Buonaguro, Counsel for VECC



**Burlington Hydro Inc.  
EB-2011-0155  
Reply Submission**

**Introduction**

Burlington Hydro Inc. (“Burlington Hydro”) is a licensed electricity distributor (ED-2003-0004) that owns and operates electricity distribution systems that provide service to the City of Burlington. Burlington Hydro charges its customers distribution rates and other charges as authorized by the Ontario Energy Board (the “OEB” or “the Board”).

On September 16, 2011, Burlington Hydro filed its application (the “Application”) for rates and other charges pursuant to section 78 of the *Ontario Energy Board Act, 1998* (the “OEB Act”). The Application was based on the 2011 3<sup>rd</sup> Generation Incentive Regulation Mechanism (“IRM3”) and requested approval for changes effective May 1, 2012.

On September 23, 2011, Burlington Hydro confirmed with the OEB that the Rate Generator which had been modified by Board staff to correct a modeling error had been reviewed by Burlington Hydro staff and appeared to be correct in all respects.

On October 26, 2011, in order to reflect Burlington Hydro’s recently-updated Conservation and Demand Management (“CDM”) savings as announced by the Ontario Power Authority, Burlington Hydro filed updated copies of the Manager’s Summary, Rate Generator model, proposed tariff sheets and the LRAM Third Party Report.

On November 3, 2011, Board staff filed interrogatories and on November 7, 2011, Vulnerable Energy Consumers Coalition (“VECC”) filed its interrogatories. On November 14, 2011, Burlington Hydro filed responses to Board staff and VECC’s interrogatories.

On December 1, 2011, Board staff and VECC filed their respective submissions.

Board staff made submissions on:

- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Account 1521 – Special Purpose Charge Disposition (“SPC”);

- Retail Transmission Service Rates (“RTSR”) Adjustment Workform;
- Lost Revenue Adjustment Mechanism (“LRAM”); and
- Account 1562 – PILs Disposition.

VECC made submissions only on Burlington Hydro’s Lost Revenue Adjustment Mechanism.

This current document is Burlington Hydro’s reply submission to Board staff and VECC submissions.

In this reply submission, Burlington Hydro addresses in order the five matters about which Board staff made submissions; VECC’s LRAM submissions are addressed together with Board staff’s LRAM submissions.

### **Review and Disposition of Group 1 Deferral and Variance Account Balances**

In its submission, Board staff noted that Burlington Hydro had requested the disposition of its December 31, 2010 balances of Group 1 Deferral and Variance account balances which, including interest as of April 30, 2012, amounts to a credit of \$2,842,111; this is equivalent to a credit of \$0.00167 per kWh and exceeds the present disposition threshold. Board staff noted that the requested disposition principal balances correspond with Board records; thus, Board staff supported Burlington Hydro’s request and submitted that the credit balances of \$2,842,111 as requested by Burlington Hydro should be disposed on a final basis.

Board staff noted that Burlington Hydro had requested a four-year disposition period in order to stabilize rates, simplify the resulting tariff sheet and hence facilitate customers’ understanding and acceptance of the applicable rates and charges. However, Board staff recommended that a two-year disposition period be adopted instead for all of Burlington Hydro’s Group 1 account balances in order to strike a balance between reducing intergenerational inequality and mitigating rate volatility. While Burlington Hydro acknowledges the desire to generally reduce intergenerational inequality, it strongly believes that a four-year disposition period is in its customers’ best interests since it will help mitigate constant tariff changes and provide some degree of rate stabilization.

Burlington Hydro submits that the \$2,842,111 amount should be disposed of over a four-year period as it requested in its Application.

### **Account 1521 – Special Purpose Charge Disposition**

As noted by Board staff, in response to Board staff interrogatory #5 Burlington Hydro requested a revised total for disposition (principal as of December 31, 2011 and interest to April 30, 2012) of (\$49,704); this is the equivalent to an assessment unit rate of (\$0.0003725). While the amount has not been audited, Board staff supported Burlington Hydro's request and stated:

“Board staff submits that despite the usual practice, the Board should authorize the disposition of Account 1521...because the account balance does not require a prudence review, and electricity distributors are required to apply for disposition of this account by April 30, 2012 in any event.”

Board staff went on to state that there is no need to await the outcome of the final audited results when these results may be available after April 30, 2012.

Therefore, Burlington Hydro submits the Special Purpose Charge (\$49,704) balance should be disposed of as requested in the Application.

### **Retail Transmission Service Rates (“RTSR”) Adjustment Workform**

Board staff noted:

“The instruction for filing Sheet “4. RRR Data” of the RTSR Workform is to enter the most recently reported RRR billing determinants (2010 Reporting and Record-keeping Requirements (“RRR”) kWh's or billed kW's) and to ensure the billing determinants are non-loss adjusted. The Board approved loss factor is then applied to the metered kWh's to arrive at the billed values.”

In its submission, Board staff disagreed with the loss factor that Burlington Hydro used in Sheet 4.

Burlington Hydro notes that the loss-adjusted load as calculated by Sheet 4 is obtained by multiplying the metered kWh load in 2010 by the matching approved loss factor. Burlington Hydro contends that the method it used in its Application, results in the most accurate estimate of the loss-adjusted load since it multiplies the 2010 metered load by the *weighted average* of the loss factors applicable during 2010. (One loss factor was approved for the first four months of 2010 and a different approved loss factor for the remainder.) Board staff in its submission argued that only the *latest* loss factor (i.e. that in effect from May 2010 to December 2010) should have been used. Burlington Hydro respectfully suggests that Board staff is incorrect and that the use of the weighted average value is clearly superior.

Burlington Hydro submits that the Board should approve the Retail Transmission Service Rates as requested by Burlington Hydro.

### **Lost Revenue Adjustment Mechanism (“LRAM”)**

Board staff’s submission on Burlington Hydro’s LRAM claim ultimately focused on one primary issue: whether the 2010 approved cost of service load forecast had already included load reductions to account for subsequent CDM initiatives.

In its submission, Board staff stated:

“In cases in which it was clear in the application or settlement agreement that an adjustment for CDM was not being incorporated into the load forecast specifically because of an expectation that an LRAM application would address the issue, and if this approach was accepted by the Board, *then Board staff would agree that an LRAM application is appropriate.* Burlington may want to highlight in its reply whether the issue of an LRAM application was addressed in their cost of service application.”  
[Emphasis added.]

In developing the load forecast in its cost of service application, Burlington Hydro used a multiple regression approach whereby a mathematical relationship was developed between various historical input parameters and kWh load. While some LDCs in their applications specifically lower their load forecast in the test year and in subsequent years to include expected

future reductions due to their adoption of CDM initiatives, Burlington Hydro did not take this approach; rather, Burlington Hydro's forecast was developed in full expectation of making LRAM claims in future years to compensate it for any subsequent CDM initiatives it undertook. Therefore, Burlington Hydro submits that its LRAM application is indeed appropriate.

A secondary issue addressed by Board staff in its submission was the multi-year effect of a CDM program that starts in one year and whose benefits continue for a number of years ("persistence"). In this regard Board staff stated:

"Board staff recognizes that in the past LRAM applications may have been approved for persistence of programs after a new load forecast has been approved in a cost of service application, and *the Board may want to consider the issue of consistency in its decision.*" [Emphasis added.]

Burlington Hydro's LRAM current claim is built on the same premise of persistency as accepted by the Board in earlier decisions. These decisions include Burlington Hydro's previous LRAM claims (Decision on EB-2010-0067 dated March 17, 2011; Decision on EB-2009-0259 dated March 1, 2010) as well as decisions on other LDCs' LRAM claims (Decision on Middlesex Power Distribution's LRAM claim EB-2010-0098 dated March 17, 2011; Decision on Norfolk Power Distribution's LRAM claim EB-2011-0046 dated May 6, 2011; Decision on Hydro One Brampton's LRAM claim EB-2010-0132 dated April 4, 2011).

Board staff also submitted:

"While a true up of all un-forecasted CDM activities would be consistent with the revenue neutrality principle of the LRAM concept, it is Board staff's view is that the overriding regulatory principle of rate certainty needs to be considered. *The rule against retroactive rate-making generally precludes retroactive adjustments related to the period in which rates were declared final, unless specifically determined otherwise by the Board in its decision.*" [Emphasis added.]

Burlington Hydro submits that the Board has established the LRAM mechanism precisely as a ‘retroactive adjustment related to a period in which rates were declared final.’ The Board has established this retroactive adjustment for the purpose of keeping LDCs revenue neutral with respect to CDM initiatives that were not part of a load forecast. Burlington Hydro did not include 2009 and 2010 programs in its 2010 load forecast and should be fully entitled to claim an LRAM related to these programs. Burlington Hydro submits that disallowing an LRAM claim for un-forecasted CDM would act as a major disincentive to participation in future CDM initiatives at Burlington Hydro and other LDCs.

The VECC submission suggested that Burlington Hydro’s LRAM claims for 2011 and 2012 are premature since the OPA has not released Measures and Assumptions lists for 2011 and 2012.

Burlington Hydro notes that the OPA Measures and Assumptions list contains generic data on measures drawn from the literature, previous evaluations and other sources. When calculating its LRAM claim, Burlington Hydro *did not rely in any way* on the OPA Measures and Assumptions lists. Rather, it drew exclusively on the OPA program specific evaluations for 2009 and 2010 programs, and the results that OPA has identified as ‘final’.

VECC submitted:

“VECC accepts for LRAM purposes, the OPA verification of the energy savings for Burlington Hydro’s 2009 and 2010 OPA-funded CDM programs using the OPA’s Final 2006-2009 CDM Program Results and the OPA’s Final 2010 CDM Program Results.”

Burlington Hydro notes that the OPA program specific evaluations for 2009 and 2010 programs provide verified energy savings that extend into 2011 and 2012. It is for these verified energy savings that Burlington Hydro has requested an LRAM claim. Burlington Hydro has no reason to believe that the OPA will revise its program specific evaluations that the OPA has identified as final. Should the OPA identify a material error in the results provided, Burlington Hydro is totally prepared to make an adjustment in its next LRAM claim; however, in the absence of such a change, it would be unnecessary to revisit this claim in future proceedings. In particular, as noted, since the claim does not depend on the Measures and Assumptions lists, Burlington Hydro

sees no reason to revisit the claim should future M&A lists contain values different from those available today.

In submitting that its LRAM claim is appropriate and is fully consistent with previous Board decisions, Burlington Hydro requests that the Board approve the LRAM claim for \$273,165 as developed and fully supported in the evidence.

### **Account 1562 Deferred Payments-in-lieu of Taxes (“PILs”) Disposition**

#### *Background*

In its Application, Burlington Hydro included (\$1,189,099) Deferred PILs for disposition; in requesting this amount for disposition Burlington Hydro adhered strictly to the Report of the Board on Electricity Distributor’s Deferral and Variance Account Review Report (the “EDDVAR” report) and to the “Decision and Order (EB-2008-0381), Account 1562 Deferred Payment in Lieu of Taxes, June 24, 2011.”

#### *Income Tax Rates*

Through the interrogatory process, Board staff observed that while Burlington Hydro had correctly used a 36.12% income tax rate (i.e. the basic 35% rate plus a corporate surtax of 1.12%) in the SIMPIL models for 2001 to 2004, Burlington Hydro had inadvertently used a 35% income tax rate for 2005. In response to Board staff’s submission, Burlington Hydro has updated its 2005 SIMPIL model as part of this reply submission to include an income tax rate of 36.12%. This updated evidence is shown in Appendix A of this reply submission.

#### *Interest True-up Calculations*

In response to Board staff interrogatory #9, Burlington Hydro acknowledged that in the 2002 SIMPIL sheet TAXREC3, capitalized interest of \$274,971 should have been added to the interest for the interest true-up calculation. This updated evidence is shown in Appendix B of this reply submission.



### *Components of Interest Expense*

In response to Board staff interrogatory #10(i), Burlington Hydro provided the following analysis of its interest expense:

GL A/C #		2001 Oct-Dec	2002	2003	2004	2005
70980-15-00	Prom. Note	292,046.40	2,998,984.84	3,471,199.08	3,480,709.21	3,471,199.08
70981-15-00	Line of credit	-	110,610.45	99,876.56	78,316.43	78,163.81
70982-15-00	Others	-	-	-	-	(94,680.14)
70983-15-00		-	-	-	-	
70988-15-00	Retailer deposit	-	3,079.69	5,239.82	2,056.60	3,126.81
		292,046.40	3,112,674.98	3,576,315.46	3,561,082.24	3,457,809.56

In its submission, Board staff stated it was not clear from Burlington Hydro's reply to Board staff interrogatory #10(h) which referenced the above table, if the stand-by charge on the letter of credit for the IESO prudential was included in the table; also, that it was not clear as to which debt or asset the interest income or credit shown in the table as "Others" relates. Board staff submitted that the actual interest expense to be used in the true-up calculations should be the interest expense included in the filings to the Ministry of Finance except that carrying charges on regulatory assets and liabilities should be excluded. Also, Board staff requested that Burlington Hydro clarify which components of interest expense are included in its true-up calculations in its SIMPIL models and to provide rationale for any items of interest expense that have been excluded.

Burlington Hydro offers the following clarifications to the items raised in Board staff's submission:

- The stand-by charge on the letter of credit for IESO prudential *is included* in the table above. For the 2002 to 2005 period these annual charges were \$5,950; \$12,123; \$12,000 and \$11,976 respectively. (Burlington Hydro acknowledges that including these expenses in the table is inconsistent with the opinion it expressed in response to Board

staff interrogatory #10(h) where Burlington Hydro stated that the charge on the prudential for the IESO should be *excluded* since this is not interest but a service charge for access to a letter of credit that is not actually used. However, these expenses were included in the table since they were historically recorded as interest charges; nevertheless, in retrospect, Burlington Hydro is clearly of the opinion the charges on the prudential for the IESO should be excluded.)

- The net balance of (\$94,680.14) shown as “Other” is the effect of recording in Burlington Hydro’s records carrying charges for the settlement error for an amount of (\$197,386.02).
- The actual interest expense used in the true-up calculations *is* the interest expense included in the filings to the Ministry of Finance except that carrying charges on regulatory assets and liabilities have been excluded; i.e. it is as proposed by Board staff in its submission.
- The components of interest expense that are included in the true-up calculations in the SIMPIL models are those shown in the table above; carrying charges on regulatory assets and liabilities have been excluded since these have not been disposed of.

Burlington Hydro requests and submits that the updated PILs amount be disposed of as requested in the Application.

~ All of which is respectively submitted ~

Burlington Hydro Inc. Reply Submission  
EB-2011-0155  
Appendix A

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Burlington Hydro Inc.</b>			Colour Code	
4	<b>Reporting period: 2005</b>			Input Cell	
5				Formula in Cell	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	Previous years sho
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100.0000%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100.0000%	
23					
24	Accounting Year End		Date	31-Dec-05	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			95,757,216	
32					
33	Common Equity Ratio (CER)			50.00%	47878608
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			8,201,606	
42					
43	1999 return from RUD Sheet #7			1,728,019	1,728,019
44					
45	Total Incremental revenue			6,473,587	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			2,157,862	2,157,862
48	Amount allowed in 2002			2,157,862	2,157,862
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)			0	0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			2,157,862	2,157,862
52	Other Board-approved changes to MARR or incremental revenue			435,609	435,609
53					0
54	<b>Total Regulatory Income</b>				<b>8,637,215</b>
55					
56	Equity			47,878,608	
57					
58	Return at target ROE			4,730,406	
59					
60	Debt			47,878,608	
61					
62	Deemed interest amount in 100% of MARR			3,471,199	
63					
64	Phase-in of interest - Year 1 (2001)			1,644,637	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			2,557,918	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			2,557,918	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			3,471,199	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	<b>Utility Name: Burlington Hydro Inc.</b>							
7	<b>Reporting period: 2005</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	<b>365</b>	<b>days</b>				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	<b>365</b>	<b>days</b>				<b>From</b>	
11							<b>TAXREC</b>	
12			<b>\$</b>		<b>\$</b>		<b>\$</b>	
13								
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	<b>1</b>	<b>8,637,215</b>		<b>3,933,851</b>		<b>12,571,066</b>	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	<b>2</b>	<b>5,584,336</b>		<b>409,000</b>		<b>5,993,336</b>	
21	Employee Benefit Plans - Accrued, Not Paid	<b>3</b>	<b>0</b>		<b>0</b>		<b>0</b>	
22	Tax reserves - beginning of year	<b>4</b>			<b>0</b>		<b>0</b>	
23	Reserves from financial statements - end of year	<b>4</b>			<b>2,228,002</b>		<b>2,228,002</b>	
24	Regulatory Adjustments - increase in income	<b>5</b>			<b>0</b>		<b>0</b>	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	<b>6</b>			<b>0</b>		<b>0</b>	
27	Other Additions (not "Material") "TAXREC"	<b>6</b>			<b>0</b>		<b>0</b>	
28	"Material" Items from "TAXREC 2" worksheet	<b>6</b>			<b>138,976</b>		<b>138,976</b>	
29	Other Additions (not "Material") "TAXREC 2"	<b>6</b>			<b>37,563</b>		<b>37,563</b>	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				<b>0</b>		<b>0</b>	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	<b>7</b>	<b>4,772,348</b>		<b>1,018,868</b>		<b>5,791,216</b>	
34	Employee Benefit Plans - Paid Amounts	<b>8</b>	<b>0</b>		<b>0</b>		<b>0</b>	
35	Items Capitalized for Regulatory Purposes	<b>9</b>			<b>0</b>		<b>0</b>	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	<b>10</b>			<b>0</b>		<b>0</b>	
37	Interest Expense Deemed/ Incurred	<b>11</b>	<b>3,471,199</b>		<b>-13,389</b>		<b>3,457,810</b>	
38	Tax reserves - end of year	<b>4</b>			<b>0</b>		<b>0</b>	
39	Reserves from financial statements - beginning of year	<b>4</b>			<b>2,149,397</b>		<b>2,149,397</b>	
40	Contributions to deferred income plans	<b>3</b>			<b>0</b>		<b>0</b>	
41	Contributions to pension plans	<b>3</b>			<b>0</b>		<b>0</b>	
42	Interest capitalized for accounting but deducted for tax	<b>11</b>			<b>0</b>		<b>0</b>	
43	Other Deductions (See Tab entitled "TAXREC")							
44	CDM 2005 incremental OM&A expenses per 2005 PILs model		<b>132,096</b>		<b>-132,096</b>		<b>0</b>	
45	"Material" Items from "TAXREC" worksheet	<b>12</b>			<b>0</b>		<b>0</b>	
46	Other Deductions (not "Material") "TAXREC"	<b>12</b>			<b>23,368</b>		<b>23,368</b>	
47	"Material" Items from "TAXREC 2" worksheet	<b>12</b>			<b>0</b>		<b>0</b>	
48	Other Deductions (not "Material") "TAXREC 2"	<b>12</b>			<b>123,120</b>		<b>123,120</b>	
49	<b>Items on which true-up does not apply "TAXREC 3"</b>				<b>3,353,578</b>		<b>3,353,578</b>	
50								
51	<b>TAXABLE INCOME/ (LOSS)</b>		<b>5,845,907</b>		<b>224,547</b>	<b>Before loss C/F</b>	<b>6,070,454</b>	
52								
53	<b>BLENDED INCOME TAX RATE</b>							
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	<b>13</b>	<b>36.12%</b>		<b>0.0000%</b>		<b>36.12%</b>	
55								
56	<b>REGULATORY INCOME TAX</b>		<b>2,111,542</b>		<b>70,435</b>	<b>Actual</b>	<b>2,181,977</b>	
57								
58								
59	Miscellaneous Tax Credits	<b>14</b>			<b>41,484</b>	<b>Actual</b>	<b>41,484</b>	
60								
61	<b>Total Regulatory Income Tax</b>		<b>2,111,542</b>		<b>28,951</b>	<b>Actual</b>	<b>2,140,493</b>	
62								
63								
64	<b>III) CAPITAL TAXES</b>							
65								
66	<b>Ontario</b>							
67	Base	<b>15</b>	<b>95,757,216</b>		<b>22,082,559</b>		<b>117,839,775</b>	
68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	<b>16</b>	<b>7,500,000</b>		<b>-287,413</b>		<b>7,212,587</b>	
69	Taxable Capital		<b>88,257,216</b>		<b>21,795,146</b>		<b>110,627,188</b>	
70								
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	<b>17</b>	<b>0.3000%</b>		<b>0.0000%</b>		<b>0.3000%</b>	
72								
73	Ontario Capital Tax		<b>264,772</b>		<b>67,110</b>	<b>Overpaid</b>	<b>331,882</b>	
74								
75	<b>Federal Large Corporations Tax</b>							
76	Base	<b>18</b>	<b>95,757,216</b>		<b>14,271,971</b>		<b>110,029,187</b>	
77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	<b>19</b>	<b>50,000,000</b>		<b>-5,285,085</b>		<b>44,714,915</b>	
78	Taxable Capital		<b>45,757,216</b>		<b>8,986,886</b>		<b>65,314,272</b>	
79								
80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	<b>20</b>	<b>0.1750%</b>		<b>0.0000%</b>		<b>0.1750%</b>	
81								
82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		<b>80,075</b>		<b>34,225</b>		<b>114,300</b>	
83	Less: Federal Surtax 1.12% x Taxable Income	<b>21</b>	<b>65,474</b>		<b>2,515</b>		<b>67,989</b>	
84								
85	<b>Net LCT</b>		<b>14,601</b>		<b>31,710</b>		<b>46,311</b>	
86								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Burlington Hydro Inc.</b>							
7	<b>Reporting period: 2005</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
87	<b>III) INCLUSION IN RATES</b>							
88								
89	Income Tax Rate used for gross- up (exclude surtax)		36.12%					
90								
91	Income Tax (proxy tax is grossed-up)	22	3,305,482			<b>Actual 2005</b>	2,140,493	
92	LCT (proxy tax is grossed-up)	23	22,857			<b>Actual 2005</b>	46,310	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	264,772			<b>Actual 2005</b>	331,882	
94								
95								
96	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	3,593,110			<b>Actual 2005</b>	2,518,685	
97	<b>RAM DECISION</b>							
98								
99								
100	<b>IV) FUTURE TRUE-UPS</b>							
101	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
102	<b>In Additions:</b>							
103	Employee Benefit Plans - Accrued, Not Paid	3			0			
104	Tax reserves deducted in prior year	4			0			
105	Reserves from financial statements-end of year	4			2,228,002			
106	Regulatory Adjustments	5			0			
107	Other additions "Material" Items TAXREC	6			0			
108	Other additions "Material" Items TAXREC 2	6			138,976			
109	<b>In Deductions - positive numbers</b>							
110	Employee Benefit Plans - Paid Amounts	8			0			
111	Items Capitalized for Regulatory Purposes	9			0			
112	Regulatory Adjustments	10			0			
113	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
114	Tax reserves claimed in current year	4			0			
115	Reserves from F/S beginning of year	4			2,149,397			
116	Contributions to deferred income plans	3			0			
117	Contributions to pension plans	3			0			
118	Other deductions "Material" Items TAXREC	12			0			
119	Other deductions "Material" Item TAXREC 2	12			0			
120								
121	Total TRUE-UPS before tax effect	26		=	217,581			
122								
123	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	36.12%			
124								
125	Income Tax Effect on True-up adjustments			=	78,590			
126								
127	Less: Miscellaneous Tax Credits	14			41,484			
128								
129	Total Income Tax on True-ups				37,106			
130								
131	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
132								
133	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				57,087			
134								
135	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
136								
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	5,845,907			
138								
139	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
140								
141	REVISED REGULATORY INCOME TAX			=	2,111,542			
142								
143	Less: Revised Miscellaneous Tax Credits			-	41,484			
144								
145	Total Revised Regulatory Income Tax			=	2,070,058			
146								
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,111,542			
148								
149	Regulatory Income Tax Variance			=	(41,484)			
150								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Burlington Hydro Inc.</b>							
7	<b>Reporting period: 2005</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
151	<b>Ontario Capital Tax</b>							
152	Base			=	95,757,216			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
154	Revised deemed taxable capital			=	88,257,216			
155								
156	Rate - Tab Tax Rates cell C54			x	0.3000%			
157								
158	Revised Ontario Capital Tax			=	264,772			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	264,772			
160	Regulatory Ontario Capital Tax Variance			=	0			
161								
162	<b>Federal LCT</b>							
163	Base				95,757,216			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
165	Revised Federal LCT			=	45,757,216			
166								
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.1750%			
168								
169	Gross Amount				80,075			
170	Less: Federal surtax			-	65,474			
171	Revised Net LCT			=	14,601			
172								
173	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	14,601			
174	Regulatory Federal LCT Variance			=	0			
175								
176	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
177								
178	<b>Income Tax (grossed-up)</b>			+	(63,822)			
179	<b>LCT (grossed-up)</b>			+	0			
180	<b>Ontario Capital Tax</b>			+	0			
181								
182	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	(63,822)			
183								
184	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	57,087			
185								
186	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	(6,735)			
187	(Deferral Account Variance + True-up Variance)							
188								
189								
190								
191	<b>V) INTEREST PORTION OF TRUE-UP</b>							
192	<b>Variance Caused By Phase-in of Deemed Debt</b>							
193								
194	Total deemed interest (REGINFO)				3,471,199			
195	Interest phased-in (Cell C36)				2,557,918			
196								
197	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				913,281			
198								
199								
200	<b>Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				3,457,810			
202	Total deemed interest (REGINFO CELL D61)				3,471,199			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208								
209	<b>Total Interest Variance</b>				913,281			
210								
211								
212								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4			<b>Return</b>			
5	<b>0</b>				<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Burlington Hydro Inc.					
8	Reporting period: 2005					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		119,697	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
31	Energy Sales	+			0	
32	Distribution Revenue	+	165,111,462		165,111,462	
33	Other Income	+	2,943,088		2,943,088	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	138,322,888		138,322,888	
40	Administration	-	3,290,030		3,290,030	
41	Customer billing and collecting	-	2,089,196		2,089,196	
42	Operations and maintenance	-	5,487,034		5,487,034	
43	Amortization	-	5,993,336		5,993,336	
44	Ontario Capital Tax	-	301,000		301,000	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	12,571,066	0	12,571,066	
51	Less: Interest expense for accounting purposes	-	3,457,810		3,457,810	
52	Provision for payments in lieu of income taxes	-	2,992,370		2,992,370	
53	<b>Net Income (loss)</b>	=	6,120,886	0	6,120,886	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	2,992,370	0	2,992,370	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	5,993,336	0	5,993,336	
62	Employee benefit plans-accrued, not paid	+	0	0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	2,228,002	0	2,228,002	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	138,976	0	138,976	
68	Other addition items (not Material) from TAXREC 2	+	37,563	0	37,563	
69						
70	<b>Subtotal</b>		11,390,247	0	11,390,247	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+	0		0	
74	Non-deductible meals and entertainment expense	+	0		0	
75	Capital items expensed	+			0	



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	<i>Total Additions</i>	=	11,390,247	0	11,390,247	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	<i>Total Other Additions</i>		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	5,790,988		5,790,988	
98	Cumulative eligible capital deduction	-	228		228	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions - Reg Assets Changes</i>	-	0		0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	2,149,397	0	2,149,397	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		3,353,578	0	3,353,578	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	123,120	0	123,120	
112						
113	<i>Subtotal</i>	=	11,417,311	0	11,417,311	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-	23,368		23,368	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118		-			0	
119		-			0	
120	<i>Total Other Deductions</i>	=	23,368	0	23,368	
121						
122	<i>Total Deductions</i>	=	11,440,679	0	11,440,679	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		23,368	0	23,368	
132	<i>Total Other Deductions</i>		23,368	0	23,368	
133						
134	<b>TAXABLE INCOME</b>	=	6,070,454	0	6,070,454	
135	DEDUCT:					
136	Non-capital loss applied <i>positive number</i>	-			0	
137	Net capital loss applied <i>positive number</i>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	6,070,454	0	6,070,454	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax <i>(Must agree with tax return)</i>	+	1,342,785		1,342,785	
143	Net Ontario Income Tax <i>(Must agree with tax return)</i>	+	839,192		839,192	
144	<i>Subtotal</i>	=	2,181,977	0	2,181,977	
145	Less: Miscellaneous tax credits <i>(Must agree with tax returns)</i>	-	41,484		41,484	
146	<b>Total Income Tax</b>	=	2,140,493	0	2,140,493	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		13.82%		13.82%	
151	Blended Income Tax Rate		35.94%	*****	35.94%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	2,140,493	0	2,140,493	
157	Ontario Capital Tax	+	331,882		331,882	
158	Federal Large Corporations Tax	+	46,310		46,310	
159						
160	<b>Total income and capital taxes</b>	=	2,518,685	0	2,518,685	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Burlington Hydro Inc.</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		2,149,397		2,149,397	
48	Regulatory Reserves				0	
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		2,149,397	0	2,149,397	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB		2,228,002		2,228,002	
61	Regulatory Reserves				0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		2,228,002	0	2,228,002	
65						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Burlington Hydro Inc.</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		119,697			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	1,471		1,471	
20	Charitable donations (Only if it benefits ratepayers)	+	23,368		23,368	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+	138,976		138,976	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Non Deductible meals and entertainment	+	11,788		11,788	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+	0		0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Other additions	+			0	
42	Capital tax adjustment	+			0	
43	Depreciation expensed via OM&A	+			0	
44	Ontario specified tax credits	+	936		936	
45	Computer equipment expensed for tax	+			0	
46	<b>Total Additions</b>	=	<b>176,539</b>	<b>0</b>	<b>176,539</b>	
47						
48	<b>Recap of Material Additions:</b>					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55	Scientific research expenditures deducted		138,976	0	138,976	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Burlington Hydro Inc.</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		119,697			
12						
13						
76			0	0	0	
77			0	0	0	
78						
79	Total Material additions		138,976	0	138,976	
80	Other additions less than materiality level		37,563	0	37,563	
81	Total Additions		176,539	0	176,539	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-	62,752		62,752	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	<i>Other deductions: SR&amp;ED Expenditures Capitalized for accounting</i>	-	57,349		57,349	
98	Actual capital tax per CT23	-			0	
99	Other deductions	-			0	
100	Partnership loss		3,019		3,019	
101	Prospectus & underwriting fees and capital tax not expensed	-			0	
102	Total Deductions	=	123,120	0	123,120	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		123,120	0	123,120	
124	Total Deductions		123,120	0	123,120	
125						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Burlington Hydro Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	0		0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Income from joint ventures or partnerships	+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	0		0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-	3,353,578		3,353,578	✓
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Burlington Hydro Inc.</b>				<b>Version 2009.1</b>	
73	<b>Total Deductions on which true-up does not apply</b>	=	3,353,578	0	3,353,578	
74						
75						

	A	B	C	D	E	F	G	H	I
1	PILs TAXES - EB-2008-381								
2	Corporate Tax Rates				Version 2009.1				
3	Exemptions, Deductions, or Thresholds								
4	Utility Name: Burlington Hydro Inc.								
5	Reporting period: 2005								
6									
7	Table 1								
8	Rates Used in 2005 RAM PILs Applications								
9	Income Range		0		400,001				
10	RAM 2002		to		to				
11		Year	400,000		1,128,000		>1,128,000		
12	Income Tax Rate								
13	Proxy Tax Year	2005							
14	Federal (Includes surtax)		13.12%		17.75%		22.12%		
15	and Ontario blended		5.50%		9.75%		14.00%		
16	Blended rate		18.62%		27.50%		36.12%		
17									
18	Capital Tax Rate		0.300%						
19	LCT rate		0.175%						
20	Surtax		1.12%						
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000						
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000						
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing								
24									
25	Table 2								
26	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005								
27	Income Range		0	300,001	400,001				
28	Expected Rates		to	to	to		>1,128,000		
29		Year	300,000	400,000	1,128,000				
30	Income Tax Rate								
31	Current year	2005							
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%		
33	Ontario		5.50%	5.50%	9.75%		14.00%		
34	Blended rate		18.62%	27.62%	31.87%		36.12%		
35									
36	Capital Tax Rate		0.300%						
37	LCT rate		0.175%						
38	Surtax		1.12%						
39	Ontario Capital Tax Exemption *** 2002	MAX \$7.5MM	7,500,000						
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$50MM	50,000,000						
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.								
42									
43	Table 3								
44	Input Information from Utility's Actual 2005 Tax Returns								
45	Income Range		0	300,001	400,001				
46			to	to	to		>1,128,000		
47		Year	300,000	400,000	1,128,000				
48	Income Tax Rate								
49	Current year	2005							
50	Federal (Includes surtax)		13.12%	22.12%	26.12%		22.12%		
51	Ontario		5.50%	5.50%	9.75%		14.00%		
52	Blended rate		18.62%	27.62%	35.87%		36.12%		
53									
54	Capital Tax Rate		0.300%						
55	LCT rate		0.175%						
56	Surtax		1.12%						
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,187,629						
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	44,714,915						
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36								
60									
61									



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Burlington Hydro Inc.														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		1,050,154		575,456		405,438		-169,919		-1,142,663		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	1,050,154		3,234,741		4,284,895		3,497,280		808,685		1,197,703		14,073,458
13	PILs proxy from April 1, 2005 - input 9/12 of amount										2,694,833				2,694,833
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-					3,247		-191,483		-234,261		57,087		-365,410
16	Deferral Account Variance Adjustment Q4, 2001 (4)				975										975
17	Deferral Account Variance Adjustment (5)	+/-			0				-282,391		-441,841		-63,822		-788,054
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-			105,476		27,683		-16,114		-50,914		-64,378		1,753
20	PILs billed to (collected from) customers (8)	-	0		-3,815,890		-4,485,843		-3,582,648		-3,749,246		-1,160,703		-16,794,330
21															
22	Ending balance: # 1562		1,050,154		575,456		405,438		-169,919		-1,142,663		-1,176,775		-1,176,775
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

Burlington Hydro Inc. Reply Submission  
EB-2011-0155  
Appendix B

	A	B	C	D	E
1	<b>PILs TAXES</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Burlington Hydro Inc.			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			95,757,217	
32					
33	Common Equity Ratio (CER)			50.00%	47878608.5
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			8,201,606	
42					
43	1999 return from RUD Sheet #7			1,728,019	1,728,019
44					
45	Total Incremental revenue			6,473,587	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			2,157,862	2,157,862
48	Amount allowed in 2002			2,157,862	2,157,862
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>6,043,743</b>
55					
56	Equity			47,878,609	
57					
58	Return at target ROE			4,730,407	
59					
60	Debt			47,878,609	
61					
62	Deemed interest amount in 100% of MARR			3,471,199	
63					
64	Phase-in of interest - Year 1 (2001)			1,644,637	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			2,557,918	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			2,557,918	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			3,471,199	
71					
72					

	A	B	C	D	E	F	G
1	<b>PILS TAXES</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>	
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>	
5		<b>0</b>					<b>Version 2009.1</b>
6	<b>Utility Name: Burlington Hydro Inc.</b>						
7	<b>Reporting period: 2002</b>						
8							<b>Column</b>
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>
11							<b>TAXREC</b>
12			\$		\$		\$
13							
14	<b>II) CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	6,043,743		1,551,545		7,595,288
17							
18	<b>BOOK TO TAX ADJUSTMENTS</b>						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	5,584,336		-62,624		5,521,712
21	Employee Benefit Plans - Accrued, Not Paid	3	204,125		-204,125		0
22	Tax reserves - beginning of year	4			0		0
23	Reserves from financial statements - end of year	4			2,007,286		2,007,286
24	Regulatory Adjustments - increase in income	5			0		0
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6			0		0
27	Other Additions (not "Material") "TAXREC"	6			3,537		3,537
28	"Material" Items from "TAXREC 2" worksheet	6			2,391,504		2,391,504
29	Other Additions (not "Material") "TAXREC 2"	6			30,703		30,703
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	4,772,348		1,213,454		5,985,802
34	Employee Benefit Plans - Paid Amounts	8	160,614		-160,614		0
35	Items Capitalized for Regulatory Purposes	9			0		0
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0
37	Interest Expense Deemed/ Incurred	11	2,557,918		554,648		3,112,566
38	Tax reserves - end of year	4			0		0
39	Reserves from financial statements - beginning of year	4			1,958,520		1,958,520
40	Contributions to deferred income plans	3			0		0
41	Contributions to pension plans	3			0		0
42	Interest capitalized for accounting but deducted for tax	11			274,971		274,971
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12			0		0
45	Other Deductions (not "Material") "TAXREC"	12			9,388		9,388
46	Material Items from "TAXREC 2" worksheet	12			2,391,504		2,391,504
47	Other Deductions (not "Material") "TAXREC 2"	12			95,118		95,118
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				2,629,443		2,629,443
49							
50	TAXABLE INCOME/ (LOSS)		4,341,324		(3,248,606)	Before loss C/F	1,092,718
51							
52	<b>BLENDED INCOME TAX RATE</b>						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-38.6200%		0.00%
54							
55	REGULATORY INCOME TAX		1,676,619		-1,676,619	Actual	0
56							
57							
58	Miscellaneous Tax Credits	14			0	Actual	0
59							
60	<b>Total Regulatory Income Tax</b>		1,676,619		-1,676,619	Actual	0
61							
62							
63	<b>II) CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	95,757,217		4,901,094		100,658,311
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-175,609		4,824,391
68	Taxable Capital		90,757,217		4,725,485		95,833,920
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%
71							
72	Ontario Capital Tax		272,272		15,230	Overpaid	287,502
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	95,757,217		5,277,511		101,034,728
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000
77	Taxable Capital		85,757,217		5,277,511		91,034,728
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		192,954		11,874		204,828
82	Less: Federal Surtax 1.12% x Taxable Income	21	48,623		-48,623		0
83							
84	Net LCT		144,331		60,497		204,828
85							

	A	B	C	D	E	F	G
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	
5		0					<b>Version 2009.1</b>
6	<b>Utility Name: Burlington Hydro Inc.</b>						
7	<b>Reporting period: 2002</b>						
8							<b>Column</b>
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>
11							<b>TAXREC</b>
12			\$		\$		\$
13							
86	<b>III) INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross- up (exclude surtax)		38.62%				
89							
90	Income Tax (proxy tax is grossed-up)	22	2,731,540			<b>Actual 2002</b>	0
91	LCT (proxy tax is grossed-up)	23	230,929			<b>Actual 2002</b>	204,828
92	Ontario Capital Tax (no gross-up since it is deductible)	24	272,272			<b>Actual 2002</b>	287,502
93							
94							
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	3,234,741			<b>Actual 2002</b>	492,330
96	<b>RAM DECISION</b>						
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>		
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3			-204,125		
103	Tax reserves deducted in prior year	4			0		
104	Reserves from financial statements-end of year	4			2,007,286		
105	Regulatory Adjustments	5			0		
106	Other additions "Material" Items TAXREC	6			0		
107	Other additions "Material" Items TAXREC 2	6			2,391,504		
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8			-160,614		
110	Items Capitalized for Regulatory Purposes	9			0		
111	Regulatory Adjustments	10			0		
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0		
113	Tax reserves claimed in current year	4			0		
114	Reserves from F/S beginning of year	4			1,958,520		
115	Contributions to deferred income plans	3			0		
116	Contributions to pension plans	3			0		
117	Other deductions "Material" Items TAXREC	12			0		
118	Other deductions "Material" Item TAXREC 2	12			2,391,504		
119							
120	Total TRUE-UPS before tax effect	26		=	5,255		
121							
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	38.62%		
123							
124	Income Tax Effect on True-up adjustments			=	2,029		
125							
126	Less: Miscellaneous Tax Credits	14			0		
127							
128	Total Income Tax on True-ups				2,029		
129							
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%		
131							
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				3,247		
133							
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>						
135							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	4,341,324		
137							
138	REVISED CORPORATE INCOME TAX RATE			x	38.62%		
139							
140	REVISED REGULATORY INCOME TAX			=	1,676,619		
141							
142	Less: Revised Miscellaneous Tax Credits			-	0		
143							
144	Total Revised Regulatory Income Tax			=	1,676,619		
145							
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	1,676,619		
147							
148	Regulatory Income Tax Variance			=	0		
149							

	A	B	C	D	E	F	G
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	
5	0						<b>Version 2009.1</b>
6	<b>Utility Name: Burlington Hydro Inc.</b>						
7	<b>Reporting period: 2002</b>						
8							<b>Column</b>
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>
11							<b>TAXREC</b>
12							
13							
150	<b>Ontario Capital Tax</b>						
151	Base			=	95,757,217		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000		
153	Revised deemed taxable capital			=	90,757,217		
154							
155	Rate - Tab Tax Rates cell C54			x	0.3000%		
156							
157	Revised Ontario Capital Tax			=	272,272		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	272,272		
159	Regulatory Ontario Capital Tax Variance			=	0		
160							
161	<b>Federal LCT</b>						
162	Base				95,757,217		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000		
164	Revised Federal LCT			=	85,757,217		
165							
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%		
167							
168	Gross Amount				192,954		
169	Less: Federal surtax			-	48,623		
170	Revised Net LCT			=	144,331		
171							
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	144,331		
173	Regulatory Federal LCT Variance			=	0		
174							
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%		
176							
177	<b>Income Tax (grossed-up)</b>			+	0		
178	<b>LCT (grossed-up)</b>			+	0		
179	<b>Ontario Capital Tax</b>			+	0		
180							
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	0		
182							
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	3,247		
184							
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	3,247		
186	(Deferral Account Variance + True-up Variance)						
187							
188							
189							
190	<b>V) INTEREST PORTION OF TRUE-UP</b>						
191	<b>Variance Caused By Phase-in of Deemed Debt</b>						
192							
193	Total deemed interest (REGINFO)				3,471,199		
194	Interest phased-in (Cell C36)				2,557,918		
195							
196	Variance due to phase-in of debt component of MARR in rates				913,281		
197	according to the Board's decision						
198							
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>						
200	<b>Above Deemed Debt per Rate Handbook)</b>						
201	Interest deducted on MoF filing (Cell K36+K41)				3,387,537		
202	Total deemed interest (REGINFO CELL D61)				3,471,199		
203							
204	Variance caused by excess debt				0		
205							
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0		
207							
208	<b>Total Interest Variance</b>				913,281		
209							
210							
211							

	A	H
1	<b>PILs TAXES</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>	
4	("Wires-only" business - see Tab TAXREC)	
5	0	
6	Utility Name: Burlington Hydro Inc.	
7	Reporting period: 2002	
8		
9	Days in reporting period:	
10	Total days in the calendar year:	
11		
12		
13		
14	<b>II) CORPORATE INCOME TAXES</b>	
15		
16	Regulatory Net Income REGINFO E53	
17		
18	<b>BOOK TO TAX ADJUSTMENTS</b>	
19	<b>Additions:</b>	
20	Depreciation & Amortization	
21	Employee Benefit Plans - Accrued, Not Paid	
22	Tax reserves - beginning of year	
23	Reserves from financial statements - end of year	
24	Regulatory Adjustments - increase in income	
25	Other Additions (See Tab entitled "TAXREC")	
26	"Material" Items from "TAXREC" worksheet	
27	Other Additions (not "Material") "TAXREC"	
28	"Material" Items from "TAXREC 2" worksheet	
29	Other Additions (not "Material") "TAXREC 2"	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>	
31		
32	<b>Deductions: Input positive numbers</b>	
33	Capital Cost Allowance and CEC	
34	Employee Benefit Plans - Paid Amounts	
35	Items Capitalized for Regulatory Purposes	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	
37	Interest Expense Deemed/ Incurred	
38	Tax reserves - end of year	
39	Reserves from financial statements - beginning of year	
40	Contributions to deferred income plans	
41	Contributions to pension plans	
42	Interest capitalized for accounting but deducted for tax	
43	Other Deductions (See Tab entitled "TAXREC")	
44	"Material" Items from "TAXREC" worksheet	
45	Other Deductions (not "Material") "TAXREC"	
46	Material Items from "TAXREC 2" worksheet	
47	Other Deductions (not "Material") "TAXREC 2"	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>	
49		
50	TAXABLE INCOME/ (LOSS)	
51		
52	BLENDED INCOME TAX RATE	
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	
54		
55	REGULATORY INCOME TAX	
56		
57		
58	Miscellaneous Tax Credits	
59		
60	<b>Total Regulatory Income Tax</b>	
61		
62		
63	<b>II) CAPITAL TAXES</b>	
64		
65	<b>Ontario</b>	
66	Base	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	
68	Taxable Capital	
69		
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	
71		
72	Ontario Capital Tax	
73		
74	<b>Federal Large Corporations Tax</b>	
75	Base	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	
77	Taxable Capital	
78		
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	
80		
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	
82	Less: Federal Surtax 1.12% x Taxable Income	
83		
84	Net LCT	
85		

	A	H
1	<b>PILs TAXES</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>	
4	("Wires-only" business - see Tab TAXREC)	
5	0	
6	Utility Name: Burlington Hydro Inc.	
7	Reporting period: 2002	
8		
9	Days in reporting period:	
10	Total days in the calendar year:	
11		
12		
13		
86	<b>III) INCLUSION IN RATES</b>	
87		
88	Income Tax Rate used for gross- up (exclude surtax)	
89		
90	Income Tax (proxy tax is grossed-up)	
91	LCT (proxy tax is grossed-up)	
92	Ontario Capital Tax (no gross-up since it is deductible)	
93		
94		
95	Total PILs for Rate Adjustment -- <b>MUST AGREE WITH 2002</b>	
96	<b>RAM DECISION</b>	
97		
98		
99	<b>IV) FUTURE TRUE-UPS</b>	
100	<b>IV a) Calculation of the True-up Variance</b>	
101	<b>In Additions:</b>	
102	Employee Benefit Plans - Accrued, Not Paid	
103	Tax reserves deducted in prior year	
104	Reserves from financial statements-end of year	
105	Regulatory Adjustments	
106	Other additions "Material" Items TAXREC	
107	Other additions "Material" Items TAXREC 2	
108	<b>In Deductions - positive numbers</b>	
109	Employee Benefit Plans - Paid Amounts	
110	Items Capitalized for Regulatory Purposes	
111	Regulatory Adjustments	
112	Interest Adjustment for tax purposes (See Below - cell I204)	
113	Tax reserves claimed in current year	
114	Reserves from F/S beginning of year	
115	Contributions to deferred income plans	
116	Contributions to pension plans	
117	Other deductions "Material" Items TAXREC	
118	Other deductions "Material" Item TAXREC 2	
119		
120	Total TRUE-UPS before tax effect	
121		
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return	
123		
124	Income Tax Effect on True-up adjustments	
125		
126	Less: Miscellaneous Tax Credits	
127		
128	Total Income Tax on True-ups	
129		
130	Income Tax Rate used for gross-up (exclude surtax)	
131		
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>	
133		
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>	
135		
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)	
137		
138	REVISED CORPORATE INCOME TAX RATE	
139		
140	REVISED REGULATORY INCOME TAX	
141		
142	Less: Revised Miscellaneous Tax Credits	
143		
144	Total Revised Regulatory Income Tax	
145		
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)	
147		
148	Regulatory Income Tax Variance	
149		



	A	H
1	<b>PILs TAXES</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>	
4	("Wires-only" business - see Tab TAXREC)	
5	0	
6	Utility Name: Burlington Hydro Inc.	
7	Reporting period: 2002	
8		
9	Days in reporting period:	
10	Total days in the calendar year:	
11		
12		
13		
150	<b>Ontario Capital Tax</b>	
151	Base	
152	Less: Exemption from tab Tax Rates, Table 2, cell C39	
153	Revised deemed taxable capital	
154		
155	Rate - Tab Tax Rates cell C54	
156		
157	Revised Ontario Capital Tax	
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)	
159	Regulatory Ontario Capital Tax Variance	
160		
161	<b>Federal LCT</b>	
162	Base	
163	Less: Exemption from tab Tax Rates, Table 2, cell C40	
164	Revised Federal LCT	
165		
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51	
167		
168	Gross Amount	
169	Less: Federal surtax	
170	Revised Net LCT	
171		
172	Less: Federal LCT reported in the initial estimate column (Cell C82)	
173	Regulatory Federal LCT Variance	
174		
175	Actual Income Tax Rate used for gross-up (exclude surtax)	
176		
177	<b>Income Tax (grossed-up)</b>	
178	<b>LCT (grossed-up)</b>	
179	<b>Ontario Capital Tax</b>	
180		
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>	
182		
183	<b>TRUE-UP VARIANCE (from cell I130)</b>	
184		
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>	
186	(Deferral Account Variance + True-up Variance)	
187		
188		
189		
190	<b>V) INTEREST PORTION OF TRUE-UP</b>	
191	<b>Variance Caused By Phase-in of Deemed Debt</b>	
192		
193	Total deemed interest (REGINFO)	
194	Interest phased-in (Cell C36)	
195		
196	Variance due to phase-in of debt component of MARR in rates	
197	according to the Board's decision	
198		
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>	
200	<b>Above Deemed Debt per Rate Handbook)</b>	
201	Interest deducted on MoF filing (Cell K36+K41)	
202	Total deemed interest (REGINFO CELL D61)	
203		
204	Variance caused by excess debt	
205		
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>	
207		
208	<b>Total Interest Variance</b>	
209		
210		
211		

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4		<b>0</b>	<b>Return</b>		
5					<b>Version 2009.1</b>
6	<b>Section A: Identification:</b>				
7	Utility Name: Burlington Hydro Inc.				
8	Reporting period: 2002				
9	Taxation Year's start date:				
10	Taxation Year's end date:				
11	Number of days in taxation year:		365	days	
12					
13	Please enter the Materiality Level :		119,697	< - enter materiality level	
14	(0.25% x Rate Base x CER)	Y/N	Y		
15	(0.25% x Net Assets)	Y/N	N		
16	Or other measure (please provide the basis of the amount)	Y/N	N		
17	Does the utility carry on non-wires related operation?	Y/N	N		
18	(Please complete the questionnaire in the Background questionnaire worksheet.)				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	<b>Section B: Financial statements data:</b>				
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>				
24	<i>The actual categories of the income statements should be used.</i>				
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>				
26					
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>				
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>				
29					
30	<b>Income:</b>				
31	Energy Sales	+	125,506,670		125,506,670
32	Distribution Revenue	+	21,182,550		21,182,550
33	Other Income	+	1,801,330		1,801,330
34	Miscellaneous income	+			0
35		+			0
36	Revenue should be entered above this line				
37					
38	<b>Costs and Expenses:</b>				
39	Cost of energy purchased	-	125,506,670		125,506,670
40	Administration	-	3,411,869		3,411,869
41	Customer billing and collecting	-	1,880,336		1,880,336
42	Operations and maintenance	-	4,574,675		4,574,675
43	Amortization	-	5,521,712		5,521,712
44	Ontario Capital Tax	-	0		0
45	Reg Assets	-			0
46		-			0
47		-			0
48		-			0
49					
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	7,595,288	0	7,595,288
51	Less: Interest expense for accounting purposes	-	3,112,566		3,112,566
52	Provision for payments in lieu of income taxes	-	1,288,000		1,288,000
53	<b>Net Income (loss)</b>	=	3,194,722	0	3,194,722
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )				
55					
56	<b>Section C: Reconciliation of accounting income to taxable income</b>				
57	<b>From T2 Schedule 1</b>				
58	<b>BOOK TO TAX ADDITIONS:</b>				
59	Provision for income tax	+	1,288,000	0	1,288,000
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	5,521,712	0	5,521,712
62	Employee benefit plans-accrued, not paid	+	0	0	0
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	2,007,286	0	2,007,286
65	Regulatory adjustments on which true-up may apply (see A66)	+			0

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4	<b>0</b>		<b>Return</b>		
5					<b>Version 2009.1</b>
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0
67	Material addition items from TAXREC 2	+	2,391,504	0	2,391,504
68	Other addition items (not Material) from TAXREC 2	+	30,703	0	30,703
69					
70	<i>Subtotal</i>		11,239,205	0	11,239,205
71					
72	<i>Other Additions: (Please explain the nature of the additions)</i>				
73	Recapture of CCA	+	0		0
74	Non-deductible meals and entertainment expense	+	3,537		3,537
75	Capital items expensed	+	0		0
76	DEPRECIATION DIFFERENCE	+			0
77		+			0
78		+			0
79		+			0
80	<i>Total Other Additions</i>	=	3,537	0	3,537
81					
82	<i>Total Additions</i>	=	11,242,742	0	11,242,742
83					
84	Recap Material Additions:				
85			0	0	0
86			0	0	0
87			0	0	0
88			0	0	0
89			0	0	0
90			0	0	0
91			0	0	0
92	<i>Total Other additions &gt;materiality level</i>		0	0	0
93	Other additions (less than materiality level)		3,537	0	3,537
94	<i>Total Other Additions</i>		3,537	0	3,537
95					
96	BOOK TO TAX DEDUCTIONS:				
97	Capital cost allowance	-	5,985,519		5,985,519
98	Cumulative eligible capital deduction	-	283		283
99	Employee benefit plans-paid amounts	-			0
100	Items capitalized for regulatory purposes	-			0
101	<i>Regulatory adjustments :</i>	-			0
102	CCA	-			0
103	<i>other deductions</i>	-			0
104	<i>Tax reserves - end of year</i>	-	0	0	0
105	<i>Reserves from financial statements- beginning of year</i>	-	1,958,520	0	1,958,520
106	<i>Contributions to deferred income plans</i>	-			0
107	<i>Contributions to pension plans</i>	-			0
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		2,629,443	0	2,629,443
109	Interest capitalized for accounting deducted for tax	-	274,971		274,971
110	Material deduction items from TAXREC 2	-	2,391,504	0	2,391,504
111	Other deduction items (not Material) from TAXREC 2	-	95,118	0	95,118
112					
113	<i>Subtotal</i>	=	13,335,358	0	13,335,358
114	<i>Other deductions (Please explain the nature of the deductions)</i>				
115	<b>Charitable donations - tax basis</b>	-	9,388		9,388
116	<i>Gain on disposal of assets</i>	-			0
117		-			0
118					0
119		-			0
120	<i>Total Other Deductions</i>	=	9,388	0	9,388
121					
122	<i>Total Deductions</i>	=	13,344,746	0	13,344,746
123					
124	Recap Material Deductions:				
125			0	0	0
126			0	0	0

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4		<b>0</b>	<b>Return</b>		
5					<b>Version 2009.1</b>
127			0	0	0
128			0	0	0
129			0	0	0
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0
131	Other Deductions less than materiality level		9,388	0	9,388
132	Total Other Deductions		9,388	0	9,388
133					
134	<b>TAXABLE INCOME</b>	=	1,092,718	0	1,092,718
135	<b>DEDUCT:</b>				
136	Non-capital loss applied <i>positive number</i>	-	1,642,660		1,642,660
137	Net capital loss applied <i>positive number</i>	-			0
138					0
139	<b>NET TAXABLE INCOME</b>	=	(549,942)	0	(549,942)
140					
141	<b>FROM ACTUAL TAX RETURNS</b>				
142	Net Federal Income Tax <i>(Must agree with tax return)</i>	+	0		0
143	Net Ontario Income Tax <i>(Must agree with tax return)</i>	+	0		0
144	Subtotal	=	0	0	0
145	Less: Miscellaneous tax credits <i>(Must agree with tax returns)</i>	-	0		0
146	<b>Total Income Tax</b>	=	0	0	0
147					
148	<b>FROM ACTUAL TAX RETURNS</b>				
149	Net Federal Income Tax Rate <i>(Must agree with tax return)</i>		0.00%		0.00%
150	Net Ontario Income Tax Rate <i>(Must agree with tax return)</i>		0.00%		0.00%
151	Blended Income Tax Rate		0.00%	*****	0.00%
152					
153	<b>Section F: Income and Capital Taxes</b>				
154					
155	<b>RECAP</b>				
156	Total Income Taxes	+	0	0	0
157	Ontario Capital Tax	+	287,502		287,502
158	Federal Large Corporations Tax	+	204,828		204,828
159					
160	<b>Total income and capital taxes</b>	=	492,330	0	492,330

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Burlington Hydro Inc.</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		1,958,520		1,958,520	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		1,958,520	0	1,958,520	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	OPEB		2,007,286		2,007,286	
60	Regulatory Reserves				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		2,007,286	0	2,007,286	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Burlington Hydro Inc.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		119,697			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Income or loss for tax purposes - Joint Venture or partnerships	+	12,248		12,248	
20	Charitable donations (Only if it benefits ratepayers)	+	1,920		1,920	
21	Taxable capital gains	+	16,460		16,460	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Political donations	+	75		75	
42	Section (12)(1)(a) income	+	2,391,504		2,391,504	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	2,422,207	0	2,422,207	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			2,391,504	0	2,391,504	
74	Section (12)(1)(a) income		0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Burlington Hydro Inc.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		119,697			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		2,391,504	0	2,391,504	
78	Other additions less than materiality level		30,703	0	30,703	
79	Total Additions		2,422,207	0	2,422,207	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	95,118		95,118	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-	0		0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Section 20(1)(m) reserve	-	2,391,504		2,391,504	
97	Transition cost incurred but not capitalized	-			0	
98	Prospectus & underwriting fees and capital tax not expensed	-	0		0	
99	Total Deductions	=	2,486,622	0	2,486,622	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116	Section 20(1)(m) reserve		2,391,504	0	2,391,504	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		2,391,504	0	2,391,504	
120	Other deductions less than materiality level		95,118	0	95,118	
121	Total Deductions		2,486,622	0	2,486,622	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Burlington Hydro Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2002</b>					✓
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Income from joint ventures or partnerships	+	0		0	
45		+			0	
46		+				
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59	Capitalized interest	-	0		0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-	2,629,443		2,629,443	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	



	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Burlington Hydro Inc.</b>				<b>Version 2009.1</b>	
73	<b>Total Deductions on which true-up does not apply</b>	=	2,629,443	0	2,629,443	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	<b>PILs TAXES</b>									
2	<b>Corporate Tax Rates</b>					<b>Version 2009.1</b>				
3	<b>Exemptions, Deductions, or Thresholds</b>									
4	<b>Utility Name: Burlington Hydro Inc.</b>									
5	<b>Reporting period: 2002</b>									
6										
7	<b>Table 1</b>									
8	<b>Rates Used in 2002 RAM PILs Applications for 2002</b>									
9	<b>Income Range</b>		<b>0</b>		<b>200,001</b>					
10	<b>RAM 2002</b>		<b>to</b>		<b>to</b>		<b>&gt;700,000</b>			
11		<b>Year</b>	<b>200,000</b>		<b>700,000</b>					
12	<b>Income Tax Rate</b>									
13	<b>Proxy Tax Year</b>	<b>2002</b>								
14	<b>Federal (Includes surtax)</b>		13.12%		26.12%		26.12%			
15	<b>and Ontario blended</b>		6.00%		6.00%		12.50%			
16	<b>Blended rate</b>		19.12%		34.12%		38.62%			
17										
18	<b>Capital Tax Rate</b>		0.300%							
19	<b>LCT rate</b>		0.225%							
20	<b>Surtax</b>		1.12%							
21	<b>Ontario Capital Tax Exemption **</b>	<b>MAX \$5MM</b>	5,000,000							
22	<b>Federal Large Corporations Tax Exemption **</b>	<b>MAX \$10MM</b>	10,000,000							
23	<b>**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing</b>									
24										
25	<b>Table 2</b>									
26	<b>Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002</b>									
27	<b>Income Range</b>		<b>0</b>		<b>200,001</b>					
28	<b>Expected Rates</b>		<b>to</b>		<b>to</b>		<b>&gt;700,000</b>			
29		<b>Year</b>	<b>200,000</b>		<b>700,000</b>					
30	<b>Income Tax Rate</b>									
31	<b>Current year</b>	<b>2002</b>								
32	<b>Federal (Includes surtax)</b>	<b>2002</b>	13.12%		26.12%		26.12%			
33	<b>Ontario</b>	<b>2002</b>	6.00%		6.00%		12.50%			
34	<b>Blended rate</b>	<b>2002</b>	19.12%		32.12%		38.62%			
35										
36	<b>Capital Tax Rate</b>	<b>2002</b>	0.300%							
37	<b>LCT rate</b>	<b>2002</b>	0.225%							
38	<b>Surtax</b>	<b>2002</b>	1.12%							
39	<b>Ontario Capital Tax Exemption *** 2002</b>	<b>MAX \$5MM</b>	5,000,000							
40	<b>Federal Large Corporations Tax Exemption *** 2002</b>	<b>MAX \$10MM</b>	10,000,000							
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
42										
43	<b>Table 3</b>									
44	<b>Input Information from Utility's Actual 2002 Tax Returns</b>									
45	<b>Income Range</b>		<b>0</b>		<b>200,001</b>					
46			<b>to</b>		<b>to</b>		<b>&gt;700,000</b>			
47		<b>Year</b>	<b>200,000</b>		<b>700,000</b>					
48	<b>Income Tax Rate</b>									
49	<b>Current year</b>	<b>2002</b>								
50	<b>Federal (Includes surtax)</b>		13.12%		22.12%		26.12%			
51	<b>Ontario</b>		6.00%		9.75%		12.50%			
52	<b>Blended rate</b>		19.12%		31.87%		38.62%			
53										
54	<b>Capital Tax Rate</b>		0.300%							
55	<b>LCT rate</b>		0.225%							
56	<b>Surtax</b>		1.12%							
57	<b>Ontario Capital Tax Exemption *</b>	<b>MAX \$5MM</b>	4,824,391							
58	<b>Federal Large Corporations Tax Exemption *</b>	<b>MAX \$10MM</b>	10,000,000							
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>									
60										
61										

[illegible]