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January 31, 2012

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Thunder Bay Hydro Electricity Distribution Inc.
2012 IRM Distribution Rate Application
Board File No. EB-2011-0197**

This letter acknowledges receipt of the Board Staff Interrogatories dated January 16, 2012. Thunder Bay Hydro Electricity Distribution Inc. submits two (2) paper copies of its responses to the Board Staff Interrogatories for the 2012 IRM Distribution Rate Application and encloses the following:

- Responses to the Board Staff Interrogatories
- Appendix A – 2010 RRR 2.1.5 OEB Submission
- Appendix B – Balances transferred to USoA 1590 in EB-2005-0419
- Appendix C – SPC Invoice
- Appendix D – PILs recoveries calculation (excel)
- Appendix E – Support for PILs Collection (excel)
- Appendix F – Revised Q4 2001 PILs Model (excel)
- Appendix G – 2005 PILs Model with a Continuity Schedule (excel)
- Appendix H – PILs Monthly Carrying Charges (excel)

An electronic copy has been submitted through the Ontario Energy Board's RESS on-line filing system and via email, including a copy to all intervenors.

Should you require any additional information, please do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in cursive script, appearing to read "Cindy Speziale".

Cindy Speziale, CA
Vice President, Finance

Encl.

cc: Robert Mace, President, Thunder Bay Hydro Electricity Distribution Inc.
Michael Buonaguro, Counsel for Vulnerable Energy Consumers Coalition (VECC)

Board Staff Interrogatories
2012 IRM3 Electricity Distribution Rates
Thunder Bay Hydro Electricity Distribution Inc.
EB-2011-0197

General

- 1) Ref: 2012 Shared Tax Savings Workform, Sheet 3
Ref: 2012 Revenue to Cost Ratio Workform, Sheet 3
Ref: 2012 IRM3 Rate Generator, Sheet 4, Sheet 5
Ref: EB-2010-0115, Revised Rate Order

| Rate Group | Rate Class | Fixed Metric | Vol Metric | Rate ReBal Base Service Charge D | Rate ReBal Base Distribution Volumetric Rate kWh E | Rate ReBal Base Distribution Volumetric Rate kW F |
|-------------|-----------------------------------|--------------|------------|----------------------------------------|----------------------------------------------------------|---------------------------------------------------------|
| RES | Residential | Customer | kWh | 9.78 | 0.0123 | |
| GS<50 | General Service Less Than 50 kW | Customer | kWh | 17.71 | 0.0129 | |
| GS50-999 | General Service 50 to 999 kW | Customer | kW | 240.10 | | 1.3606 |
| GS1000-4999 | General Service 1,000 to 4,999 kW | Customer | kW | | | 2.2159 |
| USL | Unmetered Scattered Loads | Connection | kWh | 2,775.16 | | |
| SL | Sentinel Lighting | Connection | kW | 8.85 | 0.0129 | |
| SL | Street Lighting | Connection | kW | 6.35 | | 5.0994 |
| NA | Rate Class A | NA | NA | 2.14 | | 12.9704 |

Board staff was unable to reconcile the service and distribution volumetric rates entered by Thunder Bay Hydro Electricity Distribution Inc. ("Thunder Bay") in the Tax Sharing (reproduced above for illustrative purposes), Revenue to Cost Ratio, and Rate Generator models with those established in the 2011 Revised Rate Order.

Board staff notes that the rates established in the 2011 Revised Order are the ones in the table below:

| Rate Class | Service Rate | kWh Volumetric Rate | kW Volumetric Rate |
|-------------------|--------------|---------------------|--------------------|
| Residential | \$9.88 | \$0.0124 | |
| GS<50 | \$17.89 | \$0.0131 | |
| GS 50 - 999 | \$239.67 | | \$1.3484 |
| GS 1000 - 4999 | \$2,547.21 | | \$2.0339 |
| USL | \$8.93 | \$0.0130 | |
| Sentinel Lighting | \$6.42 | | \$5.1511 |
| Street Lighting | \$2.14 | | \$12.9471 |

- a) Please confirm that the rates entered by Thunder Bay were errors and the correct figure should be those established in the 2011 Revised Rate Order. If Thunder Bay confirms Board staff will make the necessary corrections.
- b) If Thunder Bay does not confirm, please provide support for using rates currently entered in the above referenced models.

Responses

- a) TBHEDI confirms that the correct 2012 Shared Tax Savings Workform figures on Sheet 3 should be those established in the 2011 Revised Rate Order as were used by TBHEDI in the 2012 Revenue to Cost Ratio Workform on Sheet 3 and the 2012 IRM3 Rate Generator on Sheets 4 and 5. TBHEDI acknowledges that Board Staff will make the necessary changes to the Workform.
- b) TBHEDI agrees with Board Staff in Question #1a).

Revenue to Cost Ratio Adjustment

- 2) **Ref: 2012 Revenue to Cost Ratio Adjustment Workform, Sheet 6 Ref: EB-2008-0245, Decision, p.35**

| Rate Class | Direction | Current Year | Transition | Transition | Transition | Transition | Transition |
|-----------------------------------|-----------|--------------|----------------|----------------|----------------|----------------|----------------|
| | | 2011 | Year 1 2012 | Year 2 2013 | Year 3 2014 | Year 4 2015 | Year 5 2016 |
| Residential | Rebalance | 112.11% | tbd | tbd | tbd | tbd | tbd |
| General Service Less Than 50 kW | Rebalance | 115.55% | tbd | tbd | tbd | tbd | tbd |
| General Service 50 to 999 kW | No Change | 80.00% | 80.00% | 80.00% | 80.00% | 80.00% | 80.00% |
| General Service 1,000 to 4,999 kW | Change | 66.28% | 73.14% | 80.00% | 80.00% | 80.00% | 80.00% |
| Unmetered Scattered Load | Rebalance | 114.91% | tbd | tbd | tbd | tbd | tbd |
| Sentinel Lighting | Rebalance | 109.17% | tbd | tbd | tbd | tbd | tbd |
| Street Lighting | No Change | 70.00% | 70.00% | 70.00% | 70.00% | 70.00% | 70.00% |

The Board decision stated that the additional revenues received from the GS 1000 - 4999 kW class as a result of revenue to cost ratio adjustment should be directed exclusively to the Residential class. Board staff notes that Thunder Bay has set the Revenue to Cost Ratio Adjustment Workform to allocate this additional revenue to Residential, GS <50 kW, USL, and Sentinel Lighting Classes.

- a) Please provide support for allocating additional revenue from the GS 1000 - 4999 kW class ratio adjustment to Residential, GS <50 kW, USL, and Sentinel Lighting Classes rather than only to Residential class as per the Board decision.

Response

- a) As stated on page three of TBHEDI's 2012 IRM Rate Application EB-2011-0197 dated November 10, 2011, TBHEDI's believes that the revenue to cost ratios for 2012 have been adjusted as per pages 35 to 36 of the Board's Decision and Order EB-2008-0245 on TBHEDI's 2009 Cost of Service ("COS") Rate Application, dated June 3, 2009. In the section of the 2009 COS reproduced below, the Board states that once the Residential class falls within the Board policy range, the additional revenues should be allocated to all the rate classes

which remain above 100% in proportion to their respective contributions of revenue.

"It can be seen from the table that there are several classes that fall outside the respective Board policy ranges. It has been the Board's approach in other cost of service rebasing decisions to migrate nonconforming ratios into Board policy ranges over varying periods of time. The Board will adopt this approach in this case as well.

Of particular note is the GS 1000 to 4999 kW class which currently materially under contributes to the Company's revenue requirement. While bringing the ratio into line with Board policy ranges is important, the Board considers it equally important to accomplish that migration without undue hardship to any class of customers. In the case of this rate class the Board requires that the ratio evolve in equal increments to the lower boundary of the Board policy range by the time of the next scheduled rebasing, which may occur in four years. The additional revenues received from this class as a result of this evolution should be directed exclusively to the Residential class. Once the Residential class falls within the Board policy range the additional revenues should be allocated to all the rate classes which remain above 100% in proportion to their respective contributions of revenue."

Thus, TBHEDI respectfully admits that since the Residential class is within the Board policy range, the additional revenues in 2012 should be allocated to the Residential, GS<50kW, USL, and Sentinel Lighting classes.

RTSR Adjustment Workform

3) Ref: 2012 RTSR Adjustment Workform Ref: EB-2011-0268, Rate Order

On December 20, 2011 the Board issued its Rate Order for Hydro One Transmission (EB-2011-0268) which adjusted the UTRs effective January 1, 2012, as shown in the following table:

Table 1: 2012 Uniform Transmission Rates

| Uniform Transmission Rates | Jan. 1, 2012 |
|----------------------------------------|---------------------|
| Network Service Rate | \$3.57 |
| <u>Connection Service Rates</u> | |
| Line Connection Service Rate | \$0.80 |
| Transformation Connection Service Rate | \$1.86 |

Board staff notes that the RTSR Adjustment Workform used by Thunder Bay in this application has not been updated to reflect these new UTRs. This adjustment results in the following RTSR rates:

| Rate Class | Unit | Proposed RTSR Network | Proposed RTSR Connection |
|--------------------------------------------------------|------|--------------------------|-----------------------------|
| Residential | kWh | \$ 0.0064 | \$ 0.0049 |
| General Service Less Than 50 kW | kWh | \$ 0.0061 | \$ 0.0046 |
| General Service 50 to 999 kW | kW | \$ 2.4300 | \$ 1.7458 |
| General Service 50 to 999 kW - Interval Metered | kW | \$ 2.5777 | \$ 1.9295 |
| General Service 1,000 to 4,999 kW - Interval Meters | kW | \$ 2.5777 | \$ 1.9295 |
| Unmetered Scattered Load | kWh | \$ 0.0061 | \$ 0.0046 |
| Sentinel Lighting | kW | \$ 1.8420 | \$ 1.3779 |
| Street Lighting | kW | \$ 1.8325 | \$ 1.3496 |

- a) Please confirm that the 2012 UTRs in the above table and the resulting RTSR rates are correct. If Thunder Bay confirms Board staff will make the necessary adjustment.

Response

- a) TBHEDI confirms that the RTSR rates above are correct and agrees that the Board may make the necessary adjustment to its 2012 RTSR Adjustment Workform.

Rate Generator

- 4) **Ref: 2012 IRM3 Rate Generator, Sheet 10**
Ref: EB-2008-0245, Draft Rate Order, Revenue Requirement Workform

| Rate Class | Unit | Metered kWh | Metered kW | Billed kWh for Non-RPP Customers | Estimated kW for Non-RPP Customers | Distribution Revenue ¹ | 1590 Recovery Share |
|-----------------------------------|--------|-------------|------------|----------------------------------------|------------------------------------------|--------------------------------------|---------------------------|
| Residential | \$/kWh | 335,657,888 | | 40,211,170 | - | 9,933,606 | 104% |
| General Service Less Than 50 kW | \$/kWh | 132,889,380 | | 20,951,736 | - | 2,633,057 | 28% |
| General Service 50 to 999 kW | \$/kW | 265,923,735 | 757,533 | 245,393,337 | 652,800 | 2,317,760 | 40% |
| General Service 1,000 to 4,999 kW | \$/kW | 176,938,725 | 533,066 | 176,955,476 | 533,116 | 1,134,112 | -69% |
| Unmetered Scattered Load | \$/kWh | 1,952,259 | | 379,431 | - | 98,936 | 0% |
| Sentinel Lighting | \$/kW | 54,650 | 378 | - | - | 16,462 | 0% |
| Street Lighting | \$/kW | 12,433,088 | 31,551 | 11,195,962 | 26,412 | 498,053 | -3% |
| Total | | 945,859,725 | 1,322,528 | 495,087,112 | 1,214,328 | 16,631,986 | 100% |

Board staff was unable to reconcile the total distribution revenue entered in Sheet 10 of the Rate Generator with the figure established in Thunder Bay's last COS application. Board staff notes that total distribution revenue established in Thunder Bay's last COS was \$16,288,920 instead of \$16,631,986.

- a) Please provide support for the use of total distribution revenue of \$16,631,986 and its allocation across rate classes instead of the figure established in Thunder

Bay's last COS application.

Response

- a) On Sheet 10 of the 2012 IRM3 Rate Generator filed, TBHEDI used its RRR 2.1.5 as at December 31, 2010 for the metered kWh, metered kW, and Distribution Revenue. TBHEDI respectfully submits that these amounts are a more accurate representation than the amounts established in its last COS. The 2010 RRR 2.1.5 OEB Submission has been attached as **Appendix A**.

TBHEDI was able to run a query within its billing system to determine the billed kWh by rate class for non-RPP customers in 2010 and updated Sheet 10 accordingly.

For the 1590 Recovery Share column, TBHEDI calculated the percentage to be recovered by rate class in the disposal of December 31, 2004 balances in EB-2005-0419. TBHEDI no longer has Larger User customers, thus, this balance was moved to the GS>50 kW class. The balances that were recovered and transferred to USoA 1590 in EB-2005-0419 is included as **Appendix B**.

The chart below shows the calculation of the percentages used in Sheet 10:

| Rate Class | Total Claim | 1590 Recovery Share Proportion |
|-----------------------------------|-------------|--------------------------------|
| Residential | \$491,542 | 104% |
| General Service Less Than 50 kW | \$130,549 | 28% |
| General Service 50 to 999 kW | \$190,421 | 40% |
| General Service 1,000 to 4,999 kW | (\$324,901) | -69% |
| Large User* | \$0 | 0% |
| Unmetered Scattered Load | \$0 | 0% |
| Sentinel Lighting | (\$84) | 0% |
| Street Lighting | (\$13,953) | -3% |
| | \$473,574 | 100% |

5) Ref: 2012 IRM3 Rate Generator, Sheet 18

Ref: EB-2010-0115, Revised Rate Order

Loss Factors

Current

| |
|----------------------------------------------------------------------------------|
| Secondary Metered Customers - Customers < 5,000 (RS, GU, GC, GS, G3, G8, M1, M2) |
| Primary Metered Customers - Customers < 5,000 (GP, G1, G2, G9, M1, M2) |

| |
|--------|
| 4.4800 |
| 3.4300 |

Board staff was unable to reconcile the loss factors entered on Sheet 18 of the Rate Generator with those in Thunder Bay's last IRM application (EB-2010-0115). Board staff notes that the loss factors in Thunder Bay's last IRM were 1.0448 for Secondary Metered Customer and 1.0343 for Primary Metered Customer.

- a) Please confirm that the loss factors entered in Sheet 18 of the Rate Generator were entry errors and the figures entered should be those that coincide with those in Thunder Bay's last IRM application. If Thunder Bay confirms Board staff will make the necessary corrections.
- b) If Thunder Bay does not consider these to be errors then please provide support for the use of loss factors that diverge from those in its last IRM application

Responses

- a) TBHEDI confirms the loss factors entered on sheet 18 should be those in TBHEDI's last IRM Application EB-2010-0115 and should be 1.0448 for Secondary Metered Customers and 1.0343 for Primary Metered Customers. Please make the necessary corrections to coincide with the last IRM application. TBHEDI acknowledges that Board Staff will make the necessary changes to the Workform.
- b) TBHEDI agrees with Board Staff in Question 5a).

Lost Revenue Adjustment Mechanism

6) Ref: Manager's Summary, Page 7

Thunder Bay has requested an LRAM recovery associated with 2005 to 2010 CDM programs for a total amount of \$242,551.

Section 7.5 of the CDM Guidelines - EB-2008-0327 (March 28, 2008) state that where a distributor is making a claim for LRAM in relation to programs funded by the OPA, or where the distributor is making a claim for LRAM and/or SSM in relation to programs funded through distribution rates, distributors should engage an independent third party review.

- a) Please discuss why Thunder Bay has not included an independent third party review of its LRAM claim.
- b) Please provide an independent third party review in accordance with Section 7.5 of the CDM Guidelines.

Responses

- a) TBHEDI did not engage any independent third party reviews for its 3rd tranche funded programs or for the OPA funded programs. There are legitimate reasons for not doing so. Firstly, with respect to the continuation of LRAM for 3rd tranche funded programs, independent third party reviews are not required. This defense was submitted by TBHEDI in response to VECC's interrogatories on the matter in EB 2010-0115 (IR#2a & b) and was subsequently accepted by the Board in its decision. Secondly, the OPA already subjects its programs to an extensive independent EM&V process and subsequently provides specific utility verified program savings results to LDCs. TBHEDI relies on the authenticity of these reports and uses those reported savings in its filings. To duplicate the efforts of the OPA third party reviewers would not be prudent and would be an unnecessary cost for Ontario rate payers. As such TBHEDI's position is to trust the reports it receives from the OPA. Again, this defense was supported by the Board in its decision within EB 2010-0115.
- b) Considering its response in Part (a), and the fact that this defense was allowed in EB 2010-0115, TBHEDI will not be engaging an independent third party reviewer at this time.

7) Ref: Board's Decision on Horizon Utilities LRAM request (EB-2009-0192)

In its decision on Horizon's application (EB-2009-0192) for LRAM recovery, the Board noted that distributors should use the most current input assumptions available at the time of the third party review when calculating a LRAM amount.

- a) Please update the LRAM calculations using the OPA's most recent Measures and Assumptions List for all programs, both Third Tranche and OPA, Thunder Bay is requesting LRAM recovery for.
- b) Please confirm that Thunder Bay has relied on the final 2010 program evaluation results from the OPA to calculate its LRAM amount for OPA Programs.
- c) If Thunder Bay did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.

Responses

- a) TBHEDI used the OPA's most recent Measures and Assumptions List for all programs, both 3rd Tranche and OPA, in its LRAM calculations.
- b) TBHEDI relied on the final 2010 program evaluation results from the OPA to calculate its LRAM amount from OPA programs.
- c) TBHEDI submits that no response is required for this question.

8) Ref: Manager's Summary, Page 8

- a) Please confirm that Thunder Bay has not received any of the lost revenues requested in this application in the past. If Thunder Bay has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.
- b) Please discuss the CDM savings that were proposed for inclusion in Thunder Bay's 2009 load forecast in its 2009 cost of service application. Please discuss if the Board specifically allowed future LRAM claims on the persisting LRAM amounts that were proposed to be included in Thunder Bay's 2009 load forecast.
- c) Please provide a table that shows the LRAM amounts requested in this application by the year they are associated with and the year the lost revenues took place, divided by rate class within each year. Use the table below as an example and continue for all the years LRAM is requested:

| Program Years (Divided by Rate Class) | Years that lost revenues took place | | | | |
|---------------------------------------------|-------------------------------------|-------|-------|-------|-------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| 2006 | \$xxx | \$xxx | \$xxx | \$xxx | \$xxx |
| 2007 | | \$xxx | \$xxx | \$xxx | \$xxx |
| 2008 | | | \$xxx | \$xxx | \$xxx |
| 2009 | | | | \$xxx | \$xxx |
| 2010 | | | | | \$xxx |

- d) Please discuss if Thunder Bay is applying for carrying charges on the LRAM amounts requested in this application.
- e) If Thunder Bay is requesting carrying charges, please provide a table that shows the monthly LRAM balances, the Board-approved carrying charge rate and the total carrying charges by month for the duration of this LRAM request to support your request for carrying charges. Use the table below as an example:

| Year | Month | Monthly Lost Revenue | Closing Balance | Interest Rate | Interest \$ |
|------|-------|----------------------|-----------------|---------------|-------------|
| | | | | | |
| | | | | | |

Responses

- a) TBHEDI has received lost revenues in the past for programs requested in this application. This request is appropriate and was allowed by the Board in EB

2010-0115. The crux of the argument in that filing was that TBHEDI's distribution revenue should have been adjusted for the CDM load forecast reductions as submitted. However, the load forecast was not approved, and therefore, the fundamental principle in Section 5.2 of the Guidelines EB-2008-0037 (that the LRAM accrual ceases at the point of distribution rate adjustment) is null and void.

As a result, TBHEDI is seeking an extension of the LRAM claim originating in EB-2008-0245 stemming from 2005-2007 CDM activities which were funded by 3rd Tranche. There is still some persistency of these programs today as supported by the OPA's latest Measures and Assumptions List. In a similar vein there are persistencies with 2008 and 2009 programs as well in this filing.

- b) In 2009 TBHEDI attempted to argue for a reasonable forecast of its current CDM activities at that time in its Cost of Service Application. However the Board found that TBHEDI did not provide enough evidence in its 2009 load forecast pertaining to CDM activities and therefore did not allow the CDM portion of the load forecast as per page 7 of the Decision and Order EB-2008-0245 dated June 3, 2009.
- c) Below please find a table that shows the LRAM amounts requested in this application and prior approved applications by the year they are associated with the year the lost revenues took place by rate class:

| Program Years (Divided by Rate Class) | Rate Class | Years that lost revenues took place | | | |
|---------------------------------------------|--------------------------|-------------------------------------|----------------------|----------------------|---------------------------------|
| | | 2009 EB-2008-0245 | 2011 EB-2010-0115 | 2012 EB-2011-0197 | 2012 EB-2011-0197 Revised |
| 2005 | Residential | \$28,964 | \$6,056 | \$3,028 | \$3,028 |
| | GS<50 kW | \$0 | \$0 | \$0 | \$0 |
| | GS>50 kW | \$0 | \$0 | \$0 | \$0 |
| | GS 1,000 to 4,999 kW | \$0 | \$0 | \$0 | \$0 |
| | Unmetered Scattered Load | \$22,679 | \$11,339 | \$5,670 | \$5,670 |
| | Street Light | \$0 | \$0 | \$0 | \$0 |
| | Sentinel Light | \$0 | \$0 | \$0 | \$0 |
| Total | | \$51,643 | \$17,395 | \$8,698 | \$8,698 |
| 2006 | Residential | \$92,832 | \$60,380 | \$30,053 | \$20,363 |
| | GS<50 kW | \$0 | \$0 | \$0 | \$0 |
| | GS>50 kW | \$901 | \$1,140 | \$300 | \$300 |
| | GS 1,000 to 4,999 kW | \$1,157 | \$0 | \$270 | \$270 |
| | Unmetered Scattered Load | \$16,685 | \$11,123 | \$5,562 | \$5,562 |
| | Street Light | \$0 | \$0 | \$0 | \$0 |
| | Sentinel Light | \$0 | \$0 | \$0 | \$0 |
| Total | | \$111,575 | \$72,644 | \$36,185 | \$26,495 |
| 2007 | Residential | \$206,880 | \$96,955 | \$48,409 | \$48,409 |
| | GS<50 kW | \$0 | \$0 | \$0 | \$0 |
| | GS>50 kW | \$1,703 | \$1,703 | \$852 | \$852 |
| | GS 1,000 to 4,999 kW | \$0 | \$0 | \$0 | \$0 |
| | Unmetered Scattered Load | \$5,308 | \$5,308 | \$2,654 | \$2,654 |
| | Street Light | \$0 | \$0 | \$0 | \$0 |
| | Sentinel Light | \$0 | \$0 | \$0 | \$0 |
| Total | | \$213,891 | \$103,966 | \$51,915 | \$51,915 |
| 2008 | Residential | | \$48,496 | \$26,629 | \$26,629 |
| | GS<50 kW | | \$13,401 | \$8,934 | \$8,934 |
| | GS>50 kW | | \$0 | \$0 | \$0 |
| | GS 1,000 to 4,999 kW | | \$0 | \$0 | \$0 |
| | Unmetered Scattered Load | | \$0 | \$0 | \$0 |
| | Street Light | | \$0 | \$0 | \$0 |
| | Sentinel Light | | \$0 | \$0 | \$0 |
| Total | | \$0 | \$61,897 | \$35,563 | \$35,563 |
| 2009 | Residential | | | \$32,249 | \$32,249 |
| | GS<50 kW | | | \$35,608 | \$35,608 |
| | GS>50 kW | | | \$798 | \$798 |
| | GS 1,000 to 4,999 kW | | | \$0 | \$0 |
| | Unmetered Scattered Load | | | \$0 | \$0 |
| | Street Light | | | \$0 | \$0 |
| | Sentinel Light | | | \$0 | \$0 |
| Total | | \$0 | \$0 | \$68,656 | \$68,656 |
| 2010 | Residential | | | \$14,896 | \$14,896 |
| | GS<50 kW | | | \$26,554 | \$26,554 |
| | GS>50 kW | | | \$84 | \$84 |
| | GS 1,000 to 4,999 kW | | | \$0 | \$0 |
| | Unmetered Scattered Load | | | \$0 | \$0 |
| | Street Light | | | \$0 | \$0 |
| | Sentinel Light | | | \$0 | \$0 |
| Total | | \$0 | \$0 | \$41,534 | \$41,534 |
| TOTAL | | \$377,108 | \$255,903 | \$242,551 | \$232,860 |

Please find below the revised LRAM rate rider updated to ensure that CFLs and LEDs from both the 2006 EKC and its own 3rd tranche programs are fully removed for this LRAM claim.

| Rate Class | LRAM Claim | | | | | 2010 Actuals | | One Year Rate Rider |
|--------------------------|------------|--------|--------|--------|---------|--------------|---------|---------------------|
| | '05 - '07 | '08 | '09 | '10 | Total | Total | | Total |
| | \$ | \$ | \$ | \$ | \$ | | Metrics | \$/unit (kWh or kW) |
| Residential | 71,800 | 26,629 | 32,249 | 14,896 | 145,575 | 335,657,888 | kWh | 0.0004 |
| GS <50 kW | | 8,934 | 35,608 | 26,554 | 71,097 | 132,889,380 | kWh | 0.0005 |
| GS>50 kW | 1,152 | - | 798 | 84 | 2,034 | 757,533 | kW | 0.0027 |
| GS 1,000 to 4,999 kW | 270 | - | - | - | 270 | 533,066 | kW | 0.0005 |
| Unmetered Scattered Load | 13,885 | - | - | - | 13,885 | 1,952,259 | kWh | 0.0071 |
| Sentinel Lights | - | - | - | - | - | 378 | kW | - |
| Street Lights | - | - | - | - | - | 31,551 | kW | - |
| Total | 87,107 | 35,563 | 68,656 | 41,534 | 232,860 | | | |

d) TBHEDI is not applying for carrying charges on the LRAM amounts requested in this application.

e) Please refer to TBHEDI's response above to question #6b.

9) Ref: Manager's Summary

a) Please confirm Thunder Bay's SPC assessment amount and provide a copy of the original SPC invoice.

b) Please complete the following table related to the SPC.

| SPC Assessment (Principal balance) | Amount recovered from customers in 2010 | Carrying Charges for 2010 | December 31, 2010 Year End Principal Balance | December 31, 2010 Year End Carrying Charges Balance | Amount recovered from customers in 2011 | Carrying Charges for 2011 | Forecasted December 31, 2011 Year End Principal Balance | Forecasted December 31, 2011 Year End Carrying Charges Balance | Forecasted Carrying Charges for 2012 (Jan. 1 to Apr. 30) | Total for Disposition (Principal & Interest) |
|------------------------------------|-----------------------------------------|---------------------------|----------------------------------------------|-----------------------------------------------------|-----------------------------------------|---------------------------|---------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------|
| | | | | | | | | | | |

Responses

a) TBHEDI confirms that its SPC assessment amount is \$389,219 and a copy of the invoice is attached as **Appendix C**.

b) Please find the completed table related to the SPC below:

| SPC Assessment (Principal Balance) | Amount Recovered from Customers in 2010 | Carrying Charges for 2010 | December 31, 2010 Year End Principal Balance | December 31, 2010 Year End Carrying Charges Balance | Amount Recovered from Customers in 2011 | Carrying Charges for 2011 | Actual December 31, 2011 Year End Principal Balance | Actual December 31, 2011 Year End Carrying Charges Balance | Forecasted Carrying Charges for 2012 (Jan. 1 to Apr. 30) | Total for Disposition (Principal & Interest) |
|------------------------------------------------|-----------------------------------------|---------------------------|----------------------------------------------|-----------------------------------------------------|-----------------------------------------|---------------------------|-----------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------|
| \$389,219.00 | \$184,339.00 | \$1,260.87 | \$204,880.00 | \$1,260.87 | \$172,691.19 | \$1,129.65 | \$32,188.81 | \$2,390.52 | \$157.73 | \$34,737.06 |
| Principle Balance as at December 31, 2011 | | | | \$32,188.81 | A | | | | | |
| Q1 2012 Prescribed Interest Rate | | | | 1.47% | B | | | | | |
| Number of Months to calculate carrying charges | | | | 4 | C | | | | | |
| Forecasted carrying charges Jan. 1 to Apr. 30 | | | | \$157.73 | A*B/12*4 | | | | | |

Account 1562 - Deferred Payments in Lieu

10) Ref: PILs Continuity Schedule, PILs Proxy Entitlements

In its PILs 1562 continuity schedule, Thunder Bay recorded its entitlement to the 2001 PILs proxy starting on October 1, 2001 and the 2002 PILs proxy on January 1, 2002.

On February 21, 2002, Thunder Bay submitted a revised 2002 rate application. Due to its amended application for rate adjustment, the effective date of the 2002 rates including the 2001 and 2002 proxies was delayed to May 1, 2002 at the request of Thunder Bay. This request for delayed implementation appears in the cover letter to the application dated February 21, 2002 and signed by Larry Hebert, General Manager & Secretary.

The sum of the 2001 PILs proxy of \$576,475 and the 2002 PILs proxy of \$1,389,804 is \$1,966,279. The rates were determined based on a twelve month rate year which implies a monthly PILs proxy amount of \$163,857 (\$1,966,279/12) for the period from May 1, 2002 to March 31, 2004, or 23 months. Using this monthly entitlement, the total for the period shown is \$3,768,701 (\$163,857 x 23).

- What regulatory reference supports starting the PILs entitlements earlier than May 1, 2002? Please explain.
- Did Thunder Bay consider that its entitlement to the 2001 and 2002 PILs proxy should not begin before May 1, 2002 given the delay caused by filing a revised application?
- Does Thunder Bay consider Board staff's PILs proxy calculation to reflect fairly the 2002 Board decision? If Thunder Bay disagrees, please explain Thunder Bay's rationale for selecting a different amount.
- Thunder Bay has shown recoveries of \$3,810,182 for the same period of May 1, 2002 to March 31, 2004 in its continuity schedule. The monthly PILs proxy calculated above was used to determine the proxy amounts in this table.

| Recoveries in Rate Period | Amount of Recoveries | PILs Proxy |
|-----------------------------------|----------------------|--------------|
| 2002 – billings for 8 months only | 1,308,312.80 | 1,310,852.67 |
| 2003 | 2,001,495.57 | 1,966,279.00 |
| 2004 – Jan. 1 – Mar. 31 | 500,373.89 | 491,569.75 |
| | | |
| | \$3,810,182 | \$3,768,701 |

- f) Would this approach to determine the PILs proxy for the period from May 1, 2002 be fair to both the utility and its ratepayers? Please explain and include a discussion of the notion of potential “harm” to Thunder Bay.

Responses

- a) TBHEDI confirms that it has used the following the APH (page 25 printed below) to record the monthly entitlement to the PILS proxy for 2001 and 2002. The PILS proxy of \$1,389,804 is the proxy for the January to December 2002 period.

1562 Deferred Payments In Lieu of Taxes

A. This account shall record the amount resulting from the Board approved PILs methodology for determining the 2001 Deferral Account Allowance and the PILs proxy amount determined for 2002 and subsequent years. The amount determined using the Board approved PILs methodology will be recorded equally over the applicable PILs period. The 2001 PILs Deferral Account Allowance should be recorded in three equal installments in October, November and December for utilities with a December 31, 2001 taxation year end. For a full year each applicable proxy will be divided by 12, and a monthly amount should be posted for each applicable period.

Additionally Appendix C from Halton Hills Hydro Inc., EB-2008-0381 Deferred PILs Combined Proceeding has treated the Board-approved PILs tax proxy from Decisions in the same fashion as TBHEDI has filed.

PILs TAXES - EB-2008-0381
Analysis of PILs Tax Account 1562:
Utility Name: Halton Hills
Reporting period: 2005
Sign Convention: + for increase; - for decrease
Version 2009.1
0

| Year start: | | 01/10/2001 | 01/01/2002 | 01/01/2003 | 01/01/2004 | 01/01/2005 | 01/01/2006 | |
|------------------------------------------------------|-----|------------|------------|------------|------------|------------|------------|------------|
| Year end: | | 31/12/2001 | 31/12/2002 | 31/12/2003 | 31/12/2004 | 31/12/2005 | 30/04/2006 | Total |
| Opening balance: | = | 0 | 246,317 | 139,188 | -113,126 | -233,670 | -616,187 | 0 |
| Board-approved PILs tax proxy from Decisions (1) | +/- | 246,317 | 899,961 | 1,146,278 | 961,540 | 224,990 | 276,883 | 3,755,969 |
| PILs proxy from April 1, 2005 - input 9/12 of amount | | | | | | 622,986 | | 622,986 |
| True-up Variance Adjustment Q4, 2001 (2) | +/- | | 747 | 0 | | | | 747 |
| True-up Variance Adjustment (3) | +/- | | 0 | -138,040 | -239,140 | -179,987 | -123,738 | -680,905 |
| Deferral Account Variance Adjustment Q4, 2001 (4) | | | | | | 0 | | 0 |
| Deferral Account Variance Adjustment (5) | +/- | | 0 | 0 | -40,600 | -82,295 | 0 | -122,895 |
| Adjustments to reported prior years' variances (6) | +/- | | | | | | 270,000 | 270,000 |
| Carrying charges (7) | +/- | | 4,029 | 4,526 | -4,020 | -9,100 | -10,071 | -14,636 |
| PILs billed to (collected from) customers (8) | - | 0 | -1,011,866 | -1,265,078 | -798,324 | -959,111 | -232,679 | -4,267,058 |
| Ending balance: # 1562 | | 246,317 | 139,188 | -113,126 | -233,670 | -616,187 | -435,792 | -435,792 |

Uncollected PILs

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

- (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(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.
(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.

- b) TBHEDI's cover letter to the application dated February 21, 2002 requested a May 1, 2002 effective date for the commencement of the collection of the PILs proxy amount. Additionally, as per the top section of worksheet 8. 2002 PILs Proxy Adder Calc, reproduced below, it is clear that the 2002 PILs proxy is the full \$1,389,804.

This schedule allows LDCs to input the calculated value for the 2002 PILs Proxy Estimate. Use the methodology released by the Board on December 21, 2001.

Enter the Estimated Value for the 2002 PILs Proxy

\$1,389,804.31

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2002 PILs Proxy Estimate amount and to create the adders in each class.

Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

- c) TBHEDI does not consider Board staff's PILs proxy calculation to reflect fairly the 2002 Board decision. TBHEDI believes the following to be the correct reflection:

| Recoveries in Rate Period | Amount of Recoveries* | PILs Deferral Amount/Proxy |
|-----------------------------------|-----------------------|----------------------------|
| 2001- Oct to Dec | 0.00 | 576,475.00 |
| 2002 – billings for 8 months only | 1,308,312.80 | 1,389,804.00 |
| 2003 | 2,001,495.57 | 1,966,279.00 |
| 2004 – Jan. 1 – Mar. 31 | 500,373.89 | 491,569.75 |
| | | |
| | \$3,810,182 | \$4,424,127.75 |

*Please note amounts have not been adjusted for changes made as a result of adjustments made in response to Interrogatory #11.

- d) See table above.
- e) No, TBHEDI does not agree that Board staff's approach would be fair. TBHEDI has filed consistent with the findings in the EB-2008-0381 Deferred PILs Combined Proceeding and to vary from such would be unfair to the utility.

11) PILs Recoveries
Ref: 2002 RAM Model

The 2002 application rate adjustment model ("RAM") provided two sheets (sheet 6 and 8) that calculated the rate slivers associated with the 2001 and 2002 PILs proxy amounts approved by the Board for recovery from customers. These rate slivers had both fixed customer charge and volumetric charge elements. In order to correctly determine the amounts recovered from customers, the Applicant must multiply the rate slivers by the appropriate billing determinants.

- a) Please provide the PILs recoveries calculation worksheet that uses the rate classes from the 2002 rate order including unmetered scattered load, number of customers, kWh/kW billed and the associated fixed and variable rate slivers from the 2002 RAM in the PILs recovered worksheets from Thunder Bay's effective date of May 1, 2002 to March 31, 2004.

Response

- a) Due to the similarity of Board Staff's Questions #11 through to #13, TBHEDI has prepared one PILs recoveries calculation worksheet which has been attached as **Appendix D**.

TBHEDI had a Board approved fixed and variable PILs charge component effective from May 1, 2002 through to March 31, 2004. TBHEDI did not segregate the fixed and variable PILs charges by rate class from TBHEDI's distribution charges. As a result, the collection amounts, billed kWh/kW and billed customers have all been recognized on a straight line basis using annual statistics. See attached

Appendix E. TBHEDI is confident in the annual collection method utilized; however TBHEDI recognizes this is a simplistic approach to the calculation of the monthly carrying charges. Since TBHEDI has a winter peaking load and is in a net asset position with the PILs balance, the resulting carrying charges favour TBHEDI's customers.

Commencing with the April 1, 2004 PILs rate change, TBHEDI segregated the PILs charges from its distribution volumetric charges for ease of reporting but allocated its collections to one general ledger account for all rate classes.

In requesting monthly billing data such as the number of billed customers, billed kWh/kW, and rate slivers, TBHEDI's believes that it is the Board's intent to view such data to aid in the process of validating the reasonableness of the collected PILs as submitted. TBHEDI was able to develop a query during this interrogatory question period to segregate the billed kWh and kW to calculate the collected PILs by rate class by month. This adhoc query reports the actual billed kWh and kW; however, any adjustments made to a customer's bill were not reflected. When comparing the annual collected PILs in **Appendix H** to the collected dollars calculated in the file attached as **Appendix D**, the variance was less than 1% per year. TBHEDI believes this variance is immaterial and the costs of refining the query to include the adjustments would outweigh the benefits. Please note that the actual principle amount and calculated carrying charges requested for recovery are found in **Appendix H**.

While reviewing the annual PILs collected from customers, TBHEDI made the following adjustments netting to a reduction in the PILs asset account of \$89,304:

- The original PILS collected from customers in 2002 reported at \$1,308,313 was increased by \$19,679 for an input correction to PILs rates to \$1,327,992.
- The original PILs collected from customers in 2003 reported at \$2,001,496 was increased by \$4,007 to account for an adjustment to split the unbilled PILs collection into fixed and variable and \$30,745 for an input correction to PILs rates for a total collection of \$2,036,248.
- As stated previously, TBHEDI is a winter peaking utility and in reviewing our assumptions for the PILs collected in Q1 2004, TBHEDI adjusted the unbilled assumption to reflect actual March 31st unbilled collection amount by increasing the collected PILs by \$48,393 and then an additional \$7,176 for an input correction to PILs rates for a total collection of \$555,943 in Q1 2004.
- The PILs collected for July 2006 was adjusted from \$25,902 to \$5,206 to remove the post May 1, 2006 billings for the General Service classes not previously removed.

12) PILs Recoveries
Ref: 2004 RAM Model

The 2004 RAM sheet 7 calculated the rate slivers associated with the 2004 PILs proxy amount approved by the Board for recovery from customers. The Board changed the rate recovery allocation to 100% based on the variable charge.

- a) Please provide the PILs recoveries calculation worksheet that uses the rate classes from the 2004 rate order and number of customers, kWh/kW billed and the associated variable rate slivers from the 2004 RAM in the PILs recovered worksheets from April 1, 2004 to March 31, 2005.

Response

- a) Please see TBHEDI's response to Question 11a).

13) PILs Recoveries
Ref: 2005 RAM Model

The 2005 RAM sheet 4 calculated the rate slivers associated with the 2005 PILs proxy amount approved by the Board for recovery from customers.

- a) Please provide the PILs recoveries calculation worksheet that uses the rate classes from the 2005 rate order and number of customers, kWh/kW billed and the associated variable rate slivers from the 2005 RAM in the PILs recovered worksheets from April 1, 2005 to March 31, 2006.

Response

- a) Please see TBHEDI's response to Question 11a).

14) Ref: PILs Continuity Schedule, Carrying Charge Calculations

The PILs continuity schedule shows carrying charges calculations up to December 31, 2006. The total principal and carrying charges balance of account 1562 as of December 31, 2006 was \$494,780.

- a) The continuity schedule submitted in the initial application does not show the calculations of the final balance for disposition of \$500,023 as stated in the Manager's Summary. Please provide the total principal balance and carrying charge calculations up to April 30, 2012 in the revised PILs continuity schedule.

Response

- a) Please see the excel file **Appendix H** "TBHEDI_PILs_Monthly Carrying Charges_20110130" which calculates the carrying charges on the revised principle balance as discussed in response to Question #11a) for a total of \$202,878.

15) Ref: Large Corporations Tax (LCT)

The federal large corporation tax (LCT) was repealed retroactively in 2006 with effect from January 1, 2006. However, both the 2005 and 2006 rates contained LCT since the repeal was issued after the Board's decisions were issued. Distributors have to account for the refund to ratepayers and were instructed to use both PILs account 1562 and account 1592 for this purpose.

- a) Did Thunder Bay include the repeal of the large corporations tax (LCT) in account 1562 for the period January 1, 2006 to April 30, 2006 in accordance with FAQ July 2007?
- b) If the answer is no, did Thunder Bay record the LCT amount related to this period in account 1592?
- c) Has Thunder Bay requested disposition of account 1592 since May 1, 2006, and did the balance include the LCT amount related to the period January 1, 2006 to April 30, 2006?

Responses

- a) TBHEDI has applied the repeal of the LCT in account 1562 for the period January 1, 2006 to April 30, 2006 in accordance with FAQ July 2007.
- b) No response is required at this time.
- c) TBHEDI has not requested disposition of account 1592 since May 1, 2006.

16) Ref: 2001 Q4 SIMPIL, Income Tax Rates

In the SIMPIL models for 2002 through 2005, Thunder Bay chose the maximum income tax rates since their tax evidence indicates that Thunder Bay was not eligible for the federal and Ontario small business deduction.

In its 2002 application, Thunder Bay used the income tax rate of 40.62% to calculate the 2001 fourth quarter PILs proxy. In the revised 2001 Q4 SIMPIL, Thunder Bay used the following income tax rates in the table below to calculate true-up variances. The income tax rates chosen for 2001 Q4 did not conform to the Board's decision and order in the Combined Proceeding for a utility that is subject to the maximum tax rates.

| | | 2001 |
|---------------------------------------|-----------------------------------------------------------------------|--------|
| APPLICATION PILS PROXY CALCULATION | SSIMPIL TAXCALC Cell C53: Blended income tax rate | 40.62% |
| | SIMPIL TAXCALC Cell C88: Income tax rate used for gross-up | 39.50% |
| DECISION IN PROCEEDING | From page 17 of the Decision: Tax rate to calculate the tax impact | 40.62% |
| | Tax rate to calculate the grossed-up tax amount | 39.50% |

| | | |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 2001 Q4 SIMPIL MODEL TAXCALC SHEET | Cell E122: Calculation of true-up variances –income tax effect | 18.00% |
| | Cell E130: Income tax rate used for gross- up (excluding surtax) | 39.50% |
| | Cell E138: Calculation of Deferral Account Variance caused by changes in legislation – Revised corporate income tax rate | 40.62% |
| | Cell E175: Calculation of Deferral Account Variance caused by changes in legislation – Actual income tax rate used for gross-up (excluding surtax) | 18.00% |

- a) How did Thunder Bay select the income tax rates for 2001 Q4? Please provide the calculations.
- b) If Thunder Bay agrees that it should be subject to the maximum income tax rate in 2001 Q4, please make the adjustment and re-file the revised 2001 Q4 SIMPIL model and PILs continuity schedule.

Responses

- a) Due to the income level of TBHEDI in Q4 2001, TBHEDI had originally used the minimum combined rate of 19.12% less the Federal Surtax of 1.12% for a rate of 18% for Cells E122 and E175. However, upon revisiting the income tax rates for 2001 Q4 and the Board's decision and order in the Combined Proceeding, TBHEDI agrees that it should be subject to the maximum income tax rate and have made the necessary revisions to the 2001 Q4 PILs model (**Appendix F**) and 2005 PILs model with a continuity schedule (**Appendix G**) are attached.
- b) Please see TBHEDI's response to Question #16a).

17) Ref: 2001 to 2005 SIMPIL models, Interest Expense

When the actual interest expense, as reflected in the financial statements and tax returns, exceeds the maximum deemed interest amount approved by the Board, the excess amount is subject to a claw-back penalty and is shown in sheet TAXCALC as an extra deduction in the true-up calculations.

For the tax years 2001 to 2005:

- a) Did Thunder Bay have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?
- b) Did Thunder Bay net interest income against interest expense in deriving the amount it shows as interest expense in its financial statements and tax returns? If yes, please provide details to what the interest income relates.
- c) Did Thunder Bay include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?

- d) Did Thunder Bay include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?
- e) Did Thunder Bay include interest expense on IESO prudentials in interest expense?
- f) Did Thunder Bay include interest carrying charges on regulatory assets or liabilities in interest expense?
- g) Did Thunder Bay include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did Thunder Bay also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.
- h) Did Thunder Bay deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did Thunder Bay add back the capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.
- i) Please provide Thunder Bay's views on which types of interest income and interest expense should be included in the excess interest true-up calculations.
- j) Please provide a table for the years 2001 to 2005 that shows all of the components of Thunder Bay's interest expense and the amount associated with each type of interest.

Responses

- a) Yes TBHEDI does have interest expense other than interest on long-term debt as disclosed in the financial statements. The most significant such amount would be the interest on the Customer and Retailer Deposits. The interest expense shown in the financial statements is interest on long-term debt.
- b) No, interest income is not netted against interest expense.
- c) No, TBHEDI did not include interest on customer security deposits in interest expense for purposes of the interest true-up calculation.
- d) No, TBHEDI did not include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns.
- e) No, TBHEDI did not include the bank charges related to the required IESO Prudential in interest expense as disclosed in the financial statements.
- f) No, carrying charges on Regulatory Accounts are shown separately on the financial statements.
- g) This is not applicable to TBHEDI.
- h) This is not applicable to TBHEDI.

- i) TBHEDI 's position has been that interest on long-term debt was the only amount that was required to be included in the excess interest true-up calculations. The deemed capital structure terminology changed much later than 2006 and now specifically addresses short-term debt.

TBHEDI would further comment that the IESO Prudential charge should not be considered as interest expense. This is a fee charged to have access to a credit facility versus interest on debt.

- j) The following table is TBHEDI's 2001 to 2005 components of the Board's referenced interest expense and the amount associated with each type of interest.

| Year | Interest on LTD** | Interest on Customer and Retailer Deposits | IESO Prudential Charges | Other | Total |
|------|-------------------|--------------------------------------------|-------------------------|-----------|-------------|
| 2001 | \$ 900,756 | \$ 40,757 | \$ - | \$ - | \$ 941,513 |
| 2002 | \$ 457,000 | \$ 33,511 | \$ 206,304 | | \$ 696,815 |
| 2003 | -\$ 457,000 | \$ 49,316 | \$ 121,426 | \$ 2,375 | -\$ 283,883 |
| 2004 | \$ - | \$ 41,371 | \$ 85,093 | \$ 1,376 | \$ 127,840 |
| 2005 | \$ 1,954 | \$ 41,082 | \$ 70,919 | \$ 8,890 | \$ 122,845 |
| | \$ 1,954 | \$ 165,280 | \$ 483,742 | \$ 12,641 | \$ 663,617 |

**Note that the 2001 amount is the annual and what is on the Ministry of Finance Filings is the October to December 2001 expense.

No adjustment has been made to our PILs filing as per our response in i) above.

**18) Tax Years - Statute-barred
Ref: 2001 to 2005 Tax Returns**

- a) Please confirm that all tax years from 2001 to 2005 are now statute-barred.

Response

- a) TBHEDI confirms that all tax years from 2001 and 2005 are now statute-barred.

APPENDIX A



Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

Customers, Demand and Revenues

| Rate Class | Customers/Connections | Billed kW | Billed kWh | Revenues Account (4080) |
|--------------------------------------|-----------------------|-----------|----------------|-------------------------|
| Residential Customers | 44,559 | 0 | 335,657,888.00 | 9,933,606.15 |
| General Service < 50 kW Customers | 4,415 | 0 | 132,889,381.00 | 2,633,056.82 |
| General Service >= 50 kW Customers | 534 | 1,290,601 | 462,862,459.00 | 3,451,871.59 |
| Large User (>5,000 kW) Customers | 0 | 0 | 0.00 | 0.00 |
| Street Lighting Connections | 13,170 | 31,551 | 12,433,088.00 | 498,052.62 |
| Sentinel Lighting Connections | 166 | 378 | 64,650.00 | 16,461.90 |
| Sub Transmission Customers | 0 | 0 | 0.00 | 0.00 |
| Intermediate Service | 0 | 0 | 0.00 | 0.00 |
| Scattered Unmetered Load Connections | 471 | 0 | 1,952,259.00 | 98,935.59 |
| Embedded Distributor(s) | 0 | 0 | 0.00 | 0.00 |
| Total (Auto-Calculated) | 63,315 | 1,322,530 | 945,859,725.00 | 16,631,984.67 |

APPENDIX B

NAME OF UTILITY
NAME OF CONTACT
E-mail Address
VERSION NUMBER
Date


Thunder Bay Hydro Electricity Distribution Inc.
 C. Thomas Wright
 twright@tbhydro.on.ca
 v2.0
 02-Aug-05

LICENCE NUMBER
DOCID NUMBER
PHONE NUMBER
 (extension)

ED-2002-0529
 RP-2005-0020
 EB-2005-0419
 (807) 343-1119

| Regulatory Asset Accounts: | | Decision Ref.# | Amount | ALLOCATOR | Residential | GS < 50 kW | GS > 50 Non TOU | GS > 50 TOU | Intermediate | Large Users | Small Scattered Load | Sentinel Lighting | Street Lighting | Total |
|----------------------------------------------|--|----------------|----------------|------------------------|----------------|--------------|-----------------|--------------|--------------|--------------|----------------------|-------------------|-----------------|----------------|
| | | | | | | | | | | | | | | |
| WMSC - Account 1580 | | 2.0.35 | \$ 1,281,312 | kWh | \$ 438,967 | \$ 185,802 | \$ 333,315 | \$ 250,253 | \$ - | \$ 59,592 | \$ - | \$ 80 | \$ 13,303 | \$ 1,281,312 |
| One-Time WMSC - Account 1582 | | 2.0.35 | \$ 159,740 | kWh | \$ 54,726 | \$ 23,164 | \$ 41,554 | \$ 31,199 | \$ - | \$ 7,429 | \$ - | \$ 10 | \$ 1,658 | \$ 159,740 |
| Network - Account 1584 | | 2.0.35 | \$ (2,327,429) | kWh | \$ (797,359) | \$ (337,498) | \$ (605,447) | \$ (454,570) | \$ - | \$ (108,246) | \$ - | \$ (146) | \$ (24,163) | \$ (2,327,429) |
| Connection - Account 1586 | | 2.0.35 | \$ (4,801,938) | kWh | \$ (1,645,106) | \$ (696,325) | \$ (1,249,156) | \$ (937,865) | \$ - | \$ (223,332) | \$ - | \$ (300) | \$ (49,854) | \$ (4,801,938) |
| Power - Account 1588 | | 2.0.35 | \$ 4,344,357 | kWh | \$ 1,488,343 | \$ 629,971 | \$ 1,130,122 | \$ 848,495 | \$ - | \$ 202,051 | \$ - | \$ 272 | \$ 45,103 | \$ 4,344,357 |
| Subtotal - RSVA | | | \$ (1,343,959) | | \$ (460,430) | \$ (194,866) | \$ (349,612) | \$ (262,488) | \$ - | \$ (62,506) | \$ - | \$ (84) | \$ (13,953) | \$ (1,343,959) |
| Other Regulatory Assets - Account 1508 | | | \$ - | | | | | | | | | | | \$ - |
| Retail Cost Variance Account - Acct 1518 | | | \$ 136,635 | # of Customers | \$ 122,392 | \$ 12,930 | \$ 1,250 | \$ 55 | \$ - | \$ 8 | \$ - | \$ - | \$ - | \$ 136,635 |
| Retail Cost Variance Account (STR) Acct 1548 | | | \$ 64,108 | # of Customers | \$ 57,425 | \$ 6,067 | \$ 586 | \$ 26 | \$ - | \$ 4 | \$ - | \$ - | \$ - | \$ 64,108 |
| Rebate Cheques - Acct 1525 | | 5.0.19 | \$ 69,890 | # cust. w/ Rebate Cheq | \$ 63,408 | \$ 6,448 | \$ 34 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 69,890 |
| Hydro One's Environmental Costs - Acct 1525 | | 5.0.25 | \$ - | Dx Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pre Market Opening Energy - Acct 1571 | | 3.0.27 | \$ 1,546,900 | kWh for Non TOU Cust. | \$ 708,746 | \$ 299,991 | \$ 538,162 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,546,900 |
| Extraordinary Event Losses - Acct 1572 | | | \$ - | | | | | | | | | | | \$ - |
| Deferred Rate Impact Amounts - Acct 1574 | | | \$ - | | | | | | | | | | | \$ - |
| Other Deferred Credits - Acct 2425 | | | \$ - | | | | | | | | | | | \$ - |
| Transition Costs - Acct 1570 | | 7.0.67 | \$ - | # of Customers | \$ 951,971 | \$ 325,435 | \$ 540,032 | \$ 81 | \$ - | \$ 12 | \$ - | \$ - | \$ - | \$ 1,817,533 |
| Subtotal - Non RSVA | | | \$ 1,817,533 | | \$ 491,542 | \$ 130,549 | \$ 190,421 | \$ (262,407) | \$ - | \$ (62,494) | \$ - | \$ (84) | \$ (13,953) | \$ 1,817,533 |
| Total to be Recovered | | | \$ 473,574 | | | | | | | | | | | \$ 473,574 |

Revised Invoice
 Ministry of Energy and Infrastructure
 Conservation and Renewable Energy Program Costs

Vendor 1344 
 + use remittance envelope


To: Thunder Bay Hydro Electricity Distribution Inc.
 34 N. Cumberland Street, 8th floor
 Thunder Bay, ON P7A 4L4
 Attn: Cindy Speziane, VP Finance

Item Description:

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.

Quote-part pour les coûts des programme de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

charge to 001 0000 404 58 01  27/04/10

| |
|---------------------------------------------------------------------------------------------------------------------------------------|
| Customer No./No du client 472778 |
| Customer Site No./ N° d'emplacement du client 1061054 |
| Invoice Date/Date de la facture April 16, 2010 |
| Invoice No./N° de la facture 50067 |
| Due Date/ Date d'échéance July 30, 2010  |
| Payment Amount/ Montant remis CAD \$ 389,219 |

Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.

This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27th Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27^e étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.

Payments are to be made to the Minister of Finance not the Ontario Energy Board.
 Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.

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TBHEDI

Schedule of Billings for PILs- Total of kWh, kWh and Service Charges

| | Billed kWh | Billed Service Chg | Total |
|-----------|------------|--------------------|-----------|
| 2002 | | | - |
| January | | | - |
| February | | | - |
| March | | | - |
| April | | | - |
| May | 74,848 | 91,151 | 165,999 |
| June | 74,848 | 91,151 | 165,999 |
| July | 74,848 | 91,151 | 165,999 |
| August | 74,848 | 91,151 | 165,999 |
| September | 74,848 | 91,151 | 165,999 |
| October | 74,848 | 91,151 | 165,999 |
| November | 74,848 | 91,151 | 165,999 |
| December | 74,848 | 91,151 | 165,999 |
| Total | 598,781 | 729,212 | 1,327,992 |
| | - | - | - |

| | Billed kWh | Billed Service Chg | Total |
|-----------|------------|--------------------|-----------|
| 2003 | | | - |
| January | 77,318 | 92,370 | 169,687 |
| February | 77,318 | 92,370 | 169,687 |
| March | 77,318 | 92,370 | 169,687 |
| Mar/April | 77,318 | 92,370 | 169,687 |
| May | 77,318 | 92,370 | 169,687 |
| June | 77,318 | 92,370 | 169,687 |
| July | 77,318 | 92,370 | 169,687 |
| August | 77,318 | 92,370 | 169,687 |
| September | 77,318 | 92,370 | 169,687 |
| October | 77,318 | 92,370 | 169,687 |
| November | 77,318 | 92,370 | 169,687 |
| December | 77,318 | 92,370 | 169,687 |
| Total | 927,811 | 1,108,437 | 2,036,248 |
| | - | - | - |

| | Billed kWh | Billed Service Chg | Total |
|-----------|------------|--------------------|-----------|
| 2004 | | | |
| January | 93,381 | 91,933 | 185,314 |
| February | 93,381 | 91,933 | 185,314 |
| March | 93,381 | 91,933 | 185,314 |
| April | 5,199 | | 5,199 |
| May | 58,914 | | 58,914 |
| June | 114,153 | | 114,153 |
| July | 100,583 | | 100,583 |
| August | 93,364 | | 93,364 |
| September | 105,285 | | 105,285 |
| October | 95,993 | | 95,993 |
| November | 118,240 | | 118,240 |
| December | 106,495 | | 106,495 |
| Total | 1,078,369 | 275,800 | 1,354,169 |
| | - | - | |

TBHEDI

Schedule of Billings for PILs- Total of kWh, kWh and Service Charges

| | Billed kWh | Billed Service Chg | Total |
|-----------|------------|--------------------|-----------|
| 2005 | | | |
| January | 123,182 | | 123,182 |
| February | 132,986 | | 132,986 |
| March | 182,731 | | 182,731 |
| April | 115,572 | | 115,572 |
| May | 140,089 | | 140,089 |
| June | 112,131 | | 112,131 |
| July | 117,478 | | 117,478 |
| August | 112,536 | | 112,536 |
| September | 124,569 | | 124,569 |
| October | 108,769 | | 108,769 |
| November | 126,160 | | 126,160 |
| December | 115,709 | | 115,709 |
| Total | 1,511,915 | - | 1,511,915 |
| | - | | |

| | Billed kWh | Billed Service Chg | Total |
|---------------------------|------------|--------------------|---------|
| 2006 | | | |
| January | 175,494 | | 175,494 |
| February | 123,880 | | 123,880 |
| March | 160,868 | | 160,868 |
| April | 111,988 | | 111,988 |
| May | 144,128 | | 144,128 |
| June - Pre May 1/06 Rates | 40,706 | | 40,706 |
| July | 5,206 | | 5,206 |
| August | - | | - |
| September | - | | - |
| October | - | | - |
| November | - | | - |
| December | - | | - |
| Total | 762,270 | - | 762,270 |
| | - | | |

6,992,594

TBHEDI

Schedule of Billings for PILs - kWh

| Rate | kWh | | | kW | | | PILs \$ for kWh | | | | | | |
|-----------|-------------|------------|---------|---------|---------|-------|-----------------|----------|---------|----------|----------|----------|---------|
| | RES | <50 | >50 | >1000 | LU | ST LT | RES | <50 | >50 | >1000 | LU | ST LT | Total |
| 2002 | | | | | | | 0.001432 | 0.001342 | 0.11863 | 0.175885 | 0.182871 | 0.614639 | |
| May | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| June | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| July | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| August | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| September | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| October | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| November | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| December | 28,168,481 | 12,190,121 | 65,897 | 38,454 | 17,583 | 577 | 40,337 | 16,359 | 7,817 | 6,764 | 3,215 | 355 | 74,848 |
| | 225,347,844 | 97,520,969 | 527,180 | 307,633 | 140,666 | 4,618 | 322,698 | 130,873 | 62,539 | 54,108 | 25,724 | 2,838 | 598,781 |

| Rate | kWh | | | kW | | | PILs \$ for kWh | | | | | | |
|------|-------------|---------------|-----------|-----------|---------|---------|-----------------|----------|---------|----------|----------|----------|---------|
| | RES | <50 | >50 | >1000 | LU | ST LT | RES | <50 | >50 | >1000 | LU | ST LT | Total |
| 2003 | | | | | | | 0.001432 | 0.001342 | 0.11863 | 0.175885 | 0.182871 | 0.614639 | |
| Jan | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Feb | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Mar | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Apr | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| May | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Jun | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Jul | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Aug | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Sep | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Oct | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Nov | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| Dec | 30,046,115 | 12,369,664 | 67,020 | 39,457 | 14,230 | 323 | 43,026 | 16,600 | 7,951 | 6,939.88 | 2,602 | 199 | 77,318 |
| | 360,553,385 | - 148,435,962 | - 804,242 | - 473,483 | 170,758 | - 3,881 | 516,312 | 199,201 | 95,407 | 83,279 | 31,227 | 2,385 | 927,811 |

#REF!

| | kWh | | | | kW | | | | | | | | PILs \$ for kWh / kW | | | | | | | | | | | | | |
|-----------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|--------------------|---------------------|-----------------|------------------|--------------------|---------------------|----------------------|-------------------|------------------|-------------------|------------------|-------------------|--------------------|---------------------|-----------------|------------------|--------------------|---------------------|-----------|---------|
| | RES Pre-Apr 1 | RES Post-Apr 1 | <50 Pre-Apr 1 | <50 Post-Apr 1 | >50 Pre-Apr 1 | >50 Post-Apr 1 | >1000 Pre-Apr 1 | >1000 Post-Apr 1 | LU Pre-Apr 1 | LU Post-Apr 1 | ST LT Pre-Apr 1 | ST LT Post-Apr 1 | RES Pre-Apr 1 | RES Post Apr 1 | <50 Pre-Apr 1 | <50 Post Apr 1 | >50 Pre-Apr 1 | >50 Post Apr 1 | >1000 Pre-Apr 1 | >1000 Post Apr 1 | LU Pre-Apr 1 | LU Post Apr 1 | ST LT Pre-Apr 1 | ST LT Post Apr 1 | Total | |
| Rate-Pre Apr 1 | | | | | | | | | | | | | 0.001432 | | | | | | | | | | | | | |
| Rate-Post Apr 1 | | | | | | | | | | | | | | 0.002688 | 0.001342 | 0.001672 | 0.11863 | 0.155799 | 0.175885 | 0.074515 | 0.182871 | 0.253716 | 0.614639 | 0.144706 | | |
| 2004 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 38,838,221 | | 14,350,900 | | 68,841 | | 37,830 | | 11,660 | | 2,527 | | 55,616 | - | 19,259 | - | 8,167 | - | 6,654 | - | 2,132 | - | 1,553 | - | 93,381 | |
| Feb | 38,838,221 | | 14,350,900 | | 68,841 | | 37,830 | | 11,660 | | 2,527 | | 55,616 | - | 19,259 | - | 8,167 | - | 6,654 | - | 2,132 | - | 1,553 | - | 93,381 | |
| Mar | 38,838,221 | | 14,350,900 | | 68,841 | | 37,830 | | 11,660 | | 2,527 | | 55,616 | - | 19,259 | - | 8,167 | - | 6,654 | - | 2,132 | - | 1,553 | - | 93,381 | |
| Apr | | 1,179,510 | | 780,980 | | 4,635 | | 42,937 | | 13,579 | | 2,527 | - | 3,171 | - | 1,306 | - | 722 | - | - | - | - | - | - | 5,199 | |
| May | | 11,631,032 | | 8,587,749 | | 40,313 | | 42,937 | | 13,579 | | 2,527 | - | 31,264 | - | 14,359 | - | 6,281 | - | 3,199 | - | 3,445 | - | 366 | - | 58,914 |
| Jun | | 27,624,381 | | 13,217,150 | | 73,314 | | 43,951 | | 9,348 | | 5,048 | - | 74,254 | - | 22,099 | - | 11,422 | - | 3,275 | - | 2,372 | - | 730 | - | 114,153 |
| Jul | | 24,870,005 | | 11,062,594 | | 58,000 | | 42,652 | | 10,467 | | 5,048 | - | 66,851 | - | 18,497 | - | 9,036 | - | 3,178 | - | 2,656 | - | 366 | - | 100,583 |
| Aug | | 21,739,918 | | 11,554,097 | | 59,888 | | 44,331 | | 10,284 | | 2,529 | - | 58,437 | - | 19,318 | - | 9,331 | - | 3,303 | - | 2,609 | - | 366 | - | 93,364 |
| Sep | | 25,953,007 | | 11,959,965 | | 58,197 | | 44,659 | | 10,900 | | 2,529 | - | 69,762 | - | 19,997 | - | 9,067 | - | 3,328 | - | 2,765 | - | 366 | - | 105,285 |
| Oct | | 23,653,758 | | 10,334,770 | | 55,671 | | 45,422 | | 10,672 | | 2,529 | - | 63,581 | - | 17,280 | - | 8,674 | - | 3,385 | - | 2,708 | - | 366 | - | 95,993 |
| Nov | | 30,323,508 | | 11,911,150 | | 64,399 | | 43,163 | | 11,168 | | 5,059 | - | 81,510 | - | 19,915 | - | 10,033 | - | 3,216 | - | 2,833 | - | 732 | - | 118,240 |
| Dec | | 25,776,060 | | 12,380,114 | | 62,509 | | 42,097 | | 14,320 | | - | - | 69,286 | - | 20,700 | - | 9,739 | - | 3,137 | - | 3,633 | - | - | - | 106,495 |
| | 116,514,662 | 192,751,179 | 43,052,699 | 91,788,569 | 206,524 | 476,927 | 113,491 | 349,212 | 34,981 | 90,737 | 7,580 | 22,751 | 166,849 | 518,115 | 57,777 | 153,470 | 24,500 | 74,305 | 19,961 | 26,022 | 6,397 | 23,022 | 4,659 | 3,292 | 1,078,369 | |

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| | kWh | | | | kW | | | | | | | | PILs \$ for kWh / kW | | | | | | | | | | | | |
|-----------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|--------------------|---------------------|-----------------|------------------|--------------------|---------------------|----------------------|-------------------|------------------|-------------------|------------------|-------------------|--------------------|---------------------|-----------------|------------------|--------------------|---------------------|-----------|
| | RES Pre-Apr 1 | RES Post-Apr 1 | <50 Pre-Apr 1 | <50 Post-Apr 1 | >50 Pre-Apr 1 | >50 Post-Apr 1 | >1000 Pre-Apr 1 | >1000 Post-Apr 1 | LU Pre-Apr 1 | LU Post-Apr 1 | ST LT Pre-Apr 1 | ST LT Post-Apr 1 | RES Pre-Apr 1 | RES Post Apr 1 | <50 Pre-Apr 1 | <50 Post Apr 1 | >50 Pre-Apr 1 | >50 Post Apr 1 | >1000 Pre-Apr 1 | >1000 Post Apr 1 | LU Pre-Apr 1 | LU Post Apr 1 | ST LT Pre-Apr 1 | ST LT Post Apr 1 | Total |
| Rate-Pre Apr 1 | | | | | | | | | | | | | 0.002688 | | | | | | | | | | | | |
| Rate-Post Apr 1 | | | | | | | | | | | | | | 0.0028 | 0.001672 | 0.0018 | 0.155799 | | 0.1589 | 0.074515 | 0.2318 | 0.253716 | 0.3295 | 0.144706 | 0.1636 |
| 2005 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | | 31,332,675 | | 13,303,499 | | 61,076 | | 41,575 | | 14,685 | | 2,607 | 84,222 | | 22,243 | | 9,516 | | 3,098 | | 3,726 | | 377 | | 123,182 |
| Feb | | 34,101,198 | | 14,478,093 | | 65,664 | | 36,911 | | 14,808 | | 2,607 | 91,664 | | 24,207 | | 10,230 | | 2,750 | | 3,757 | | 377 | | 132,986 |
| Mar | | 50,241,442 | | 17,383,346 | | 82,408 | | 32,240 | | 11,857 | | 2,540 | 135,049 | | 29,065 | | 12,839 | | 2,402 | | 3,008 | | 367 | | 182,731 |
| Apr | | 29,097,386 | | 12,865,261 | | 65,609 | | 35,945 | | 10,169 | | 2,540 | 78,214 | | 21,511 | | 10,222 | | 2,678 | | 2,580 | | 367 | | 115,572 |
| May | | 33,907,962 | | 12,134,061 | | 69,686 | | 48,698 | | 13,131 | | 2,540 | 91,145 | | - | 21,841 | - | 11,073 | - | 11,288 | - | 4,327 | - | 415 | 140,089 |
| Jun | | 24,474,318 | | 11,092,676 | | 65,612 | | 45,694 | | 6,685 | | 2,540 | - | 68,528 | - | 19,967 | - | 10,426 | - | 10,592 | - | 2,203 | - | 415 | 112,131 |
| Jul | | 26,050,413 | | 11,251,332 | | 63,498 | | 46,521 | | 9,092 | | 2,540 | - | 72,941 | - | 20,252 | - | 10,090 | - | 10,784 | - | 2,996 | - | 415 | 117,478 |
| Aug | | 23,868,635 | | 11,538,984 | | 67,678 | | 46,143 | | 9,312 | | 2,540 | - | 66,832 | - | 20,770 | - | 10,754 | - | 10,696 | - | 3,068 | - | 415 | 112,536 |
| Sep | | 28,157,593 | | 12,038,520 | | 64,372 | | 45,848 | | 8,459 | | 2,540 | - | 78,841 | - | 21,669 | - | 10,229 | - | 10,628 | - | 2,787 | - | 415 | 124,569 |
| Oct | | 23,202,546 | | 9,376,351 | | 55,783 | | 61,047 | | 9,345 | | 5,079 | - | 64,967 | - | 16,877 | - | 8,864 | - | 14,151 | - | 3,079 | - | 831 | 108,769 |
| Nov | | 30,617,531 | | 12,404,316 | | 74,004 | | 90,167 | | (44,177) | | - | - | 85,729 | - | 22,328 | - | 11,759 | - | 20,901 | - | (14,556) | - | - | 126,160 |
| Dec | | 24,460,189 | | 12,308,526 | | 69,918 | | 52,297 | | 4,301 | | 2,540 | - | 68,489 | - | 22,155 | - | 11,110 | - | 12,123 | - | 1,417 | - | 415 | 115,709 |
| | - | 359,511,889 | - | 150,174,964 | - | 805,307 | | 583,085 | | 67,667 | - | 30,609 | 480,294 | 506,327 | 97,026 | 165,861 | 42,807 | 84,304 | 10,929 | 101,161 | 13,071 | 5,321 | 1,489 | 3,324 | 1,511,915 |

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| TBHEDI | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|-------------|------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|----------------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|---------|
| Schedule of Billings for PILs - kWh | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rate-Pre May 1 | kWh | | | | kW | | | | | | | | PILs \$ for kWh / kW | | | | | | | | | | | | |
| | RES | RES | <50 | <50 | >50 | >50 | >1000 | >1000 | LU | LU | ST LT | ST LT | RES | RES | <50 | <50 | >50 | >50 | >1000 | >1000 | LU | LU | ST LT | ST LT | Total |
| | Pre-May 1 | Post-May 1 | Pre-May 1 | Post-May 1 | Pre-May 1 | Post-May 1 | Pre-May 1 | Post-May 1 | Pre-May 1 | Post-May 1 | Pre-May 1 | Post-May 1 | Pre-May 1 | Post May 1 | Pre-May 1 | Post May 1 | Pre-May 1 | Post May 1 | Pre-May 1 | Post May 1 | Pre-May 1 | Post May 1 | Pre-May 1 | Post May 1 | |
| | 0.0028 | 0.0011 | 0.0018 | 0.001 | 0.1589 | 0.0853 | 0.2318 | 0.115 | 0.3295 | | 0.1636 | 0.1582 | | | | | | | | | | | | | |
| 2006 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 41,173,037 | | 15,727,275 | | 79,481 | | 73,205 | | 4,429 | | 5,149 | | 115,285 | - | 28,309 | - | 12,630 | - | 16,969 | - | 1,459 | - | 842 | - | 175,494 |
| Feb | 30,078,729 | | 12,675,568 | | 64,406 | | 28,513 | | | | - | | 84,220 | - | 22,816 | - | 10,234 | - | 6,609 | - | - | - | - | - | 123,880 |
| Mar | 39,525,133 | | 15,440,431 | | 75,718 | | 42,958 | | | | 2,543 | | 110,670 | - | 27,793 | - | 12,032 | - | 9,958 | - | - | - | 416 | - | 160,868 |
| Apr | 25,744,156 | | 10,420,677 | | 55,644 | | 51,290 | | | | 2,543 | | 72,084 | - | 18,757 | - | 8,842 | - | 11,889 | - | - | - | 416 | - | 111,988 |
| May | 33,987,137 | | 12,990,847 | | 73,622 | | 56,305 | | | | 5,075 | | 95,164 | - | 23,384 | - | 11,699 | - | 13,052 | - | - | - | 830 | - | 144,128 |
| Jun | 14,076,449 | | 603 | | 8,110 | | - | | | | 11 | | 39,414 | - | 1 | - | 1,289 | - | - | - | - | - | 2 | - | 40,706 |
| Jul | 1,859,393 | | | | - | | - | | | | - | | 5,206 | - | - | - | - | - | - | - | - | - | - | - | 5,206 |
| Aug | | | | | | | | | | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sep | | | | | | | | | | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Oct | | | | | | | | | | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nov | | | | | | | | | | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dec | | | | | | | | | | | | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 186,444,034 | - | 67,255,400 | - | 356,981 | - | 252,272 | - | 4,429 | - | 15,322 | - | 522,043 | - | 121,060 | - | 56,724 | - | 58,477 | - | 1,459 | - | 2,507 | - | 762,270 |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
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TBHEDI

Schedule of Billings for PILs - Service Charge

| | # Service Charges | | | | | | # Service Charges x \$ in Rates | | | | | | |
|----------|-------------------|--------|-------|-------|---------|--------|---------------------------------|------------------|-------------------|----------------------|--------------------------|--------------------|---------|
| 2002 | Res | <50 | >50 | >1000 | Lg User | St Lt | Res \$ 1.4214 | <50 \$ 2.3562 | >50 \$ 19.7258 | >1000 \$ 203.0838 | Lg User \$ 1,486.9244 | St Lt \$ 0.2003 | Total |
| Unbilled | | | | | | | - | - | - | - | - | - | - |
| Jan | | | | | | | - | - | - | - | - | - | - |
| Feb | | | | | | | - | - | - | - | - | - | - |
| Mar | | | | | | | - | - | - | - | - | - | - |
| Apr | | | | | | | - | - | - | - | - | - | - |
| May | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| Jun | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| Jul | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| Aug | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| Sep | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| Oct | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| Nov | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| Dec | 43,634 | 4,874 | 479 | 17 | 3 | 1,467 | 62,022 | 11,484 | 9,452 | 3,439 | 4,461 | 294 | 91,151 |
| | 349,075 | 38,991 | 3,833 | 135 | 24 | 11,737 | 496,176 | 91,871 | 75,616 | 27,513 | 35,686 | 2,351 | 729,212 |

| | # Service Charges | | | | | | # Service Charges x \$ in Rates | | | | | | |
|------|-------------------|--------|-------|-------|---------|--------|---------------------------------|------------------|-------------------|-------------------|--------------------------|--------------------|-----------|
| 2003 | Res | <50 | >50 | >1000 | Lg User | St Lt | Res \$ 1.4214 | <50 \$ 2.3562 | >50 \$ 19.7258 | >1000 203.0838 | Lg User \$ 1,486.9244 | St Lt \$ 0.2003 | Total |
| Jan | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Feb | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Mar | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Apr | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| May | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Jun | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Jul | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Aug | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Sep | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Oct | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Nov | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| Dec | 43,761 | 4,880 | 499 | 20 | 3 | 1,491 | 62,202 | 11,499 | 9,847 | 4,062.24 | 4,461 | 299 | 92,370 |
| | 525,130 | 58,564 | 5,991 | | 36 | 17,890 | 746,420 | 137,988 | 118,169 | 48,747 | 53,529 | 3,583 | 1,108,437 |

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| | # Service Charges | | | | | | # Service Charges x \$ in Rates | | | | | | |
|------|-------------------|--------|-------|-------|---------|-------|---------------------------------|------------------|-------------------|----------------------|--------------------------|--------------------|---------|
| 2004 | Res | <50 | >50 | >1000 | Lg User | St Lt | Res \$ 1.4214 | <50 \$ 2.3562 | >50 \$ 19.7258 | >1000 \$ 203.0838 | Lg User \$ 1,486.9244 | St Lt \$ 0.2003 | Total |
| Jan | 43,857 | 4,917 | 466 | 20 | 3 | 1,491 | 62,338 | 11,585 | 9,190 | 4,062 | 4,461 | 299 | 91,933 |
| Feb | 43,857 | 4,917 | 466 | 20 | 3 | 1,491 | 62,338 | 11,585 | 9,190 | 4,062 | 4,461 | 299 | 91,933 |
| Mar | 43,857 | 4,917 | 466 | 20 | 3 | 1,491 | 62,338 | 11,585 | 9,190 | 4,062 | 4,461 | 299 | 91,933 |
| Apr | | | | | | | - | - | - | | - | - | - |
| May | | | | | | | - | - | - | | - | - | - |
| Jun | | | | | | | - | - | - | | - | - | - |
| Jul | | | | | | | - | - | - | | - | - | - |
| Aug | | | | | | | - | - | - | | - | - | - |
| Sep | | | | | | | - | - | - | | - | - | - |
| Oct | | | | | | | - | - | - | | - | - | - |
| Nov | | | | | | | - | - | - | | - | - | - |
| Dec | | | | | | | - | - | - | | - | - | - |
| | 131,570 | 14,750 | 1,398 | | 9 | 4,472 | 187,014 | 34,754 | 27,569 | 12,185 | 13,382 | 896 | 275,800 |

Support for PILs Collections through the period from May 1, 2002 to April 30, 2004

APPENDIX E

Thunder Bay Hydro
31-Dec-02
PILS Calculation

| | Fixed Customer Charge | Volumetric | Unbilled Customer Charge | Monthly Service Charge | 2001 PILS Recovery | 2002 PILS Recovery | Volumetric kwh or kw F/PILs Rate + Unbilled Consumption of Demand | Volumetric Rate | 2001 PILS Recovery | Volumetric Rate | 2002 PILS Recovery | #customers |
|---------------------|-----------------------------|--------------|--------------------------------|------------------------------|---------------------------|---------------------------|----------------------------------------------------------------------------------|--------------------|-----------------------|--------------------|-----------------------|------------|
| | | | | | (E+G)/H*2001 PILs Rate | (E+G)/H*2002 PILs Rate | | | K*L | | K*N | |
| 311 Residential | \$ 3,007,915 | \$ 1,850,408 | \$ 788,652 | \$ 10.88 | \$ 145,460 | \$ 350,716 | 225,347,844 | 0.000420 | \$ 94,646 | 0.001012 | \$ 228,052 | 43,634 |
| 312 Large User | \$ 239,325 | \$ 169,229 | \$ 34,189 | \$ 11,396.42 | \$ 10,462 | \$ 25,224 | 140,666 | 0.053614 | \$ 7,542 | 0.129257 | \$ 18,182 | 3 |
| 313 Street Lighting | \$ 15,038 | \$ 11,638 | \$ 2,148 | \$ 1.46 | \$ 689 | \$ 1,662 | 4,618 | 0.180200 | \$ 832 | 0.434439 | \$ 2,006 | 1,467 |
| 314 Sen Lighting | \$ - | | | | | | | | | | | |
| 315 GS <50KW | \$ 585,670 | \$ 867,657 | \$ 85,478 | \$ 17.21 | \$ 26,935 | \$ 64,936 | 97,520,969 | 0.000393 | \$ 38,326 | 0.000949 | \$ 92,547 | 4,874 |
| 316 GS >50KW | \$ 548,772 | \$ 368,950 | \$ 85,204 | \$ 165.38 | \$ 22,169 | \$ 53,447 | 527,180 | 0.03478 | \$ 18,335 | 0.08385 | \$ 44,204 | 479 |
| 317 | | | | | | | | | | | | |
| 318 GS>1000kw | \$ 187,928 | \$ 327,856 | \$ 34,102 | \$ 1,638.91 | \$ 8,066 | \$ 19,447 | 307,633 | 0.05157 | \$ 15,863 | 0.12432 | \$ 38,245 | 17 |
| | \$ 4,584,648 | \$ 3,595,739 | \$ 1,029,773 | | \$ 213,781 | \$ 515,430 | | | \$ 175,544 | | \$ 423,236 | |
| | | | | | | \$ 729,212 | | | | | \$ 598,781 | |
| | | | | | | | | | | | \$ 1,327,992 | |

Thunder Bay Hydro
31-Dec-03

| | Fixed | Volumetric | Unbilled Fixed Charge Only | Monthly Service Charge | 2001 PILS Recovery | 2002 PILS Recovery | Unbilled Volumetric Change | Volumetric kwh or kw (E+J)/PILs Rate + Unbilled Consumption of Demand | Volumetric Rate | 2001 PILS Recovery | Volumetric Rate | 2002 PILS Recovery |
|---------------------|--------------|--------------|----------------------------------|------------------------------|---------------------------|---------------------------|----------------------------------|-----------------------------------------------------------------------------------------|--------------------|-----------------------|-----------------|-----------------------|
| | | | | | (D+F)/G*2001 PILs Rate | (D+F)/G*2002 PILs Rate | | | | K*L | | K*N |
| 311 Residential | \$ 5,716,196 | \$ 3,986,576 | (\$4,842) | \$ 10.88 | \$ 218,822 | \$ 527,598 | (\$20,489) | 360,553,385 | 0.000420 | \$ 151,432 | 0.001012 | \$ 364,880 |
| 312 Large User | \$ 410,271 | \$ 238,925 | \$ 0 | \$ 11,396.42 | \$ 15,694 | \$ 37,835 | (\$4,490) | 170,758 | 0.053614 | \$ 9,155 | 0.129257 | \$ 22,072 |
| 313 Street Lighting | \$ 26,165 | \$ 21,217 | \$ 30 | \$ 1.46 | \$ 1,050 | \$ 2,533 | \$ 25 | 3,881 | 0.180200 | \$ 699 | 0.434439 | \$ 1,686 |
| 314 Sen Lighting | \$ - | | | | | | | | | | | |
| 315 GS <50KW | \$ 1,011,735 | \$ 1,573,421 | (\$3,682) | \$ 17.21 | \$ 40,456 | \$ 97,532 | (\$10,026) | 148,435,962 | 0.000393 | \$ 58,335 | 0.000949 | \$ 140,866 |
| 316 GS >50KW | \$ 987,868 | \$ 646,208 | \$ 2,883 | \$ 165.38 | \$ 34,645 | \$ 83,524 | \$ 1,344 | 804,242 | 0.03478 | \$ 27,972 | 0.08385 | \$ 67,436 |
| 317 | | | \$ 0 | | | | | | | | | |
| 318 GS>1000kw | \$ 393,393 | \$ 586,503 | (\$1) | \$ 1,638.91 | \$ 14,292 | \$ 34,455 | \$ 3,997 | 473,483 | 0.05157 | \$ 24,416 | 0.12432 | \$ 58,863 |
| | \$ 8,545,628 | \$ 7,052,850 | (\$5,612) | | \$ 324,958 | \$ 783,479 | (\$29,639) | | | \$ 272,009 | | \$ 655,802 |
| | | | | | | \$ 1,108,437 | | | | | | \$ 927,811 |
| | | | | | | | | | | | | \$ 2,036,248 |

Thunder Bay Hydro
30-Apr-04

| | | | | | (E+G)/H*PILS Rate* 3/12 | (E+G)/H*PILS Rate* 3/12 | 2004 Load Stats -Billed per Revenue Reports | | Used Billed Consumption as Calculated Below versus simply 25% of annual | | |
|---------------------|-------------------------------|------------------------------------|----------------------------------------|------------------------------|----------------------------|----------------------------|------------------------------------------------------|----------------------------|----------------------------------------------------------------------------|--------------------|-----------------------|
| | Fixed Distribution 2004 | Volumetric Distribution 2004 | Unbilled Customer Charge 2004 | Monthly Service Charge | 2001 PILS Recovery | 2003 PILS Recovery | Volumetric kwh or kw | PILS Volumetric Rate | 2001 PILS Recovery | Volumetric Rate | 2003 PILS Recovery |
| 311 Residential | \$ 5,693,343 | \$ 3,853,309 | \$30,530 | \$ 10.88 | \$ 54,825 | \$ 132,189 | 354,174,194 | 0.000420 | \$ 48,936 | 0.001012 | \$ 117,913 |
| 312 Large User | \$ 410,271 | \$ 122,097 | \$0 | \$ 11,396.42 | \$ 3,923 | \$ 9,459 | 139,820 | 0.053614 | \$ 1,875 | 0.129257 | \$ 4,522 |
| 313 Street Lighting | \$ 26,189 | \$ 18,147 | \$5 | \$ 1.46 | \$ 263 | \$ 633 | 30,346 | 0.180200 | \$ 1,366 | 0.434439 | \$ 3,293 |
| 314 Sen Lighting | \$ - | | | | | | | | | | \$ - |
| 315 GS <50KW | \$ 1,010,871 | \$ 1,540,987 | \$4,681 | \$ 17.21 | \$ 10,189 | \$ 24,564 | 148,645,389 | 0.000393 | \$ 16,920 | 0.000949 | \$ 40,857 |
| 316 GS >50KW | \$ 930,891 | \$ 515,047 | (\$6,318) | \$ 165.38 | \$ 8,083 | \$ 19,486 | 756,448 | 0.03478 | \$ 7,183 | 0.08385 | \$ 17,317 |
| 317 | | | | | | | | | | | \$ - |
| 318 GS>1000kw | \$ 393,338 | \$ 316,299 | \$0 | \$ 1,638.91 | \$ 3,572 | \$ 8,613 | 510,661 | 0.05157 | \$ 5,852 | 0.12432 | \$ 14,109 |
| | <u>\$ 8,464,903</u> | <u>\$ 6,365,886</u> | <u>\$28,898</u> | | <u>\$ 80,856</u> | <u>\$ 194,944</u> | | | <u>\$ 82,133</u> | | <u>\$ 198,011</u> |
| | | | | | | \$ 275,800 | | | | | \$ 280,143 |
| | | | | | | | | | | | <u>\$ 555,943</u> |

| Residential | |
|------------------------------------------------------|--------------------|
| January to March per our analysis (annual * 3/12) | 88,543,548 |
| Billed Consumption January-March 31st per Load Stats | 112,427,415 |
| Less Unbilled December 2003 - | 55,453,650 |
| Plus March 31st unbilled as per Query | 59,540,897 |
| Revised Consumption | 116,514,662 |

| Large User | |
|------------------------------------------------------|---------------|
| January to March per our analysis (annual * 3/12) | 34,955 |
| Billed Consumption January-March 31st per Load Stats | 36,656 |
| Less Unbilled December 2003 - | 14,102 |
| Plus March 31st unbilled estimated ** | 12,427 |
| Revised Consumption | 34,981 |

| Street Light | |
|------------------------------------------------------|--------------|
| January to March per our analysis (annual * 3/12) | 7,586 |
| Billed Consumption January-March 31st per Load Stats | 7,579 |
| Less Unbilled December 2003 - | 2,526 |
| Plus March 31st unbilled estimated ** | 2,527 |
| Revised Consumption | 7,580 |

| GS<50KW | |
|-------------------|--|
| 37,161,347 | |
| 43,238,890 | |
| - 14,759,461 | |
| 14,573,270 | |
| 43,052,699 | |

| GS>50KW | |
|----------------|--|
| 189,112 | |
| 210,719 | |
| - 68,989 | |
| 64,793 | |
| 206,524 | |

| GS>1000KW | |
|----------------|--|
| 127,665 | |
| 121,749 | |
| - 45,595 | |
| 37,338 | |
| 113,491 | |

**Estimate assumes the subsequent month billed kw would approximate the unbilled

PILs TAXES - EB-2008-381

Version 2009.1

REGULATORY INFORMATION (REGINFO)

| | | |
|----------------------------------|-----------------|------|
| Utility Name: TBHEDI | Colour Code | |
| Reporting period: 2001 | Input Cell | |
| | Formula in Cell | |
| Days in reporting period: | 92 | days |
| Total days in the calendar year: | 365 | days |

BACKGROUND

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------|------------|
| Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)? | Y/N | Y |
| Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs? | Y/N | N |
| Is the utility a non-profit corporation? (If it is a non-profit corporation, please contact the Rates Manager at the OEB) | Y/N | |
| Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? | OCT Y/N | N |
| | LCT Y/N | N |
| Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet. | OCT | 100% |
| | LCT | 100% |
| Accounting Year End | Date | 12-31-2001 |

| | |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------|
| MARR NO TAX CALCULATIONS SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS) USE BOARD-APPROVED AMOUNTS | Regulatory Income |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------|

| | | |
|----------------------------------------------------------------------------------------------------------------|------------|---------|
| Rate Base (wires-only) | 66,420,856 | |
| Common Equity Ratio (CER) | 50.00% | |
| 1-CER | 50.00% | |
| Target Return On Equity | 1.31% | |
| Debt rate | 1.31% | |
| Market Adjusted Revenue Requirement | 870,113 | |
| 1999 return from RUD Sheet #7 | 868,952 | 868,952 |
| Total Incremental revenue | 1,161 | |
| Input: Board-approved dollar amounts phased-in | | |
| Amount allowed in 2001 | 0 | 0 |
| Amount allowed in 2002 | 774 | 0 |
| Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board) | 387 | 0 |
| Amount allowed in 2005 - Third tranche of MARR re: CDM | | 0 |
| Other Board-approved changes to MARR or incremental revenue | | 0 |
| Total Regulatory Income | | 868,952 |
| Equity | 33,210,428 | |
| Return at target ROE | 435,057 | |
| Debt | 33,210,428 | |
| Deemed interest amount in 100% of MARR | 435,057 | |
| Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61 | 434,476 | |
| Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61 | 434,863 | |
| Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210) | 434,863 | |
| Phase-in of interest - 2005 | 435,057 | |

| PILs TAXES - EB-2008-381 PILs DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) (*Wires-only" business - see Tab TAXREC) Utility Name: TBHEDI Reporting period: 2001 Days in reporting period: Total days in the calendar year: \$ II) CORPORATE INCOME TAXES Regulatory Net Income REGINFO E53 BOOK TO TAX ADJUSTMENTS Additions: Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year Reserves from financial statements - end of year Regulatory Adjustments - increase in income Other Additions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3" Deductions: Input positive numbers Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred Tax reserves - end of year Reserves from financial statements - beginning of year Contributions to deferred income plans Contributions to pension plans Interest capitalized for accounting but deducted for tax Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3" TAXABLE INCOME/ (LOSS) BLENDED INCOME TAX RATE Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 REGULATORY INCOME TAX Miscellaneous Tax Credits Total Regulatory Income Tax III) CAPITAL TAXES Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment -- MUST AGREE WITH 2001 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I204) Tax reserves claimed in current year Reserves from F/S beginning of year Contributions to deferred income plans Contributions to pension plans Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2 Total TRUE-UPS before tax effect Income Tax Rate (excluding surtax) from 2001 Utility's tax return Income Tax Effect on True-up adjustments Less: Miscellaneous Tax Credits Total Income Tax on True-ups Income Tax Rate used for gross-up (exclude surtax) TRUE-UP VARIANCE ADJUSTMENT | ITEM | Initial Estimate | M of F Filing Variance G-C | M of F Filing Variance Explanation | Tax Returns Version 2009.1 Column Brought From TAXREC \$ | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------|-------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------|--|
| 0 | | | | | | |
| 1 | | 217,238 | -1,511,260 | | -1,294,022 | |
| 2 | | 945,489 | 76,384 | | 1,021,873 | |
| 3 | | | 61,511 | | 61,511 | |
| 4 | | | 0 | | 0 | |
| 4 | | | 0 | | 0 | |
| 5 | | | 0 | | 0 | |
| 6 | | | 0 | | 0 | |
| 6 | | | 0 | | 0 | |
| 6 | | | 0 | | 0 | |
| 6 | | | 0 | | 0 | |
| | | | 0 | | 0 | |
| 7 | | 322,055 | 103,197 | | 425,252 | |
| 8 | | | 0 | | 0 | |
| 9 | | 0 | 0 | | 0 | |
| 10 | | 0 | 0 | | 0 | |
| 11 | | 108,619 | 530,162 | | 638,781 | |
| 4 | | | 0 | | 0 | |
| 4 | | | 0 | | 0 | |
| 3 | | | 0 | | 0 | |
| 3 | | | 0 | | 0 | |
| 11 | | | 0 | | 0 | |
| 12 | | | 0 | | 0 | |
| 12 | | | 0 | | 0 | |
| 12 | | | 0 | | 0 | |
| 12 | | | 0 | | 0 | |
| | | | 0 | | 0 | |
| | | | 0 | | 0 | |
| | | 732,053 | -2,006,724 | Before loss C/F | -1,274,671 | |
| 13 | | 40.62% | -40.6200% | | 0.00% | |
| | | 297,360 | -297,360 | Actual | 0 | |
| 14 | | | 0 | Actual | 0 | |
| | | 297,360 | -297,360 | Actual | 0 | |
| 15 | | 66,420,856 | 14,596,876 | | 81,017,732 | |
| 16 | | 5,000,000 | 0 | | 5,000,000 | |
| | | 61,420,856 | 14,596,876 | | 76,017,732 | |
| 17 | | 0.3000% | 0.0000% | | 0.3000% | |
| | | 46,066 | 11,416 | | 57,482 | |
| 18 | | 66,420,856 | 14,596,876 | | 81,017,732 | |
| 19 | | 10,000,000 | 0 | | 10,000,000 | |
| | | 56,420,856 | 14,596,876 | | 71,017,732 | |
| 20 | | 0.2250% | 0.0000% | | 0.2250% | |
| 21 | | 31,737 | 8,539 | | 40,276 | |
| | | 8,199 | -8,199 | | 0 | |
| | | 23,538 | 16,738 | | 40,276 | |
| 22 | | 491,504 | | | 0 | |
| 23 | | 38,905 | | | 40,275 | |
| 24 | | 46,066 | | | 57,481 | |
| 25 | | 576,475 | | | 97,756 | |
| 3 | | | 61,511 | | | |
| 4 | | | 0 | | | |
| 4 | | | 0 | | | |
| 5 | | | 0 | | | |
| 6 | | | 0 | | | |
| 6 | | | 0 | | | |
| 8 | | | 0 | | | |
| 9 | | | 0 | | | |
| 10 | | | 0 | | | |
| 11 | | | 203,724 | | | |
| 4 | | | 0 | | | |
| 4 | | | 0 | | | |
| 3 | | | 0 | | | |
| 3 | | | 0 | | | |
| 12 | | | 0 | | | |
| 12 | | | 0 | | | |
| 26 | | = | -142,213 | | | |
| | | x | 40.62% | | | |
| | | = | -57,767 | | | |
| 14 | | | 0 | | | |
| | | | -57,767 | | | |
| | | | 39.50% | | | |
| | | | -95,483 | | | |

| | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|---|-------------------------------------|---------------------------------------------|-------------------------------------------|--|
| <div><div>PILs TAXES - EB-2008-381</div><div>PILs DEFERRAL AND VARIANCE ACCOUNTS</div><div>TAX CALCULATIONS (TAXCALC)</div><div>("Wires-only" business - see Tab TAXREC)</div><div>Utility Name: TBHEDI</div><div>Reporting period: 2001</div><div>Days in reporting period: 92 days</div><div>Total days in the calendar year: 365 days</div></div> | 0 | | | M of F Filing Variance G-C | M of F Filing Variance Explanation | Tax Returns Version 2009.1 | |
| | | | | | | Column Brought From TAXREC \$ | |
| | | \$ | | \$ | | | |
| IV b) Calculation of the Deferral Account Variance caused by changes in legislation | | | | | | | |
| REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column) | | | = | 732,053 | | | |
| REVISED CORPORATE INCOME TAX RATE | | | x | 40.62% | | | |
| REVISED REGULATORY INCOME TAX | | | = | 297,360 | | | |
| Less: Revised Miscellaneous Tax Credits | | | - | 0 | | | |
| Total Revised Regulatory Income Tax | | | = | 297,360 | | | |
| Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60) | | | - | 297,360 | | | |
| Regulatory Income Tax Variance | | | = | 0 | | | |
| <u>Ontario Capital Tax</u> | | | | | | | |
| Base | | | = | 66,420,856 | | | |
| Less: Exemption from tab Tax Rates, Table 2, cell C39 | | | - | 5,000,000 | | | |
| Revised deemed taxable capital | | | = | 61,420,856 | | | |
| Rate - Tab Tax Rates cell C54 | | | x | 0.3000% | | | |
| Revised Ontario Capital Tax | | | = | 46,444 | | | |
| Less: Ontario Capital Tax reported in the initial estimate column (Cell C72) | | | - | 46,066 | | | |
| Regulatory Ontario Capital Tax Variance | | | = | 378 | | | |
| <u>Federal LCT</u> | | | | | | | |
| Base | | | = | 66,420,856 | | | |
| Less: Exemption from tab Tax Rates, Table 2, cell C40 | | | - | 10,000,000 | | | |
| Revised Federal LCT | | | = | 56,420,856 | | | |
| Rate (as a result of legislative changes) tab 'Tax Rates' cell C51 | | | | 0.2250% | | | |
| Gross Amount | | | | 31,998 | | | |
| Less: Federal surtax | | | - | 8,199 | | | |
| Revised Net LCT | | | = | 23,799 | | | |
| Less: Federal LCT reported in the initial estimate column (Cell C84) | | | - | 23,538 | | | |
| Regulatory Federal LCT Variance | | | = | 261 | | | |
| Actual Income Tax Rate used for gross-up (exclude surtax) | | | | 39.50% | | | |
| Income Tax (grossed-up) | | | + | 0 | | | |
| LCT (grossed-up) | | | + | 431 | | | |
| Ontario Capital Tax | | | + | 378 | | | |
| DEFERRAL ACCOUNT VARIANCE ADJUSTMENT | | | = | 809 | | | |
| TRUE-UP VARIANCE (from cell I132) | | | + | -95,483 | | | |
| Total Deferral Account Entry (Positive Entry = Debit) | | | = | -94,673 | | | |
| (Deferral Account Variance + True-up Variance) | | | | | | | |
| V) INTEREST PORTION OF TRUE-UP | | | | | | | |
| <u>Variance Caused By Phase-in of Deemed Debt</u> | | | | | | | |
| Total deemed interest (REGINFO) | | | | 435,057 | | | |
| Interest phased-in (Cell C37) | | | | 434,476 | | | |
| Variance due to phase-in of debt component of MARR in rates according to the Board's decision | | | | 581 | | | |
| Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook) | | | | | | | |
| Interest deducted on MoF filing (Cell G36+G41) | | | | 638,781 | | | |
| Total deemed interest (REGINFO CELL D61) | | | | 435,057 | | | |
| Variance caused by excess debt | | | | 203,724 | | | |
| Interest Adjustment for Tax Purposes (carry forward to Cell I112) | | | | 203,724 | | | |
| Total Interest Variance | | | | -203,144 | | | |

PILs TAXES - EB-2008-381
TAX RETURN RECONCILIATION (TAXREC)
(for "wires-only" business - see s. 72 OEB Act)

| LINE | M of F Corporate Tax Return | Non-wires Eliminations | Wires-only Tax Return |
|------|--------------------------------------|---------------------------|-----------------------------|
| 0 | | | |

Version 2009.1

Section A: Identification:

Utility Name: TBHEDI

Reporting period: 2001

Taxation Year's start date:

Taxation Year's end date:

Number of days in taxation year: 92 days

Please enter the Materiality Level :

(0.25% x Rate Base x CER)

(0.25% x Net Assets)

Or other measure (please provide the basis of the amount)

Does the utility carry on non-wires related operation?

(Please complete the questionnaire in the Background questionnaire worksheet.)

Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K

Section B: Financial statements data:

Input unconsolidated financial statement data submitted with Tax returns.

The actual categories of the income statements should be used.

If required please change the descriptions except for amortization, interest expense and provision for income tax

Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.

Income:

| | | | | |
|----------------------|---|------------|---------|------------|
| Energy Sales | + | | | 0 |
| Distribution Revenue | + | 23,034,548 | | 23,034,548 |
| Other Income | + | | | 0 |
| Miscellaneous income | + | 465,370 | 119,311 | 346,059 |
| | + | | | 0 |

Revenue should be entered above this line

Costs and Expenses:

| | | | | |
|---------------------------------|---|------------|--------|------------|
| Cost of energy purchased | - | 21,327,461 | | 21,327,461 |
| Administration | - | 1,036,920 | 42,805 | 994,115 |
| Customer billing and collecting | - | | | 0 |
| Operations and maintenance | - | 1,473,700 | 1,856 | 1,471,844 |
| Amortization | - | 900,927 | 55,718 | 845,209 |
| Ontario Capital Tax | - | | | 0 |
| Federal LCT | - | 36,000 | | 36,000 |
| | - | | | 0 |
| | - | | | 0 |
| | - | | | 0 |

Net Income Before Interest & Income Taxes EBIT

Less: Interest expense for accounting purposes

Provision for payments in lieu of income taxes

Net Income (loss)

(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.)

Section C: Reconciliation of accounting income to taxable income

From T2 Schedule 1

BOOK TO TAX ADDITIONS:

| | | | | |
|-------------------------------------------------------------|---|-----------|--------|-----------|
| Provision for income tax | + | 0 | 0 | 0 |
| Federal large corporation tax | + | 36,000 | | 36,000 |
| Depreciation & Amortization | + | 1,077,591 | 55,718 | 1,021,873 |
| Employee benefit plans-accrued, not paid | + | 61,511 | 0 | 61,511 |
| Tax reserves - beginning of year | + | 0 | 0 | 0 |
| Reserves from financial statements- end of year | + | 0 | 0 | 0 |
| Regulatory adjustments on which true-up may apply (see A66) | + | | | 0 |
| Items on which true-up does not apply "TAXREC 3" | | 0 | 0 | 0 |
| Material addition items from TAXREC 2 | + | 0 | 0 | 0 |
| Other addition items (not Material) from TAXREC 2 | + | 0 | 0 | 0 |
| | | | | |
| Subtotal | | 1,175,102 | 55,718 | 1,119,384 |

Other Additions: (Please explain the nature of the additions)

| | | | | |
|------------------------------------------------|---|---|---|---|
| Recapture of CCA | + | | | 0 |
| Non-deductible meals and entertainment expense | + | | | 0 |
| Capital items expensed | + | | | 0 |
| | + | | | 0 |
| | + | | | 0 |
| | + | | | 0 |
| | + | | | 0 |
| | + | | | 0 |
| Total Other Additions | = | 0 | 0 | 0 |

Total Additions

= 1,175,102 55,718 1,119,384

PILs TAXES - EB-2008-381
TAX RETURN RECONCILIATION (TAXREC)
(for "wires-only" business - see s. 72 OEB Act)

| | LINE | M of F Corporate Tax Return | Non-wires Eliminations | Wires-only Tax Return |
|----------------------------------------------------------------|------|--------------------------------------|---------------------------|-----------------------------|
| | 0 | | | |
| Version 2009.1 | | | | |
| Recap Material Additions: | | | | |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| Total Other additions >materiality level | | 0 | 0 | 0 |
| Other additions (less than materiality level) | | 0 | 0 | 0 |
| Total Other Additions | | 0 | 0 | 0 |
| BOOK TO TAX DEDUCTIONS: | | | | |
| Capital cost allowance | - | 440,283 | 17,281 | 423,002 |
| Cumulative eligible capital deduction | - | 2,250 | | 2,250 |
| Employee benefit plans-paid amounts | - | | | 0 |
| Items capitalized for regulatory purposes | - | | | 0 |
| Regulatory adjustments : | - | | | 0 |
| CCA | - | | | 0 |
| other deductions | - | | | 0 |
| Tax reserves - end of year | - | 0 | 0 | 0 |
| Reserves from financial statements- beginning of year | - | 0 | 0 | 0 |
| Contributions to deferred income plans | - | | | 0 |
| Contributions to pension plans | - | | | 0 |
| Items on which true-up does not apply "TAXREC 3" | - | 0 | 0 | 0 |
| Interest capitalized for accounting deducted for tax | - | | | 0 |
| Material deduction items from TAXREC 2 | - | 0 | 0 | 0 |
| Other deduction items (not Material) from TAXREC 2 | - | 0 | 0 | 0 |
| | | | | |
| Subtotal | = | 442,533 | 17,281 | 425,252 |
| Other deductions (Please explain the nature of the deductions) | | | | |
| Charitable donations - tax basis | - | | | 0 |
| Gain on disposal of assets | - | | | 0 |
| Amortization of eligible capital expenditures | - | 0 | | 0 |
| | - | | | 0 |
| | - | | | 0 |
| Total Other Deductions | = | 0 | 0 | 0 |
| | | | | |
| Total Deductions | = | 442,533 | 17,281 | 425,252 |
| Recap Material Deductions: | | | | |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| Total Other Deductions exceed materiality level | | 0 | 0 | 0 |
| Other Deductions less than materiality level | | 0 | 0 | 0 |
| Total Other Deductions | | 0 | 0 | 0 |
| TAXABLE INCOME | | | | |
| | = | -1,181,302 | 57,369 | -1,238,671 |
| DEDUCT: | | | | |
| Non-capital loss applied | - | | | 0 |
| Net capital loss applied | - | | | 0 |
| | | | | 0 |
| NET TAXABLE INCOME | = | -1,181,302 | 57,369 | -1,238,671 |
| FROM ACTUAL TAX RETURNS | | | | |
| Net Federal Income Tax (Must agree with tax return) | + | 0 | | 0 |
| Net Ontario Income Tax (Must agree with tax return) | + | 0 | | 0 |
| Subtotal | = | 0 | 0 | 0 |
| Less: Miscellaneous tax credits (Must agree with tax returns) | - | 0 | | 0 |
| Total Income Tax | = | 0 | 0 | 0 |
| FROM ACTUAL TAX RETURNS | | | | |
| Net Federal Income Tax Rate (Must agree with tax return) | | 0.00% | | 0.00% |
| Net Ontario Income Tax Rate (Must agree with tax return) | | 0.00% | | 0.00% |
| Blended Income Tax Rate | | 0.00% | | 0.00% |
| Section F: Income and Capital Taxes | | | | |
| RECAP FROM ABOVE: | | | | |
| Total Income Taxes | + | 0 | 0 | 0 |
| Ontario Capital Tax | + | 58,484 | -1,003 | 57,481 |
| Federal Large Corporations Tax | + | 41,027 | -752 | 40,275 |
| | | | | |
| Total income and capital taxes | = | 99,511 | -1,755 | 97,756 |

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------------|---------------------------|-----------------------------|
| PILs TAXES - EB-2008-381 Tax and Accounting Reserves For MoF Column of TAXCALC (for "wires-only" business - see s. 72 OEB Act) | LINE | M of F Corporate Tax Return | Non-wires Eliminations | Wires-only Tax Return |
| | 0 | | | Version 2009.1 |

Utility Name: TBHEDI
Reporting period: 2001

TAX RESERVES

| | | | | |
|-----------------------------------------------|--|---|---|---|
| Beginning of Year: | | | | |
| | | | | 0 |
| Reserve for doubtful accounts ss. 20(1)(l) | | | | 0 |
| Reserve for goods & services ss.20(1)(m) | | | | 0 |
| Reserve for unpaid amounts ss.20(1)(n) | | | | 0 |
| Debt and share issue expenses ss.20(1)(e) | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

| | | | | |
|-----------------------------------------------|--|---|---|---|
| End of Year: | | | | |
| | | | | 0 |
| Reserve for doubtful accounts ss. 20(1)(l) | | | | 0 |
| Reserve for goods & services ss.20(1)(m) | | | | 0 |
| Reserve for unpaid amounts ss.20(1)(n) | | | | 0 |
| Debt and share issue expenses ss.20(1)(e) | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| Insert line above this line | | | | |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

FINANCIAL STATEMENT RESERVES

| | | | | |
|-----------------------------------------------|--|---|---|---|
| Beginning of Year: | | | | |
| | | | | 0 |
| | | | | 0 |
| Environmental | | | | 0 |
| Allowance for doubtful accounts | | | | 0 |
| Inventory obsolescence | | | | 0 |
| Property taxes | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

| | | | | |
|-----------------------------------------------|--|---|---|---|
| End of Year: | | | | |
| | | | | 0 |
| | | | | 0 |
| Environmental | | | | 0 |
| Allowance for doubtful accounts | | | | 0 |
| Inventory obsolescence | | | | 0 |
| Property taxes | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| Insert line above this line | | | | |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

PILs TAXES - EB-2008-381

TAX RETURN RECONCILIATION (TAXREC 2)

(for "wires-only" business - see s. 72 OEB Act)

RATEPAYERS ONLY

Shareholder-only Items should be shown on TAXREC 3

LINE

M of F
Corporate
Tax
Return

Non-wires Eliminations

Wires-only Tax Return

Version 2009.1

Utility Name: TBHEDI

Reporting period: 2001

Number of days in taxation year:

Materiality Level:

92

C

Section C: Reconciliation of accounting income to taxable income

Add:

Gain on sale of eligible capital property

Loss on disposal of assets

Charitable donations (Only if it benefits ratepayers)

Taxable capital gains

Scientific research expenditures deducted

per financial statements

Capitalized interest

Soft costs on construction and renovation of buildings

Capital items expensed

Debt issue expense

Financing fees deducted in books

Gain on settlement of debt

Interest paid on income debentures

Recapture of SR&ED expenditures

Share issue expense

Write down of capital property

Amounts received in respect of qualifying environment trust

Other Additions: (please explain in detail the nature of the item)

Total Additions

Recap of Material Additions:

| | | | | |
|---------------------------------------------|--|---|---|---|
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
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| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| Total Material additions | | 0 | 0 | 0 |
| Other additions less than materiality level | | 0 | 0 | 0 |
| Total Additions | | 0 | 0 | 0 |

PILs TAXES - EB-2008-381**TAX RETURN RECONCILIATION (TAXREC 3)**

Shareholder-only Items should be shown on TAXREC 3
ITEMS ON WHICH TRUE-UP DOES NOT APPLY

(for "wires-only" business - see s. 72 OEB Act)

Utility Name: TBHEDI

Reporting period: 2001

Number of days in taxation year:

92

Section C: Reconciliation of accounting income to taxable income

Add:

| | | | | |
|---------------------------------------------------------------------------|---|---|---|---|
| Recapture of capital cost allowance | + | | | 0 |
| CCA adjustments | + | | | 0 |
| CEC adjustments | + | | | 0 |
| Gain on sale of non-utility eligible capital property | + | | | 0 |
| Gain on sale of utility eligible capital property | + | | | 0 |
| Loss from joint ventures or partnerships | + | | | 0 |
| Deemed dividend income | + | | | 0 |
| Loss in equity of subsidiaries and affiliates | + | | | 0 |
| Loss on disposal of utility assets | + | | | 0 |
| Loss on disposal of non-utility assets | + | | | 0 |
| Depreciation in inventory -end of year | + | | | 0 |
| Depreciation and amortization adjustments | + | | | 0 |
| Dividends credited to investment account | + | | | 0 |
| Non-deductible meals | + | | | 0 |
| Non-deductible club dues | + | | | 0 |
| Non-deductible automobile costs | + | | | 0 |
| Donations - amount per books | + | | | |
| Interest and penalties on unpaid taxes | + | | | |
| Management bonuses unpaid after 180 days of year end | + | | | |
| Ontario Capital Tax per books | + | | | |
| | + | | | 0 |
| Changes in Regulatory Asset balances | + | | | 0 |
| Imputed interest expense on Regulatory Assets | + | | | 0 |
| | + | | | 0 |
| <i>Other Additions: (please explain in detail the nature of the item)</i> | + | | | 0 |
| Capital contributions - s.12(1)(x) | + | | | 0 |
| | + | | | 0 |
| | + | | | |
| Total Additions on which true-up does not apply | = | 0 | 0 | 0 |

Deduct:

| | | | |
|----------------------------------------------------------------------------|---|---|---|
| CCA adjustments | - | | 0 |
| CEC adjustments | - | | 0 |
| Depreciation and amortization adjustments | - | | 0 |
| Gain on disposal of assets per financial statements | - | | 0 |
| Financing fee amortization - considered to be interest expense for PILs | - | | 0 |
| Imputed interest income on Regulatory Assets | - | | 0 |
| Donations - amount deductible for tax purposes | - | | 0 |
| Income from joint ventures or partnerships | - | | 0 |
| | - | | 0 |
| Ontario Capital Tax per tax return | - | | 0 |
| | - | | 0 |
| Changes in Regulatory Asset balances | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| <i>Other deductions: (Please explain in detail the nature of the item)</i> | - | | 0 |
| Capital contributions s.13(7.4) Election | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| Total Deductions on which true-up does not apply | = | 0 | 0 |

PILs TAXES - EB-2008-381
Corporate Tax Rates
Exemptions, Deductions, or Thresholds
Utility Name: TBHEDI
Reporting period: 2001

Version 2009.1

Table 1

| Rates Used in 2002 RAM PILs Applications for 2001 Q4 | | | | | |
|------------------------------------------------------|---------------|-------------------|--|-------------------------|----------|
| Income Range RAM 2002 | Year | 0 to 50,000 | | 50,000 to 175,000 | >175,000 |
| Income Tax Rate | | | | | |
| Proxy Tax Year | 2002 | | | | |
| Federal (Includes surtax) | | 13.12% | | 28.12% | 28.12% |
| and Ontario blended | | 6.00% | | 6.00% | 12.50% |
| Blended rate | | 19.12% | | 34.12% | 40.62% |
| | | | | | |
| Capital Tax Rate | | 0.300% | | | |
| LCT rate | | 0.225% | | | |
| Surtax | | 1.12% | | | |
| Ontario Capital Tax Exemption ** | MAX \$5MM | 5,000,000 | | | |
| Federal Large Corporations Tax Exemption ** | MAX \$10MM | 10,000,000 | | | |

**Exemption amounts must agree with the Board-approved 2001 RAM PILs filing

Table 2

| Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001 | | | | | |
|------------------------------------------------------------------------|---------------|-------------------|--|-------------------------|----------|
| Income Range Expected Rates | Year | 0 to 50,000 | | 50,000 to 175,000 | >175,000 |
| Income Tax Rate | | | | | |
| Current year | 2001 | | | | |
| Federal (Includes surtax) | 2001 | 13.12% | | 28.12% | 28.12% |
| Ontario | 2001 | 6.00% | | 6.00% | 12.50% |
| Blended rate | 2001 | 19.12% | | 34.12% | 40.62% |
| | | | | | |
| Capital Tax Rate | 2001 | 0.300% | | | |
| LCT rate | 2001 | 0.225% | | | |
| Surtax | 2001 | 1.12% | | | |
| Ontario Capital Tax Exemption *** 2001 | MAX \$5MM | 5,000,000 | | | |
| Federal Large Corporations Tax Exemption *** 2001 | MAX \$10MM | 10,000,000 | | | |

***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.

Table 3

| Input Information from Utility's Actual 2001 Tax Returns | | | | | |
|----------------------------------------------------------|---------------|-------------------|--|-------------------------|----------|
| Income Range | Year | 0 to 50,000 | | 50,000 to 175,000 | >175,000 |
| Income Tax Rate | | | | | |
| Current year | 2001 | | | | |
| Federal (Includes surtax) | | 13.12% | | 22.12% | 28.12% |
| Ontario | | 6.00% | | 9.75% | 12.50% |
| Blended rate | | 19.12% | | 31.87% | 40.62% |
| | | | | | |
| Capital Tax Rate | | 0.300% | | | |
| LCT rate | | 0.225% | | | |
| Surtax | | 1.12% | | | |
| Ontario Capital Tax Exemption * | MAX \$5MM | 5,000,000 | | | |
| Federal Large Corporations Tax Exemption * | MAX \$10MM | 10,000,000 | | | |

* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

TAXCALC 2003

| PILs TAXES - EB-2008-381 PILs DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC) | ITEM | Initial Estimate | M of F Filing Variance G-C | M of F Filing Variance Explanation | Tax Returns |
|-------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|----------------------------|------------------------------------|----------------------------|
| Utility Name: TBHEDI Reporting period: 2001 | 0 | | | | Version 2009.1 |
| Days in reporting period: | 92 | days | | | Column Brought From TAXREC |
| Total days in the calendar year: | 365 | days | | | |
| | | | \$ | \$ | |
| IV b) Calculation of the Deferral Account Variance caused by changes in legislation | | | | | |
| REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column) | | | = | 732,053 | |
| REVISED CORPORATE INCOME TAX RATE | | | x | 40.62% | |
| REVISED REGULATORY INCOME TAX | | | = | 297,360 | |
| Less: Revised Miscellaneous Tax Credits | | | - | 0 | |
| Total Revised Regulatory Income Tax | | | = | 297,360 | |
| Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60) | | | - | 297,360 | |
| Regulatory Income Tax Variance | | | = | 0 | |
| Ontario Capital Tax | | | | | |
| Base | | | = | 66,420,856 | |
| Less: Exemption from tab Tax Rates, Table 2, cell C39 | | | - | 5,000,000 | |
| Revised deemed taxable capital | | | = | 61,420,856 | |
| Rate - Tab Tax Rates cell C54 | | | x | 0.3000% | |
| Revised Ontario Capital Tax | | | = | 46,444 | |
| Less: Ontario Capital Tax reported in the initial estimate column (Cell C72) | | | - | 46,066 | |
| Regulatory Ontario Capital Tax Variance | | | = | 378 | |
| Federal LCT | | | | | |
| Base | | | = | 66,420,856 | |
| Less: Exemption from tab Tax Rates, Table 2, cell C40 | | | - | 10,000,000 | |
| Revised Federal LCT | | | = | 56,420,856 | |
| Rate (as a result of legislative changes) tab 'Tax Rates' cell C51 | | | = | 0.2250% | |
| Gross Amount | | | = | 31,998 | |
| Less: Federal surtax | | | - | 8,199 | |
| Revised Net LCT | | | = | 23,799 | |
| Less: Federal LCT reported in the initial estimate column (Cell C84) | | | = | 23,538 | |
| Regulatory Federal LCT Variance | | | = | 261 | |
| Actual Income Tax Rate used for gross-up (exclude surtax) | | | = | 18.00% | |
| Income Tax (grossed-up) | | | + | 0 | |
| LCT (grossed-up) | | | + | 318 | |
| Ontario Capital Tax | | | + | 378 | |
| DEFERRAL ACCOUNT VARIANCE ADJUSTMENT | | | = | 696 | |
| TRUE-UP VARIANCE (from cell I132) | | | + | -42,311 | |
| Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance) | | | = | -41,615 | |
| V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt | | | | | |
| Total deemed interest (REGINFO) | | | | 435,057 | |
| Interest phased-in (Cell C37) | | | | 434,476 | 25% for Q4 2001 |
| Variance due to phase-in of debt component of MARR in rates according to the Board's decision | | | | 581 | |
| Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook) | | | | | |
| Interest deducted on MoF filing (Cell G36+G41) | | | | 638,781 | |
| Total deemed interest (REGINFO CELL D61) | | | | 435,057 | |
| Variance caused by excess debt | | | | 203,724 | |
| Interest Adjustment for Tax Purposes (carry forward to Cell I112) | | | | 203,724 | |
| Total Interest Variance | | | | -203,144 | |

Table 1

Rates Used in 2002 RAM PILs Applications for 2001 Q4

| Income Range RAM 2002 | Year | 0 to 50,000 | | 50,000 to 175,000 | >175,000 |
|---------------------------------------------------|---------------|-------------------|--|-------------------------|----------|
| Income Tax Rate | | | | | |
| Proxy Tax Year | 2002 | | | | |
| Federal (Includes surtax) | | 13.12% | | 28.12% | 28.12% |
| and Ontario blended | | 6.00% | | 6.00% | 12.50% |
| Blended rate | | 19.12% | | 34.12% | 40.62% |
| | | | | | |
| Capital Tax Rate | | 0.300% | | | |
| LCT rate | | 0.225% | | | |
| Surtax | | 1.12% | | | |
| Ontario Capital Tax Exemption ** | MAX \$5MM | 5,000,000 | | | |
| Federal Large Corporations Tax Exemption ** | MAX \$10MM | 10,000,000 | | | |

**Exemption amounts must agree with the Board-approved 2001
RAM PILs filing

Table 2

Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002

| Income Range Expected Rates | Year | 0 to 50,000 | | 50,000 to 175,000 | >175,000 |
|---------------------------------------------------------|---------------|-------------------|--|-------------------------|----------|
| Income Tax Rate | | | | | |
| Current year | 2002 | | | | |
| Federal (Includes surtax) | 2002 | 13.12% | | 28.12% | 26.12% |
| Ontario | 2002 | 6.00% | | 6.00% | 12.50% |
| Blended rate | 2002 | 19.12% | | 34.12% | 38.62% |
| | | | | | |
| Capital Tax Rate | 2002 | 0.300% | | | |
| LCT rate | 2002 | 0.225% | | | |
| Surtax | 2002 | 1.12% | | | |
| Ontario Capital Tax Exemption *** 2001 | MAX \$5MM | 5,000,000 | | | |
| Federal Large Corporations Tax Exemption *** 2001 | MAX \$10MM | 10,000,000 | | | |

***Allocation of exemptions must comply with the Board's
instructions regarding regulated activities.

Table 3

Input Information from Utility's Actual 2001 Tax Returns

| Income Range | Year | 0 to 50,000 | | 50,000 to 175,000 | >175,000 |
|--------------------------------------------------|---------------|-------------------|--|-------------------------|----------|
| Income Tax Rate | | | | | |
| Current year | 2001 | | | | |
| Federal (Includes surtax) | | 13.12% | | 22.12% | 28.12% |
| Ontario | | 6.00% | | 9.75% | 12.50% |
| Blended rate | | 19.12% | | 31.87% | 40.62% |
| | | | | | |
| Capital Tax Rate | | 0.300% | | | |
| LCT rate | | 0.225% | | | |
| Surtax | | 1.12% | | | |
| Ontario Capital Tax Exemption * | MAX \$5MM | 5,000,000 | | | |
| Federal Large Corporations Tax Exemption * | MAX \$10MM | 10,000,000 | | | |

* Include copies of the actual tax return allocation calculations in
your submission: Ontario CT23 page 11; federal T2 Schedule 36

| | | | | | | | |
|------------------------------------------------------|------------|------------|------------|------------|------------|------------|-------|
| Year start: | 01/10/2001 | 01/01/2002 | 01/01/2003 | 01/01/2004 | 01/01/2005 | 01/01/2006 | |
| Year end: | 31/12/2001 | 31/12/2002 | 31/12/2003 | 31/12/2004 | 31/12/2005 | 30/04/2006 | Total |
| Opening balance: | = | | | | | | 0 |
| Board-approved PILs tax proxy from Decisions (1) | +/- | | | | | | 0 |
| PILs proxy from April 1, 2005 - input 9/12 of amount | | | | | | | 0 |
| True-up Variance Adjustment Q4, 2001 (2) | +/- | | | | | | 0 |
| True-up Variance Adjustment (3) | +/- | | | | | | 0 |
| Deferral Account Variance Adjustment Q4, 2001 (4) | | | | | | | 0 |
| Deferral Account Variance Adjustment (5) | +/- | | | | | | 0 |
| Adjustments to reported prior years' variances (6) | +/- | | | | | | 0 |
| Carrying charges (7) | +/- | | | | | | 0 |
| PILs billed to (collected from) customers (8) | - | | | | | | 0 |
| Ending balance: # 1562 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Uncollected PILs

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. **ANSWER:**

- (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.

(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.

(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.

(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.

(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.

(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (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.
- (7) Carrying charges are calculated on a simple interest basis.
- (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- (9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

APPENDIX G

Thunder Bay Hydro Electricity Distribution Inc.
OEB Application: IRM3
Application: EB 2011-0197
LDC License #: EB-2002-0529

PILs TAXES - EB-2008-0381
REGULATORY INFORMATION (REGINFO)
Utility Name: Thunder Bay Hydro Electricity Distribution Inc.
Reporting period: 2005

Version 2009.1

Days in reporting period:

365

days

Total days in the calendar year:

365

days

BACKGROUND

Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?

Y/N

Y

Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?

Y/N

N

Is the utility a non-profit corporation?
(If it is a non-profit corporation, please contact the Rates Manager at the OEB)

Y/N

N

Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?

OCT

Y/N

Y

LCT

Y/N

Y

Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.

OCT

100%

LCT

100%

Accounting Year End

Date

12-31-2005

MARR NO TAX CALCULATIONS
SHEET #7 FINAL RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)
USE BOARD-APPROVED AMOUNTS

Regulatory
Income

Rate Base (wires-only)

66,420,856

Common Equity Ratio (CER)

50.00%

1-CER

50.00%

Target Return On Equity

9.88%

Debt rate

7.25%

Market Adjusted Revenue Requirement

5,688,946

1999 return from RUD Sheet #7

868,952

868,952

Total Incremental revenue

4,819,994

Input: Board-approved dollar amounts phased-in

Amount allowed in 2001

387

387

Amount allowed in 2002

387

387

Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board)

0

0

Amount allowed in 2005 - Third tranche of MARR re: CDM

1,606,665

1,606,665

Other Board-approved changes to MARR or incremental revenue

219,098

219,098

CDM Expenses in 2005 Board Approved Regulatory Income

-450,665

Total Regulatory Income

2,244,824

Equity

33,210,428

Return at target ROE

3,281,190

Debt

33,210,428

Deemed interest amount in 100% of MARR

2,407,756

Phase-in of interest - Year 1 (2001)
((D43+D47)/D41)*D61

367,934

Phase-in of interest - Year 2 (2002)
((D43+D47+D48)/D41)*D61

368,098

Phase-in of interest - Year 3 (2003) and forward
((D43+D47+D48)/D41)*D61 (due to Bill 210)

368,098

Phase-in of interest - 2005

2,407,756

| | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|------------|------|------------|-----------------|----------------------------|
| <div><div>PILs TAXES - EB-2008-0381</div><div>PILs DEFERRAL AND VARIANCE ACCOUNTS</div><div>TAX CALCULATIONS (TAXCALC)</div><div>("Wires-only" business - see Tab TAXREC)</div><div>Utility Name: Thunder Bay Hydro Electricity Distribution Inc.</div><div>Reporting period: 2005</div><div>Days in reporting period:</div><div>Total days in the calendar year:</div></div> | 0 | | | | | |
| | | 365 | days | | | Column Brought From TAXREC |
| | | 365 | days | | | |
| | | | \$ | | \$ | \$ |
| <div><div>I) CORPORATE INCOME TAXES</div><div>Regulatory Net Income REGINFO E53</div><div>BOOK TO TAX ADJUSTMENTS</div><div>Additions:</div><div>Depreciation & Amortization</div><div>Employee Benefit Plans - Accrued, Not Paid</div><div>Tax reserves - beginning of year</div><div>Reserves from financial statements - end of year</div><div>Regulatory Adjustments - increase in income</div><div>Other Additions (See Tab entitled "TAXREC")</div><div>"Material" Items from "TAXREC" worksheet</div><div>Other Additions (not "Material") "TAXREC"</div><div>"Material" Items from "TAXREC 2" worksheet</div><div>Other Additions (not "Material") "TAXREC 2"</div><div>Items on which true-up does not apply "TAXREC 3"</div><div>Deductions: Input positive numbers</div><div>Capital Cost Allowance and CEC</div><div>Employee Benefit Plans - Paid Amounts</div><div>Items Capitalized for Regulatory Purposes</div><div>Regulatory Adjustments - deduction for tax purposes in Item 5</div><div>Interest Expense Deemed/ Incurred</div><div>Tax reserves - end of year</div><div>Reserves from financial statements - beginning of year</div><div>Contributions to deferred income plans</div><div>Contributions to pension plans</div><div>Interest capitalized for accounting but deducted for tax</div><div>Other Deductions (See Tab entitled "TAXREC")</div><div>"Material" Items from "TAXREC" worksheet</div><div>Other Deductions (not "Material") "TAXREC"</div><div>Material Items from "TAXREC 2" worksheet</div><div>Other Deductions (not "Material") "TAXREC 2"</div><div>Items on which true-up does not apply "TAXREC 3"</div><div>TAXABLE INCOME/ (LOSS)</div><div>BLENDENED INCOME TAX RATE</div><div>Tab Tax Rates - Regulatory from Table 1; Actual from Table 3</div><div>REGULATORY INCOME TAX</div><div>Miscellaneous Tax Credits</div><div>Total Regulatory Income Tax</div></div> | 1 | 2,244,824 | | 653,507 | | 2,898,331 |
| | | | | | | |
| | 2 | 3,781,955 | | 686,433 | | 4,468,388 |
| | 3 | | | 0 | | 0 |
| | 4 | | | 0 | | 0 |
| | 4 | | | 0 | | 0 |
| | 5 | | | 0 | | 0 |
| | | | | | | |
| | 6 | | | 28,481 | | 28,481 |
| | 6 | | | 0 | | 0 |
| | 6 | | | 175,144 | | 175,144 |
| | 6 | | | 0 | | 0 |
| | | | | 614,133 | | 614,133 |
| | | | | | | |
| | 7 | 2,546,107 | | 1,079,586 | | 3,625,693 |
| | 8 | | | 61,271 | | 61,271 |
| | 9 | | | 0 | | 0 |
| | 10 | | | 0 | | 0 |
| | 11 | 1,047,766 | | -1,045,812 | | 1,954 |
| | 4 | | | 0 | | 0 |
| | 4 | | | 0 | | 0 |
| | 3 | | | 0 | | 0 |
| | 3 | | | 0 | | 0 |
| | 11 | | | 0 | | 0 |
| | | | | | | |
| | 12 | | | 4,700 | | 4,700 |
| | 12 | | | 0 | | 0 |
| | 12 | | | 0 | | 0 |
| | 12 | | | 0 | | 0 |
| | | | | 1,046,461 | | 1,046,461 |
| | | | | | | |
| | | 2,432,906 | | 1,011,492 | Before loss C/F | 3,444,398 |
| | | | | | | |
| | 13 | 36.12% | | 0.0000% | | 36.12% |
| | | | | | | |
| | | 878,766 | | 365,350 | Actual | 1,244,115 |
| | | | | | | |
| | 14 | | | 14,309 | Actual | 14,309 |
| | | | | | | |
| | | 878,766 | | 351,041 | Actual | 1,229,806 |
| | | | | | | |
| <div><div>III) CAPITAL TAXES</div><div>Ontario</div><div>Base</div><div>Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3</div><div>Taxable Capital</div><div>Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3</div><div>Ontario Capital Tax</div><div>Federal Large Corporations Tax</div><div>Base</div><div>Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3</div><div>Taxable Capital</div><div>Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3</div><div>Gross Amount of LCT before surtax offset (Taxable Capital x Rate)</div><div>Less: Federal Surtax 1.12% x Taxable Income</div><div>Net LCT</div></div> | 15 | 66,420,856 | | 19,283,112 | | 85,703,968 |
| | 16 | 7,347,000 | | -8,418 | | 7,338,582 |
| | | 59,073,856 | | 19,274,694 | | 78,365,386 |
| | | | | | | |
| | 17 | 0.3000% | | 0.0000% | | 0.3000% |
| | | | | | | |
| | | 177,222 | | 57,875 | | 235,096 |
| | | | | | | |
| | 18 | 66,420,856 | | 16,694,769 | | 83,115,625 |
| | 19 | 48,980,000 | | 1,020,000 | | 50,000,000 |
| | | 17,440,856 | | 17,714,769 | | 33,115,625 |
| | | | | | | |
| | 20 | 0.1750% | | 0.0000% | | 0.1750% |
| | | | | | | |
| | | 30,521 | | 27,431 | | 57,952 |
| | 21 | 27,249 | | -27,249 | | 0 |
| | | | | | | |
| | | 3,273 | | 54,679 | | 57,952 |
| | | | | | | |
| <div><div>III) INCLUSION IN RATES</div><div>Income Tax Rate used for gross- up (exclude surtax)</div><div>Income Tax (proxy tax is grossed-up)</div><div>LCT (proxy tax is grossed-up)</div><div>Ontario Capital Tax (no gross-up since it is deductible)</div><div>Total PILs for Rate Adjustment -- MUST AGREE WITH 2005 RAM DECISION</div></div> | | 36.12% | | | | |
| | | | | | | |
| | 22 | 1,375,651 | | | Actual 2005 | 1,229,806 |
| | 23 | 5,124 | | | Actual 2005 | 16,852 |
| | 24 | 177,222 | | | Actual 2005 | 236,667 |
| | | | | | | |
| | 25 | 1,557,996 | | | Actual 2005 | 1,483,325 |
| | | | | | | |

| PILs TAXES - EB-2008-0381 PILs DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC) Utility Name: Thunder Bay Hydro Electricity Distribution Inc. Reporting period: 2005 Days in reporting period: Total days in the calendar year: | ITEM | Initial Estimate | M of F Filing Variance K-C | M of F Filing Variance Explanation | Tax Returns Version 2009.1 Column Brought From TAXREC \$ | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------|-------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------|--|
| 0 | 365 | days | | | | |
| | 365 | days | | | | |
| | | \$ | \$ | | | |
| | | | | | | |
| IV) FUTURE TRUE-UPS | | | | | | |
| IV a) Calculation of the True-up Variance | | | | | | |
| In Additions: | | | | | | |
| Employee Benefit Plans - Accrued, Not Paid | 3 | | | DR/(CR) | | |
| Tax reserves deducted in prior year | 4 | | | 0 | | |
| Reserves from financial statements-end of year | 4 | | | 0 | | |
| Regulatory Adjustments | 5 | | | 0 | | |
| Other additions "Material" Items TAXREC | 6 | | | 28,481 | | |
| Other additions "Material" Items TAXREC 2 | 6 | | | 175,144 | | |
| In Deductions - positive numbers | | | | | | |
| Employee Benefit Plans - Paid Amounts | 8 | | | 61,271 | | |
| Items Capitalized for Regulatory Purposes | 9 | | | 0 | | |
| Regulatory Adjustments | 10 | | | 0 | | |
| Interest Adjustment for tax purposes (See Below - cell I206) | 11 | | | 0 | | |
| Tax reserves claimed in current year | 4 | | | 0 | | |
| Reserves from F/S beginning of year | 4 | | | 0 | | |
| Contributions to deferred income plans | 3 | | | 0 | | |
| Contributions to pension plans | 3 | | | 0 | | |
| Other deductions "Material" Items TAXREC | 12 | | | 4,700 | | |
| Other deductions "Material" Item TAXREC 2 | 12 | | | 0 | | |
| Total TRUE-UPS before tax effect | 26 | = | | 137,654 | | |
| Income Tax Rate (excluding surtax) from 2005 Utility's tax return | | x | | 36.12% | | |
| Income Tax Effect on True-up adjustments | | = | | 49,721 | | |
| Less: Miscellaneous Tax Credits | 14 | | | 14,309 | | |
| Total Income Tax on True-ups | | | | 35,412 | | |
| Income Tax Rate used for gross-up (exclude surtax) | | | | 35.00% | | |
| TRUE-UP VARIANCE ADJUSTMENT | | | | 54,479 | | |
| IV b) Calculation of the Deferral Account Variance caused by changes in legislation | | | | | | |
| REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column) | | = | | 2,432,906 | | |
| REVISED CORPORATE INCOME TAX RATE | | x | | 36.12% | | |
| REVISED REGULATORY INCOME TAX | | = | | 878,766 | | |
| Less: Revised Miscellaneous Tax Credits | | - | | 14,309 | | |
| Total Revised Regulatory Income Tax | | = | | 864,457 | | |
| Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) | | - | | 878,766 | | |
| Regulatory Income Tax Variance | | = | | -14,309 | | |
| Ontario Capital Tax | | | | | | |
| Base | | = | | 66,420,856 | | |
| Less: Exemption from tab Tax Rates, Table 2, cell C39 | | - | | 7,500,000 | | |
| Revised deemed taxable capital | | = | | 58,920,856 | | |
| Rate - Tab Tax Rates cell C54 | | x | | 0.3000% | | |
| Revised Ontario Capital Tax | | = | | 176,763 | | |
| Less: Ontario Capital Tax reported in the initial estimate column (Cell C70) | | - | | 177,222 | | |
| Regulatory Ontario Capital Tax Variance | | = | | -459 | | |
| Federal LCT | | | | | | |
| Base | | = | | 66,420,856 | | |
| Less: Exemption from tab Tax Rates, Table 2, cell C40 | | - | | 50,000,000 | | |
| Revised Federal LCT | | = | | 16,420,856 | | |
| Rate (as a result of legislative changes) tab 'Tax Rates' cell C51 | | | | 0.1750% | | |
| Gross Amount | | | | 28,736 | | |
| Less: Federal surtax | | - | | 27,249 | | |
| Revised Net LCT | | = | | 1,488 | | |
| Less: Federal LCT reported in the initial estimate column (Cell C82) | | - | | 3,273 | | |
| Regulatory Federal LCT Variance | | = | | -1,785 | | |
| Actual Income Tax Rate used for gross-up (exclude surtax) | | | | 35.00% | | |
| Income Tax (grossed-up) | | + | | -22,014 | | |
| LCT (grossed-up) | | + | | -2,746 | | |
| Ontario Capital Tax | | + | | -459 | | |
| DEFERRAL ACCOUNT VARIANCE ADJUSTMENT | | = | | -25,219 | | |
| TRUE-UP VARIANCE (from cell I132) | | + | | 54,479 | | |
| Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance) | | = | | 29,260 | | |
| V) INTEREST PORTION OF TRUE-UP | | | | | | |
| Variance Caused By Phase-in of Deemed Debt | | | | | | |
| Total deemed interest (REGINFO) | | | | 2,407,756 | | |
| Interest phased-in (Cell C36) | | | | 368,098 | | |
| Variance due to phase-in of debt component of MARR in rates according to the Board's decision | | | | 2,039,658 | | |
| Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook) | | | | | | |
| Interest deducted on MoF filing (Cell K36+K41) | | | | 1,954 | | |
| Actual Interest Paid | | | | 2,407,756 | | |
| Variance caused by excess debt | | | | 0 | | |
| Interest Adjustment for Tax Purposes (carry forward to Cell I112) | | | | 0 | | |
| Total Interest Variance | | | | 2,039,658 | | |

| LINE | M of F Corporate Tax Return | Non-wires Eliminations | Wires-only Tax Return |
|----------------|--------------------------------------|---------------------------|-----------------------------|
| 0 | | | |
| Version 2009.1 | | | |

Section A: Identification:

Utility Name: Thunder Bay Hydro Electricity Distribution Inc.
Reporting period: 2005
Taxation Year's start date:
Taxation Year's end date:
Number of days in taxation year:

01-Jan-05
31-Dec-05
365 days

Please enter the Materiality Level :
(0.25% x Rate Base x CER)
(0.25% x Net Assets)
Or other measure (please provide the basis of the amount)
Does the utility carry on non-wires related operation?
(Please complete the questionnaire in the Background questionnaire worksheet.)

Y/N
Y/N
Y/N
Y/N

Y
N
Y

Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K

Section B: Financial statements data:

Input unconsolidated financial statement data submitted with Tax returns.
The actual categories of the income statements should be used.
If required please change the descriptions except for amortization, interest expense and provision for income tax

Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.

| | | | |
|----------------------|---|------------|------------|
| Income: | | | |
| Energy Sales | + | 74,155,766 | 74,155,766 |
| Distribution Revenue | + | 15,663,874 | 15,663,874 |
| Other Income | + | 2,666,267 | 634,238 |
| Miscellaneous income | + | 0 | 0 |
| | + | 212,295 | 212,295 |

Revenue should be entered above this line

Costs and Expenses:

| | | | |
|---------------------------------------------------------|---|------------|------------|
| Cost of energy purchased | - | 74,155,766 | 74,155,766 |
| Administration | - | 1,650,865 | 1,650,865 |
| Customer billing and collecting | - | 2,977,222 | 133,195 |
| Operations and maintenance | - | 5,858,159 | 29,774 |
| Amortization | - | 4,468,388 | 4,468,388 |
| Ontario Capital Tax | - | 139,116 | 139,116 |
| Capitalized | - | 346,516 | 346,516 |
| Recovery of Regulatory Assets | - | 341,489 | 245,979 |
| Amortisation included in 40, 41, & 42 above added to 43 | - | -362,939 | -362,939 |
| | - | | 0 |

| | | | | |
|------------------------------------------------|---|-----------|---------|-----------|
| Net Income Before Interest & Income Taxes EBIT | = | 3,123,620 | 225,289 | 2,898,331 |
| Less: Interest expense for accounting purposes | - | 1,954 | | 1,954 |
| Provision for payments in lieu of income taxes | - | 1,365,000 | | 1,365,000 |
| Net Income (loss) | = | 1,756,666 | 225,289 | 1,531,377 |

(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.)

Section C: Reconciliation of accounting income to taxable income
From T2 Schedule 1

BOOK TO TAX ADDITIONS:

| | | | | |
|-------------------------------------------------------------|---|-----------|---|-----------|
| Provision for income tax | + | 1,365,000 | 0 | 1,365,000 |
| Federal large corporation tax | + | | | 0 |
| Depreciation & Amortization | + | 4,468,388 | 0 | 4,468,388 |
| Employee benefit plans-accrued, not paid | + | | 0 | 0 |
| Tax reserves - beginning of year | + | 0 | 0 | 0 |
| Reserves from financial statements- end of year | + | 0 | 0 | 0 |
| Regulatory adjustments on which true-up may apply (see A66) | + | | | 0 |
| Items on which true-up does not apply "TAXREC 3" | | 614,133 | 0 | 614,133 |
| Material addition items from TAXREC 2 | + | 175,144 | 0 | 175,144 |
| Other addition items (not Material) from TAXREC 2 | + | 0 | 0 | 0 |
| | | | | |
| Subtotal | | 6,622,665 | 0 | 6,622,665 |

Other Additions: (Please explain the nature of the additions)

| | | | | |
|------------------------------------------------|---|--------|---|--------|
| Recapture of CCA | + | | | 0 |
| Non-deductible meals and entertainment expense | + | 14,172 | | 14,172 |
| Capital items expensed | + | | | 0 |
| Apprenticeship Credit | + | 14,309 | | 14,309 |
| | + | | | 0 |
| | + | | | 0 |
| | + | | | 0 |
| Total Other Additions | = | 28,481 | 0 | 28,481 |

| | | | | |
|-----------------|---|-----------|---|-----------|
| Total Additions | = | 6,651,146 | 0 | 6,651,146 |
|-----------------|---|-----------|---|-----------|

| | | | | |
|---------------------------|--|---|---|---|
| Recap Material Additions: | | | | |
| | | 0 | 0 | 0 |

PILs TAXES - EB-2008-0381
TAX RETURN RECONCILIATION (TAXREC)
(for "wires-only" business - see s. 72 OEB Act)

| | LINE | M of F Corporate Tax Return | Non-wires Eliminations | Wires-only Tax Return |
|------------------------------------------------|------|--------------------------------------|---------------------------|-----------------------------|
| | 0 | | | |
| Version 2009.1 | | | | |
| Non-deductible meals and entertainment expense | | 14,172 | 0 | 14,172 |
| | | 0 | 0 | 0 |
| Apprenticeship Credit | | 14,309 | 0 | 14,309 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| Total Other additions >materiality level | | 28,481 | 0 | 28,481 |
| Other additions (less than materiality level) | | 0 | 0 | 0 |
| Total Other Additions | | 28,481 | 0 | 28,481 |

BOOK TO TAX DEDUCTIONS:

| | | | | |
|----------------------------------------------------------------|---|-----------|---|-----------|
| Capital cost allowance | - | 3,618,641 | | 3,618,641 |
| Cumulative eligible capital deduction | - | 7,052 | | 7,052 |
| Employee benefit plans-paid amounts | - | 61,271 | | 61,271 |
| Items capitalized for regulatory purposes | - | | | 0 |
| Regulatory adjustments : | - | | | 0 |
| CCA | - | | | 0 |
| other deductions | - | | | 0 |
| Tax reserves - end of year | - | 0 | 0 | 0 |
| Reserves from financial statements- beginning of year | - | 0 | 0 | 0 |
| Contributions to deferred income plans | - | | | 0 |
| Contributions to pension plans | - | | | 0 |
| Items on which true-up does not apply "TAXREC 3" | | 1,046,461 | 0 | 1,046,461 |
| Interest capitalized for accounting deducted for tax | - | | | 0 |
| Material deduction items from TAXREC 2 | - | 0 | 0 | 0 |
| Other deduction items (not Material) from TAXREC 2 | - | 0 | 0 | 0 |
| | | | | |
| Subtotal | = | 4,733,425 | 0 | 4,733,425 |
| Other deductions (Please explain the nature of the deductions) | | | | |
| Charitable donations - tax basis | - | | | 0 |
| Gain on disposal of assets | - | 4,700 | | 4,700 |
| | - | | | 0 |
| | | | | 0 |
| | - | | | 0 |
| Total Other Deductions | = | 4,700 | 0 | 4,700 |
| | | | | |
| Total Deductions | = | 4,738,125 | 0 | 4,738,125 |

| | | | | |
|-------------------------------------------------|--|-------|---|-------|
| Recap Material Deductions: | | | | |
| | | 0 | 0 | 0 |
| Gain on disposal of assets | | 4,700 | 0 | 4,700 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| Total Other Deductions exceed materiality level | | 4,700 | 0 | 4,700 |
| Other Deductions less than materiality level | | 0 | 0 | 0 |
| Total Other Deductions | | 4,700 | 0 | 4,700 |

| | | | | |
|--------------------------|---|-----------|---------|-----------|
| TAXABLE INCOME | = | 3,669,687 | 225,289 | 3,444,398 |
| DEDUCT: | | | | |
| Non-capital loss applied | - | 0 | | 0 |
| Net capital loss applied | - | | | 0 |
| | | | | 0 |
| NET TAXABLE INCOME | = | 3,669,687 | 225,289 | 3,444,398 |

FROM ACTUAL TAX RETURNS

| | | | | |
|---------------------------------------------------------------|---|-----------|--------|-----------|
| Net Federal Income Tax (Must agree with tax return) | + | 811,734 | 49,834 | 761,900 |
| Net Ontario Income Tax (Must agree with tax return) | + | 513,756 | 31,541 | 482,215 |
| Subtotal | = | 1,325,490 | 81,375 | 1,244,115 |
| Less: Miscellaneous tax credits (Must agree with tax returns) | - | 14,309 | | 14,309 |
| Total Income Tax | = | 1,311,181 | 81,375 | 1,229,806 |

FROM ACTUAL TAX RETURNS

| | | |
|----------------------------------------------------------|--------|--------|
| Net Federal Income Tax Rate (Must agree with tax return) | 22.12% | 22.12% |
| Net Ontario Income Tax Rate (Must agree with tax return) | 14.00% | 14.00% |
| Blended Income Tax Rate | 36.12% | 36.12% |

Section F: Income and Capital Taxes

RECAP

| | | | | |
|--------------------------------|---|-----------|--------|-----------|
| Total Income Taxes | + | 1,311,181 | 81,375 | 1,229,806 |
| Ontario Capital Tax | + | 236,667 | | 236,667 |
| Federal Large Corporations Tax | + | 16,852 | | 16,852 |
| | | | | |
| Total income and capital taxes | = | 1,564,700 | 81,375 | 1,483,325 |

APPENDIX G

PILs TAXES - EB-2008-0381
Tax and Accounting Reserves
For MoF Column of TAXCALC
(for "wires-only" business - see s. 72 OEB Act)

LINE

M of F
Corporate
Tax
Return

Non-wires
Eliminations

Wires-only
Tax
Return

0

Version 2009.1

Utility Name: Thunder Bay Hydro Electricity Distribution Inc.
Reporting period: 2005

TAX RESERVES

| | | | | |
|-----------------------------------------------|--|---|---|---|
| Beginning of Year: | | | | |
| | | | | 0 |
| Reserve for doubtful accounts ss. 20(1)(l) | | | | 0 |
| Reserve for goods & services ss.20(1)(m) | | | | 0 |
| Reserve for unpaid amounts ss.20(1)(n) | | | | 0 |
| Debt and share issue expenses ss.20(1)(e) | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

| | | | | |
|-----------------------------------------------|--|---|---|---|
| End of Year: | | | | |
| | | | | 0 |
| Reserve for doubtful accounts ss. 20(1)(l) | | 0 | | 0 |
| Reserve for goods & services ss.20(1)(m) | | | | 0 |
| Reserve for unpaid amounts ss.20(1)(n) | | | | 0 |
| Debt and share issue expenses ss.20(1)(e) | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| Insert line above this line | | | | |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

FINANCIAL STATEMENT RESERVES

| | | | | |
|-----------------------------------------------|--|---|---|---|
| Beginning of Year: | | | | |
| | | | | 0 |
| | | | | 0 |
| Environmental | | | | 0 |
| Allowance for doubtful accounts | | 0 | | 0 |
| Inventory obsolescence | | | | 0 |
| Property taxes | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

| | | | | |
|-----------------------------------------------|--|---|---|---|
| End of Year: | | | | |
| | | | | 0 |
| | | | | 0 |
| Environmental | | | | 0 |
| Allowance for doubtful accounts | | 0 | | 0 |
| Inventory obsolescence | | | | 0 |
| Property taxes | | | | 0 |
| Other - Please describe | | | | 0 |
| Other - Please describe | | | | 0 |
| | | | | 0 |
| Insert line above this line | | | | |
| Total (carry forward to the TAXREC worksheet) | | 0 | 0 | 0 |

PILs TAXES - EB-2008-0381
TAX RETURN RECONCILIATION (TAXREC 2)
(for "wires-only" business - see s. 72 OEB Act)

RATEPAYERS ONLY
Shareholder-only Items should be shown on TAXREC 3

LINE

M of F
Corporate
Tax
Return

Non-wires
Eliminations

Wires-only
Tax
Return

Version 2009.1

Utility Name: Thunder Bay Hydro Electricity Distribution Inc.
Reporting period: 2005
Number of days in taxation year:
Materiality Level:

| |
|-----|
| 365 |
| 0 |

| | | | | |
|---------------------------------------------------------------------|---|---|---|---|
| Scientific research expenses claimed in year from Form T661 | - | | | 0 |
| Bad debts | - | | | 0 |
| Book income of joint venture or partnership | - | | | 0 |
| Equity in income from subsidiary or affiliates | - | | | 0 |
| Contributions to a qualifying environment trust | - | | | 0 |
| Other income from financial statements | - | | | 0 |
| | - | | | |
| | - | | | 0 |
| | - | | | 0 |
| Other deductions: (Please explain in detail the nature of the item) | - | | | 0 |
| Non-taxable load transfers | - | 0 | | 0 |
| | - | | | 0 |
| | - | | | 0 |
| Total Deductions | = | 0 | 0 | 0 |

Recap of Material Deductions:

| | | | | |
|----------------------------------------------|--|---|---|---|
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| Total Deductions exceed materiality level | | 0 | 0 | 0 |
| Other deductions less than materiality level | | 0 | 0 | 0 |
| Total Deductions | | 0 | 0 | 0 |

Thunder Bay Hydro Electricity Distribution Inc.
OEB Application: IRM3
Application: EB 2011-0197
LDC License #: EB-2002-0529

Utility Name: Thunder Bay Hydro Electricity Distribution Inc.

Reporting period: 2005
Number of days in taxation year:

| | | | |
|----------|--------------------------------------|---------------------------|--------------------------------------|
| LINE | M of F Corporate Tax Return | Non-wires Eliminations | Wires-only Tax Return |
| 0 | | | Version 2009.1 |

Section C: Reconciliation of accounting income to taxable income
Add:

| | | | | |
|---------------------------------------------------------------------------|---|---------|---|---------|
| Recapture of capital cost allowance | + | | | 0 |
| CCA adjustments | + | | | 0 |
| CEC adjustments | + | | | 0 |
| Gain on sale of non-utility eligible capital property | + | | | 0 |
| Gain on sale of utility eligible capital property | + | | | 0 |
| Loss from joint ventures or partnerships | + | | | 0 |
| Deemed dividend income | + | | | 0 |
| Loss in equity of subsidiaries and affiliates | + | | | 0 |
| Loss on disposal of utility assets | + | | | 0 |
| Loss on disposal of non-utility assets | + | | | 0 |
| Depreciation in inventory -end of year | + | | | 0 |
| Depreciation and amortization adjustments | + | | | 0 |
| Dividends credited to investment account | + | | | 0 |
| Non-deductible meals | + | | | 0 |
| Non-deductible club dues | + | | | 0 |
| Non-deductible automobile costs | + | | | 0 |
| Donations - amount per books | | | | 0 |
| Interest and penalties on unpaid taxes | | | | 0 |
| Management bonuses unpaid after 180 days of year end | | | | 0 |
| Ontario capital tax adjustments | | | | 0 |
| | + | | | 0 |
| Changes in Regulatory Asset balances | + | 614,133 | | 614,133 |
| Imputed interest expense on Regulatory Assets | + | | | 0 |
| | + | | | 0 |
| <i>Other Additions: (please explain in detail the nature of the item)</i> | + | | | 0 |
| Non-deductible accruals | + | | | 0 |
| | + | | | 0 |
| | + | | | 0 |
| Total Additions on which true-up does not apply | = | 614,133 | 0 | 614,133 |

| Deduct: | | | |
|----------------------------------------------------------------------------|---|-----------|-----------|
| CCA adjustments | - | | 0 |
| CEC adjustments | - | | 0 |
| Depreciation and amortization adjustments | - | | 0 |
| Gain on disposal of assets per financial statements | - | | 0 |
| Financing fee amortization - considered to be interest expense for PILs | - | | 0 |
| Imputed interest income on Regulatory Assets | - | | 0 |
| Donations - amount deductible for tax purposes | - | | 0 |
| Income from joint ventures or partnerships | - | | 0 |
| | - | | 0 |
| Ontario capital tax adjustments to current or prior year | - | | 0 |
| | - | | 0 |
| Changes in Regulatory Asset balances | | | 0 |
| | - | 1,046,461 | 1,046,461 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| <i>Other deductions: (Please explain in detail the nature of the item)</i> | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| | - | | 0 |
| Total Deductions on which true-up does not apply | = | 1,046,461 | 0 |
| | | | 1,046,461 |

PILs TAXES - EB-2008-0381
Corporate Tax Rates
Exemptions, Deductions, or Thresholds
Utility Name: Thunder Bay Hydro Electricity Distribution Inc.
Reporting period: 2005

Version 2009.1

Table 1

Rates Used in 2005 RAM PILs Applications for 2005

| Income Range RAM 2005 | Year | 0 to 400,000 | | 400,001 to 1,128,000 | >1,128,000 |
|---------------------------------------------------|----------------|--------------------|--|----------------------------|------------|
| Income Tax Rate | | | | | |
| Proxy Tax Year | 2005 | | | | |
| Federal (Includes surtax) | | 13.12% | | 17.75% | 22.12% |
| and Ontario blended | | 5.50% | | 9.75% | 14.00% |
| Blended rate | | 18.62% | | 27.50% | 36.12% |
| | | | | | |
| Capital Tax Rate | | 0.300% | | | |
| LCT rate | | 0.175% | | | |
| Surtax | | 1.12% | | | |
| Ontario Capital Tax Exemption ** | MAX \$7.5MM | 7,347,000 | | | |
| Federal Large Corporations Tax Exemption ** | MAX \$50MM | 48,980,000 | | | |

**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing

Table 2

Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005

| Income Range Expected Rates | Year | 0 to 250,000 | 250,001 to 400,000 | 400,001 to 1,128,000 | >1,128,000 |
|---------------------------------------------------------|----------------|--------------------|--------------------------|----------------------------|------------|
| Income Tax Rate | | | | | |
| Current year | 2005 | | | | |
| Federal (Includes surtax) | 2005 | 13.12% | 22.12% | 22.12% | 22.12% |
| Ontario | 2005 | 5.50% | 5.50% | 9.75% | 14.00% |
| Blended rate | 2005 | 18.62% | 27.62% | 31.87% | 36.12% |
| | | | | | |
| Capital Tax Rate | 2005 | 0.300% | | | |
| LCT rate | 2005 | 0.200% | | | |
| Surtax | 2005 | 1.12% | | | |
| Ontario Capital Tax Exemption *** 2005 | MAX \$7.5MM | 7,500,000 | | | |
| Federal Large Corporations Tax Exemption *** 2005 | MAX \$50MM | 50,000,000 | | | |

***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.

Table 3

Input Information from Utility's Actual 2005 Tax Returns

| Income Range | Year | 0 to 250,000 | 250,001 to 400,000 | 400,001 to 1,128,000 | >1,128,000 |
|--------------------------------------------------|----------------|--------------------|--------------------------|----------------------------|------------|
| Income Tax Rate | | | | | |
| Current year | 2005 | | | | |
| Federal (Includes surtax) | | 13.12% | 22.12% | 22.12% | 22.12% |
| Ontario | | 5.50% | 5.50% | 9.75% | 14.00% |
| Blended rate | | 18.62% | 27.62% | 31.87% | 36.12% |
| | | | | | |
| Capital Tax Rate | | 0.300% | | | |
| LCT rate | | 0.175% | | | |
| Surtax | | 1.12% | | | |
| Ontario Capital Tax Exemption * | MAX \$7.5MM | 7,338,582 | | | |
| Federal Large Corporations Tax Exemption * | MAX \$50MM | 50,000,000 | | | |

* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

PILs TAXES - EB-2008-0381

Analysis of PILs Tax Account 1562:

Utility Name: Thunder Bay Hydro Electricity Distribution Inc.

Reporting period: 2005

Sign Convention: + for increase; - for decrease

Version 2009.1
0

| Year start: | 01/10/2001 | 01/01/2002 | 01/01/2003 | 01/01/2004 | 01/01/2005 | 01/01/2006 | 01/05/2006 | 01/01/2007 | 01/01/2008 | 01/01/2009 | 01/01/2010 | 01/01/2011 | 01/01/2012 | | |
|------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------|------------|
| Year end: | 31/12/2001 | 31/12/2002 | 31/12/2003 | 31/12/2004 | 31/12/2005 | 30/04/2006 | 31/12/2006 | 31/12/2007 | 31/12/2008 | 31/12/2009 | 31/12/2010 | 31/12/2011 | 30/04/2012 | Total | |
| Opening balance: | = | 0 | 579,962 | 603,564 | 617,888 | 833,152 | 515,909 | 307,893 | 312,266 | 318,183 | 323,164 | 324,588 | 325,586 | 327,426 | 0 |
| Board-approved PILs tax proxy from Decisions (1) | +/- | 576,479 | 1,389,804 | 1,966,283 | 1,533,924 | 347,451 | 515,121 | | | | | | | | 6,329,062 |
| PILs proxy from April 1, 2005 - input 9/12 of amount | | | | | 1,168,497 | | | | | | | | | | 1,168,497 |
| True-up Variance Adjustment Q4, 2001 (2) | +/- | | | | | | | | | | | | | | 0 |
| True-up Variance Adjustment (3) | +/- | | -95,483 | 45,550 | 32,584 | -153,129 | 54,479 | | | | | | | | -115,998 |
| Deferral Account Variance Adjustment Q4, 2001 (4) | | | | | | | | | | | | | | | 0 |
| Deferral Account Variance Adjustment (5) | +/- | | 809 | 0 | -51,805 | -208,843 | -25,219 | | | | | | | | -285,057 |
| Adjustments to reported prior years' variances (6) | +/- | | | | | | | | | | | | | | 0 |
| Carrying charges (7) | +/- | 3,483 | 56,463 | 38,739 | 42,653 | 34,084 | 7,310 | 4,373 | 5,917 | 4,981 | 1,424 | 998 | 1,840 | 614 | 202,878 |
| PILs billed to (collected from) customers (8) | - | 0 | -1,327,992 | -2,036,248 | -1,342,091 | -1,505,304 | -759,707 | | | | | | | | -6,971,343 |
| Ending balance: # 1562 | | 579,962 | 603,564 | 617,888 | 833,152 | 515,909 | 307,893 | 312,266 | 318,183 | 323,164 | 324,588 | 325,586 | 327,426 | 328,040 | 328,040 |
| Principle Balance | | 576,479 | 543,618 | 519,203 | 691,815 | 340,487 | 125,161 | 125,161 | 125,161 | 125,161 | 125,161 | 125,161 | 125,161 | 125,161 | |

Uncollected PILs

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

- (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(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.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (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.
- (7) Carrying charges are calculated on a simple interest basis.
- (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
- (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
- In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
- In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- (9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

TBHEDI: Monthly Carrying Charge Calculations

| | | | | | | | | | | | | | | |
|---------------------------|-----------------|------------|------------|------------|------------|-------------|-------------|------------|------------|------------|------------|------------|------------------|-------------|
| | 519,203.74 | -21,457.43 | -21,457.43 | -21,457.43 | 111,429.00 | 57,666.01 | -4,915.36 | 4,825.27 | 23,267.97 | 11,400.77 | 20,640.41 | 14,744.39 | -2,074.33 | 172,611.85 |
| Monthly Opening Balance | 519,203.74 | 497,746.31 | 476,288.89 | 454,831.46 | 566,260.46 | 623,926.47 | 619,011.11 | 623,836.38 | 647,104.35 | 658,505.12 | 679,145.53 | 693,889.92 | 691,815.59 | |
| Carrying Charges 7.25% | 3,136.86 | 3,007.22 | 2,877.58 | 2,747.94 | 3,421.16 | 3,769.56 | 3,739.86 | 3,769.01 | 3,909.59 | 3,978.47 | 4,103.17 | 4,192.25 | 42,652.65 | |
| | | | | | | | | 11,418.46 | | | 12,273.89 | | | |
| | Opening Balance | 2005 | | | | | | | | | | | Year End Balance | |
| | January | February | March | April | May | June | July | August | September | October | November | December | | |
| Balance forward | 691,815.59 | | | | | | | | | | | | 691,815.59 | |
| OEB Approved PILS | 0.00 | 115,817.00 | 115,817.00 | 115,817.00 | 129,833.00 | 129,833.00 | 129,833.00 | 129,833.00 | 129,833.00 | 129,833.00 | 129,833.00 | 129,833.00 | 1,515,948.00 | |
| Customer Collected - 2005 | 0.00 | 126,668.55 | 131,914.61 | 177,806.70 | 117,562.46 | 139,904.48 | 111,650.26 | 114,682.46 | 115,055.35 | 122,078.96 | 103,423.81 | 127,694.88 | 1,505,304.25 | |
| Deferral Account Variance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| True-Up Variance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -361,971.94 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -361,971.94 | |
| Deferred PILS, OEB 1562 | 691,815.59 | -10,851.55 | -16,097.61 | -61,989.70 | 12,270.54 | -10,071.48 | -343,789.20 | 15,150.54 | 14,777.65 | 7,754.04 | 26,409.19 | 2,138.12 | 12,971.27 | -351,328.19 |
| Monthly Opening Balance | 691,815.59 | 680,964.04 | 664,866.43 | 602,876.73 | 615,147.27 | 605,075.79 | 261,286.59 | 276,437.13 | 291,214.78 | 298,968.82 | 325,378.01 | 327,516.13 | 340,487.40 | |
| Carrying Charges 7.25% | 4,179.72 | 4,114.16 | 4,016.90 | 3,642.38 | 3,716.51 | 3,655.67 | 1,578.61 | 1,670.14 | 1,759.42 | 1,806.27 | 1,965.83 | 1,978.74 | 34,084.35 | |
| | Opening Balance | 2006 | | | | | | | | | | | Year End Balance | |
| | January | February | March | April | May | June | July | August | September | October | November | December | | |
| Balance forward | 340,487.40 | | | | | | | | | | | | 340,487.40 | |
| OEB Approved PILS | 0.00 | 128,780.25 | 128,780.25 | 128,780.25 | 128,780.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 515,121.00 | |
| Customer Collected - 2005 | 0.00 | 170,175.02 | 128,631.76 | 156,983.31 | 115,150.41 | 136,741.70 | 47,435.41 | 5,206.25 | 0.00 | 0.00 | 0.00 | -616.57 | 759,707.29 | |
| Deferral Account Variance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| True-Up Variance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 29,260.42 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 29,260.42 | |
| Deferred PILS, OEB 1562 | 340,487.40 | -41,394.77 | 148.49 | -28,203.06 | 13,629.84 | -136,741.70 | -18,174.99 | -5,206.25 | 0.00 | 0.00 | 0.00 | 616.57 | 0.00 | -215,325.87 |
| Monthly Opening Balance | 340,487.40 | 299,092.63 | 299,241.12 | 271,038.06 | 284,667.90 | 147,926.20 | 129,751.21 | 124,544.96 | 124,544.96 | 124,544.96 | 124,544.96 | 125,161.53 | 125,161.53 | |
| Carrying Charges 7.25% | 2,057.11 | 1,807.02 | 1,807.92 | 1,637.52 | 982.10 | 510.35 | 496.30 | 476.38 | 476.38 | 476.38 | 476.38 | 478.74 | 11,682.59 | |

| | | |
|--------------------------------------|----|---------|
| Total Principal and Carrying Charges | \$ | 312,266 |
|--------------------------------------|----|---------|

