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January 31, 2012

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

**Re: Sioux Lookout Hydro Inc.  
Response to Board Staff Interrogatories  
2012 IRM Electricity Distribution Rate Application  
Board File No. EB-2011-0102**

Dear Ms. Walli:

Please find attached Sioux Lookout Hydro Inc.'s reply to the Board Staff Submission dated January 20, 2012.

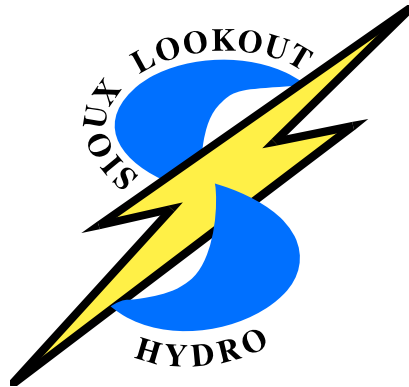
The complete response was submitted through the Board's web portal along with electronic (excel) copies of the applicable models and spreadsheets. Additionally, two hard copies were sent to the Board.

If there are any questions or concerns, please do not hesitate to contact me at (807)737-3800, or via email at [slhydro@tbaytel.net](mailto:slhydro@tbaytel.net).

Sincerely,

Deanne Kulchyski  
Chief Financial Officer

Encl/



**RESPONSE TO BOARD STAFF  
INTERROGATORIES  
2012 ELECTRICITY DISTRIBUTION  
IRM RATE APPLICATION**

**ED-2002-0514**

**EB-2011-0102**

**January 31, 2012**

**SIOUX LOOKOUT HYDRO INCORPORATED  
25 FIFTH AVENUE, P.O. BOX 908  
SIOUX LOOKOUT, ON P8T 1B3**



**Response to Board Staff Interrogatories**  
**2012 IRM Electricity Distribution Rate Application**  
**Sioux Lookout Hydro Inc.**  
**EB-2011-0102**

**INDEX**

<b>Schedule</b>	<b>Section/Appendix</b>	<b>Contents</b>
<b>1</b>		<b>Index</b>
<b>2</b>		<b>Responses to Board Staff Interrogatories</b>
<b>3</b>	<b>A</b>	<b>Minister of Energy SPC Invoice</b>
	<b>B</b>	<b>Revised PILs Recovery Schedule</b>
	<b>C</b>	<b>Revised 2001 to 2005 SIMPIL Models</b>
	<b>D</b>	<b>Updated PILS Continuity Schedule</b>



# **Response to Board Staff Interrogatories 2012 IRM Electricity Distribution Rate Application Sioux Lookout Hydro Inc. EB-2011-0102**

## **Tax-Savings Workform**

### **Interrogatory**

#### **1. Ref: Tax Savings Workform, Tab 5**

**Summary - Sharing of Tax Change Forecast Amounts**

**For the 2008 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)**

**1. Tax Related Amounts Forecast from Capital Tax Rate Changes**

Taxable Capital

Deduction from taxable capital up to \$15,000,000

Net Taxable Capital

Rate

Ontario Capital Tax (Deductible, not grossed-up)

**2. Tax Related Amounts Forecast from Income Tax Rate Changes**

Regulatory Taxable Income

Corporate Tax Rate

Tax Impact

**Grossed-up Tax Amount**

Tax Related Amounts Forecast from Capital Tax Rate Changes

Tax Related Amounts Forecast from Income Tax Rate Changes

Total Tax Related Amounts

Incremental Tax Savings

Sharing of Tax Savings (50%)

\$		
-		
	2008	2012
		\$
		-
		\$
		-
	0.225%	0.000%
\$		\$
-		-
	2008	2012
\$	\$	\$
280,726	280,726	
	16.50%	15.50%
\$	\$	\$
46,320	43,513	
\$	\$	\$
55,473	51,494	
\$	\$	\$
-	-	
\$	\$	\$
55,473	51,494	
\$	\$	\$
55,473	51,494	
		-\$
		3,979
		-\$
		1,989

*Board staff notes that the first section of the workform (i.e. Tax Related Amounts Forecast from capital Tax Rate Charges) has not been populated.*



*Board staff also cannot verify the data entered in section 2 of the workform on tab 5 (i.e. Tax Related Amounts Forecast from Income Tax Rate Changes).*

- a) For Section 1, please provide the figures and the subsequent evidence supporting these figures, which reconcile with Sioux Lookout's previous cost of service draft Rate Order (EB-2007-0785), and Board staff will populate the data in the workform*

### **Response**

Section 1 was not populated since there were no tax credits from the cost of service application and Sioux Lookout Hydro's taxable capital is less than 15,000,000, therefore the Ontario Capital Tax is nil.

### **Interrogatory**

- b) For section 2, please provide evidence supporting the figures entered. If changes are necessary, please confirm the figures which reconcile with Sioux Lookout's previous cost of service proceeding and Board staff will make the necessary adjustments to the workform.*



## **Response**

The evidence supporting the figures in section 2 above can be found in the document submitted to the Board on October 10, 2008 titled "Revisions to Draft Rate Order, EB-2007-0785, page 9, Table 4, "Summary of Income Tax Calculation". Therefore no changes are necessary. See below for the table:

**Table 4**  
**Summary of Income Tax Calculation**

	<b>2008 Test</b>
<b><u>Determination of Taxable Income</u></b>	
Income before PILS Taxes	<b>248,647</b>
<b>Additions:</b>	
Amortization of tangible assets	318,273
Other Additions	<u>170,500</u>
<b>Total Additions</b>	<b>488,773</b>
<b>Deductions:</b>	
Gain on disposal of assets per financial statements	-825
Capital Cost Allowance from Schedule 8	276,490
CEC Deduction from Schedule 10	10,349
Other Deductions	<u>170,500</u>
<b>Total Deductions</b>	<b><u>456,514</u></b>
<b>Regulatory Taxable Income</b>	<b>280,726</b>
Combined income tax Rate	<u>16.5%</u>
Income Taxes	46,320
<b>Grossed up for inclusion in Revenue Requirement</b>	<b>55,473</b>



## Interrogatory

### 2. Ref: Tax-Savings Workform, Tab 6

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$1,008,451.1085	55.53%	-\$1,105	33,435,195	0	\$0.0000	
General Service Less Than 50 kW	\$333,713	18.38%	-\$366	15,941,009	0	\$0.0000	
General Service 50 to 4,999 kW	\$370,020	20.37%	-\$405	0	121,066		-\$0.0033
Unmetered Scattered Load	\$3,272	0.18%	-\$4	24,781	0	-\$0.0001	
Street Lighting	\$100,600	5.54%	-\$110	0	1,475		-\$0.0747
	\$1,816,057	100.00%	-\$1,989				

*Ref: Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated June 22, 2011, Page 17*

*The IRM Filing Requirements stated the following: “A shared tax saving workform will include a schedule for a distributor to complete, which will calculate a volumetric rate rider. Occasionally, the calculated rate adders or rate riders for one or more rate classes may be negligible. In the event that the calculation of one or more rate classes’ rate rider results in energy-based kWh rate riders of \$(0.0000) when rounded to the fourth decimal place and demand-based kW rate riders of \$(0.0) when rounded to the second decimal place, or is negligible, the distributor may apply to record the amount to be recovered or refunded in USoA 1595 disposition in a future rate setting.”*

- a) *Subject to any changes deriving from Interrogatory #1, please confirm that Sioux lookout wishes to record all of the amounts above in USoA 1595 to be addressed in a future rate setting.*

## Response

Yes Sioux Lookout confirms that we wish to record all of the amounts above in USoA 1595 to be addressed in a future rate setting.



## Rate Generator

### Interrogatory

#### 3. Ref: A portion of the Rate Generator Model, Tab 10

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue <sup>1</sup>	1590 Recovery Share Proportion <sup>*</sup>	1595 Recovery Share Proportion (2009) <sup>2</sup>	1595 Recovery Share Proportion (2009) <sup>2</sup>
Residential	\$/kWh	33,747,939		2,240,333	-	985,990	37%	32%	
General Service Less Than 50 kW	\$/kWh	16,172,932		392,343	-	325,469	19%	14%	
General Service 50 to 4,999 kW	\$/kW	21,993,284	56,741	12,316,035	31,774	426,978	43%	53%	
Unmetered Scattered Load	\$/kWh	42,486			-	3,194			
Street Lighting	\$/kW	471,711	1,445		-	33,008	1%	1%	
<b>Total</b>		<b>72,428,352</b>	<b>58,186</b>	<b>14,948,711</b>	<b>31,774</b>	<b>1,774,639</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>

- a) Please confirm that the figures entered in columns “Metered kWh” and “Metered kW” are Sioux Lookout’s most recent 12-month actual data, as these figures do not reconcile with Sioux Lookout’s previous Board approved load forecast in EB-2007-0785.

### Response

Upon reviewing the data used for the “Metered kWh” and “Metered kW” in the current application, it was found that the data was taken from the RRR 2.1.5 reported for April 30, 2010, which was 2009 data.. The data from RRR 2.1.5 reported for April 30, 2011 should have been entered. See below for the revised data.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue <sup>1</sup>	1590 Recovery Share	1595 Recovery Share Proportion (2009) <sup>2</sup>	1595 Recovery Share Proportion (2009) <sup>2</sup>
Residential	\$/kWh	31,178,902		2,241,379	-	985,990	37%	32%	
General Service Less Than 50 kW	\$/kWh	14,190,567		172,786	-	325,469	19%	14%	
General Service 50 to 4,999 kW	\$/kW	25,204,983	71,492	24,944,181	70,752	426,978	43%	53%	
Unmetered Scattered Load	\$/kWh	35,962			-	3,194			
Street Lighting	\$/kW	468,411	1,448		-	33,008	1%	1%	
<b>Total</b>		<b>71,078,825</b>	<b>72,940</b>	<b>27,358,346</b>	<b>70,752</b>	<b>1,774,639</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>

### Interrogatory

- b) If the answer to (a) is no, please provide evidence and justify the data entered in the above 2 noted columns.





## **Response**

The revised data was reported to the Board in RRR 2.1.5 for the April 30, 2011 filing.

## **Interrogatory**

- c) *Please provide supporting evidence for the figures entered for each rate class in the column "Distribution Revenue". If changes are necessary, please confirm the correct figures, and Board staff will make the necessary adjustments to the model.*

## **Response**

The evidence for the figures entered for each rate class in the column "Distribution Revenue" can be found in the Revisions to Draft Rate Order dated October 10, 2008, page 12, submitted to the board under EB-2007-0785. See below for a copy of the table submitted:

Customer Class	Outstanding Base Rev Requirement %			Outstanding Base Rev Requirement \$			Total Base Revenue Requirement
	Cost Allocation	Existing Rates	Rate Application	Cost Allocation	Existing Rates	Rate Application	
Residential	57.96%	55.56%	55.56%	1,028,585	985,969	985,990	985,990
GS < 50	19.28%	18.34%	18.34%	342,125	325,417	325,469	325,469
GS > 50	14.63%	25.34%	24.06%	259,584	449,709	426,978	426,978
Street Light	7.94%	.58%	1.86%	140,917	10,364	33,008	33,008
USL	0.19%	0.18%	0.18%	3,429	3,180	3,194	3,194
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1,774,640</b>	<b>1,774,640</b>	<b>1,774,640</b>	<b>1,774,640</b>

## **Interrogatory**

4. **Ref: Rate Generator Model, Tab 19**  
**Ref: Current Tariff of Rates and Charges, Effective May 1, 2011**  
**Ref: Proposed Tariff of Rates and Charges, Effective May 1, 2012**

*Board Staff notes that the line item "Specific Charge for Access to the Power Poles \$/pole/year" does not appear on the proposed Tariff of Rates and Charges.*

- a) *Please confirm whether or not this line item should appear on Sioux Lookout's proposed tariff sheet and Board staff will make the necessary adjustments.*

## **Response**

Yes this line item should appear on the proposed tariff sheet. Please add the charge of \$22.35 per pole per year.



### **Interrogatory**

- b) If the answer to (a) is no, please provide an explanation as to why Sioux Lookout is removing this line item from its tariff sheet.*

### **Response**

Not Applicable.

### **Special Purpose Charge ("SPC") – Account 1521**

### **Interrogatory**

#### **5. Ref: Manager's Summary, pages 4 and 5**

- a) Please confirm what amount Sioux Lookout paid in regards to the SPC Assessment and provide a copy of the original invoice.*

### **Response**

Sioux Lookout paid \$29,539 to the Ministry of Energy and Infrastructure for the SPC Assessment. See Appendix A for a copy of the invoice issued on April 16, 2010.

### **Interrogatory**

- b) Please confirm Sioux Lookout's beginning and ending billing dates to customers for the SPC assessment.*

### **Response**

Sioux Lookout's beginning and ending billing dates to customers for the SPC assessment were May 18, 2010 to June 21, 2011. The consumption for these billing dates was May 1, 2010 to April 30, 2011.



## **Interrogatory**

*c) 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)

## **Response**

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)
29,539	12,497.74	101.89	17,041.26	101.89	15042.37	64.57	1,998.89	166.46	9.80	2,175.15

## **Lost Revenue Adjustment Mechanism ("LRAM")**

### **Interrogatory**

*6. Please confirm that Sioux Lookout is not requesting LRAM and/or SSM recoveries for CDM related activities.*

### **Response**

Sioux Lookout confirms that they are not requesting LRAM and/or SSM recoveries for CDM related activities.

## **Smart Meter Funding Adder ("SMFA")**

### **Interrogatory**

**7. Ref: Manager's Summary, Schedule 2, Page 3**

*At the above reference, Sioux Lookout states that it has completed 100% of its smart meter installations and concluded the implementation of time-of-use. Also, in light of the fact that the sunset date for the smart meter adder is April 30, 2012, Sioux Lookout requests an interim Smart Meter Funding Adder of \$2.91, unchanged from its current approved SMFA. Sioux Lookout states that the interim rate adder will allow it to continue to collect funds until*



*the smart meter disposition application is approved by the Board and will also lessen the impact on customers once disposition is completed.*

- a) *Please provide an update with respect to the status of Sioux Lookout's stand-alone smart meter application, and the utility's estimate as to when it expects that it would file the stand-alone application seeking disposition of Smart Meter costs.*

## **Response**

Sioux Lookout's stand-alone smart meter application is currently a work in progress. We expect to submit our final application by April 30, 2012.

## **Payments in Lieu of Taxes ("PILS") – Account 1562**

## **Interrogatory**

### **8. Ref: Appendix A – PILs Billed to Customers Calculation**

*Sioux Lookout has filed customer counts and volumetric billing data that it used to calculate the PILs amounts recovered from customers from 2002 to 2006. The PILs recoveries are calculated by multiplying the PILs rate slivers found in the 2002, 2005 and 2005 rate applications by the actual billing determinants for the period covered by the rates that were in effect. Board staff has provided tables below that compare the statistics used in the PILs recovery calculations with those statistics filed by Sioux Lookout in its 2006 EDR application.*

### **Customers and Connections PILs Recovery Calculation**

2002	2002 Customers/ Connections Filed in 2006 EDR	2002 Customers/ Connections Evidence	Implied Number of Months of Billing	Billing Months per Board Order
Customer Class				
Residential	2,279	16828	7.38	10
General Service < 50 kW	413	3071	7.44	10
General Service > 50 kW	27	191	7.07	10
Streetlight TOU	535	3791	7.09	10
Unmetered Scattered Loads	10	-	-	10

- a) *The Board approved rates effective March 1, 2002 as requested by Sioux Lookout. From the evidence submitted by Sioux Lookout in the current application, it appears that it did not bill customers at the new rates until later in 2002. Please explain why the calculations of PILs recoveries based on the fixed charges were not calculated for ten months.*



## **Response**

The rates approved for March 1, 2002 were not implemented by a decision made by the Sioux Lookout Hydro Board of Directors until May 1, 2002. This explains why the fixed charges were not calculated for ten months.

## **Interrogatory**

*b) Why was the unmetered scattered load (USL) not used in the PILs recovery calculations for 2002?*

## **Response**

The unmetered scattered load (USL) category was not used in the PILs recovery calculations for 2002 because the 2002 Board decision did not include a separate classification for unmetered scattered loads. Please see the Schedule of Rates and Charges for the decision on file number EB-2002-0041, RP-2002-0032 for rates effective March 1, 2002. At the time USL's were included in the GS < 50 kW Class.

## **Interrogatory**

### **Volumetric PILs Recovery Calculations**

2002	Billing Parameter	Billed Consumption Mar. 1/02 to Dec 31/02	2002 Statistics Filed in 2006 EDR
Customer Class			
Residential	kWh's	15,182,209	31,422,729
General Service < 50 kW	kWh's	8,395,607	24,047,952
General Service > 50 kW	kW's	55,118	95,145
Streetlight TOU	kW's	847	1,490
Unmetered Scattered Loads	kWh's	-	18,190

*c) The Board approved rates effective March 1, 2002 as requested by Sioux Lookout. From the evidence submitted by Sioux Lookout, it appears that it did not bill customers at the new rates until later in 2002. Please explain why the calculations of PILs recoveries based on the volumetric charges were not calculated for ten months.*



## **Response**

The rates approved for March 1, 2002 were not implemented by a decision made by the Sioux Lookout Hydro Board of Directors until May 1, 2002. This explains why the volumetric charges were not calculated for ten months.

## **Interrogatory**

*d) Why was the unmetered scattered load (USL) class not used in the PILs recovery calculations for 2002.*

## **Response**

The unmetered scattered load (USL) category was not used in the PILs recovery calculations for 2002 because the 2002 Board decision did not include a separate classification for unmetered scattered loads. Please see the Schedule of Rates and Charges for the decision on file number EB-2002-0041, RP-2002-0032 for rates effective March 1, 2002. At the time USL's were included in the GS < 50 kW Class.

## **Interrogatory**

2003	Billing Parameter	Billed Consumption 2003	2003 Statistics Filed in 2006 EDR
Customer Class			
Residential	kWh's	32,459,023	32,459,023
General Service < 50 kW	kWh's	16,742,069	16,706,469
General Service > 50 kW	kW's	103,564	103,564
Streetlight TOU	kW's	1,462	1,462
Unmetered Scattered Loads	kWh's	-	35,600

*e) Why is there a difference in the GS < 50 kW class consumption for 2003, as seen in the table above?*

## **Response**

Since the 2002 Decision did not contain a separate class for unmetered scattered loads, these accounts were billed under the General Service < 50 kW class. The sum of the General Service < 50 kW and the unmetered scattered load class reported in the 2003 statistics equal the billed consumption for 2003 ( 16,706,469 + 35,600 = 16,742,069).



## **Interrogatory**

- f) *Why was the unmetered scattered load (USL) class not used in the PILs recovery calculations for 2003.*

## **Response**

The unmetered scattered load (USL) category was not used in the PILs recovery calculations for 2003 because the 2002 Board decision did not include a separate classification for unmetered scattered loads. Please see the Schedule of Rates and Charges for the decision on file number EB-2002-0041, RP-2002-0032 for rates effective March 1, 2002. At the time USL's were included in the GS < 50 kW Class.

## **Interrogatory**

2004					
Customer Class	Billing Parameter	Billed & Unbilled Consumption Jan 1/04 to Mar 31/04	Billed Consumption on Apr 1/04 to Dec 31/04	Total Actual 2004	2004 Statistics Filed in 2006 EDR
Residential	kWh's	10,772,274	17,354,843	28,127,117	33,256,852
General Service < 50 kW	kWh's	5,115,429	9,169,478	14,284,907	16,558,782
General Service > 50 kW	kW's	27,444	57,202	84,646	94,884
Streetlight TOU	kW's	363	128	491	1,461
Unmetered Scattered Loads	kWh's	-	-	-	34,856

- g) *Please explain the differences between the billing determinants used to calculate the 2004 PILs recoveries and those reported in 2006 EDR for 2004, as seen in the table above.*

## **Response**

The consumption bill for April 1, 2004 to December 31, 2004 was found not to include unbilled consumption, but this consumption was deducted from the January 1, 2005 to March 31, 2005 figures. See the table below for revised figures including unbilled consumption for December 2004. The amounts in the billed & unbilled consumption from January 1, 2004 to March 31, 2004 include unbilled consumption. The statistics filed for 2004 in the 2006 EDR included the unbilled portion of 2003 consumption. This would explain the slight discrepancy in the actual figures to the reported figures.



2004					
Customer Class	Billing Parameter	Billed & Unbilled Consumption Jan 1/04 to Mar 31/04	Billed Consumption on Apr 1/04 to Dec 31/04	Total Actual 2004	2004 Statistics Filed in 2006 EDR
Residential	kWh's	10,772,274	22,524,569	33,296,843	33,256,852
General Service < 50 kW	kWh's	5,115,429	11,706,216	16,821,645	16,558,782
General Service > 50 kW	kW's	27,444	70,556	98,000	94,884
Streetlight TOU	kW's	363	1,105	1,468	1,461
Unmetered Scattered Loads	kWh's	-	-	-	34,856

### **Interrogatory**

*h) Why was the unmetered scattered load (USL) class not used in the PILs recovery calculations for 2004?*

### **Response**

The unmetered scattered load (USL) category was not used in the PILs recovery calculations for 2004 because the 2004 Board decision did not include a separate classification for unmetered scattered loads. Please see the Schedule of Changed Distribution Rates and Charges for the decision on file number EB-2004-0078, RP-2004-0092 for rates effective March 1, 2004. At the time USL's were included in the GS < 50 kW Class.

### **Interrogatory**

2005					
Customer Class	Billing Parameter	Billed & Unbilled Consumption Jan 1/05 to Mar 31/05	Billed Consumption on Apr 1/05 to Dec 31/05	Total Actual 2005	2004 Statistics Filed in 2006 EDR
Residential	kWh's	11,067,663	16,590,471	27,658,134	33,256,852
General Service < 50 kW	kWh's	4,879,805	8,773,104	13,652,909	16,558,782
General Service > 50 kW	kW's	26,274	73,146	99,420	94,884
Streetlight TOU	kW's	365	977	1,342	1,461
Unmetered Scattered Loads	kWh's	-	-	-	34,856





- i) *Please explain why the billing determinants used to calculate the 2005 PILs recoveries are much lower in certain classes and those reported in 2006 EDR for 2004, as seen in the table above.*

## **Response**

The consumption billed for April 1, 2005 to December 31, 2005 did not include unbilled consumption, however, this consumption was included in the January 1, 2006 to April 30, 2006 figures. See the tables below for revised figures for 2005 and 2006. Also see Appendix B for a revised PILs Recovery schedule. The revised total PILs recoveries are \$486,363.

2005	Billing Parameter	Billed & Unbilled Consumption Jan 1/05 to Mar 31/05	Billed Consumpti on Apr 1/05 to Dec 31/05	Total Actual 2005	2004 Statistics Filed in 2006 EDR
Customer Class					
Residential	kWh's	11,067,663	21,195,113	32,262,776	33,256,852
General Service < 50 kW	kWh's	4,879,805	10,711,256	15,591,061	16,558,782
General Service > 50 kW	kW's	26,274	84,265	110,539	94,884
Streetlight TOU	kW's	365	1,104	1,469	1,461
Unmetered Scattered Loads	kWh's	-	-	-	34,856

2006	Billing Parameter	Billed & Unbilled Consumption Jan 1/06 to Apr 30/06
Customer Class		
Residential	kWh's	13,882,151
General Service < 50 kW	kWh's	6,218,418
General Service > 50 kW	kW's	47,141
Streetlight TOU	kW's	601
Unmetered Scattered Loads	kWh's	-



### **Interrogatory**

- j) Why was the unmetered scattered load (USL) class not used in the PILs recovery calculations for 2005?*

### **Response**

The unmetered scattered load (USL) category was not used in the PILs recovery calculations for 2005 because the 2005 Board decision did not include a separate classification for unmetered scattered loads. Please see the Schedule of Changed Distribution Rates and Charges for the decision on file number EB-2005-0073, RP-2005-0013 for rates effective March 1, 2005. The USL category was not approved by the Board until 2006. At the time USL's were included in the GS < 50 kW Class.

### **Interrogatory**

- k) Why was the unmetered scattered load (USL) class not used in the PILs recovery calculations for the period January 1 to April 30, 2006?*

### **Response**

The unmetered load category was not included in the approved rates until the decision for file EB-2005-0415, RP-2005-0020, for rates effective May 1, 2006 and therefore these customers were included in the GS < 50 kW class up to April 30, 2006.

### **Interrogatory**

- l) Did Sioux Lookout have billing system problems in the period 2002 through 2006?*

### **Response**

No, Sioux Lookout did not have billing system problems in the period 2002 through 2006.

### **Interrogatory**

- m) Did Sioux Lookout replace its billing system during the period 2002 through 2006?*

### **Response**

No, Sioux Lookout did not replace its billing system during the period 2002 through 2006.



## **Interrogatory**

### **9. Ref: 2001 through 2005 SIMPIL Models**

*Blended income tax rates are used to calculate the tax variances in SIMPIL models that form part of the entries in PILs account 1562. The blended income tax rates for Sioux Lookout should be based on its own tax evidence. Sioux Lookout did not use tax rates that are consistent with its tax evidence in completing the SIMPIL models for 2001-2005.*

- a) *Please make electronic copies of the Excel SIMPIL models for 2001 through 2005 that Sioux Lookout filed in evidence. In these SIMPIL models for 2001, 2002, 2003, 2004, and 2005 on sheet TAXCALC, please enter (over-ride the formula) the tax rates provided in the table below in the cells shown. Please file these revised SIMPIL models for 2001-2005 and provide an updated continuity schedule using the variances from these revised SIMPIL models.*

<b>SIMPIL Models – TAXCALC</b>					
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Cell E122 (E123):</b> Calculation of true-up variance – income tax effect	19.12%	19.12%	18.62%	18.62%	18.62%
<b>Cell E130 (or E131):</b> Income tax rate used for gross-up (excluding surtax)	18.00%	18.00%	17.50%	17.50%	17.50%
<b>Cell E138 (or E139):</b> Calculation of Deeferral Account Variance caused by changes in legislation – Revised corporate income tax rate	19.12%	19.12%	18.62%	18.62%	18.62%
<b>Cell E175 (or E176):</b> Calculation of Deferral Account Variance caused by changes in legislation – Actual income tax rate used for gross-up (excluding surtax)	18.00%	18.00%	17.50%	17.50%	17.50%



## **Response**

Sioux Lookout corrected the SIMPIL models for 2001 through 2005. The updated models are included in this response under Appendix C. An updated continuity schedule is also included under Appendix D.

## **Interrogatory**

- b) *Sioux Lookout was eligible for the small business deduction in the tax years 2001 to 2005. Does Sioux Lookout agree that the blended income tax rates shown in the above table are those that should be used to calculate its PILs 1562 variances in its evidence?*

## **Response**

Yes Sioux Lookout agrees that the blended income tax rates shown in the above table are those that should be used to calculate its PILs 1562 variances in its evidence.

## **Interrogatory**

### **10. Ref: 2005 SIMPIL**

*On sheet TAXREC2, Sioux Lookout entered an addition amount of \$64,651 for “interest on unrecorded interest on variance accounts” that appeared on Sch 1 of the reassessed/amended 2005 tax return. This amount relates to regulatory assets or liabilities and should be recorded on TAXREC3 consistent with the Board’s decision that these impacts should not true up to rate payers since they are timing differences.*

- a) *Please enter the \$64,651 on TAXREC3 and file the revised SIMPIL model and updated continuity schedule.*

## **Response**

Please see the revised SIMPIL model and updated continuity schedule filed as Appendix C and D respectively.



## **Interrogatory**

### **11. Ref: 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 Sioux Lookout have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?*

## **Response**

Yes Sioux Lookout did include expenses other than interest related to debt in its interest and bank charges expense on the financial statements.

## **Interrogatory**

- b) *Did Sioux Lookout 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.*

## **Response**

No, Sioux Lookout did not net interest income against interest expense in deriving the amount it show as interest expense in its financial statements and tax returns. Interest income is included in "Other operating income" line item on the financial statements.

## **Interrogatory**

- c) *Did Sioux Lookout include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?*

## **Response**

Interest expense on customer security deposits was included in interest expense.



### **Interrogatory**

- d) Did Sioux Lookout include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?*

### **Response**

No, Sioux Lookout did not include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns.

### **Interrogatory**

- e) Did Sioux Lookout include interest expense on IESO prudentials in interest expense?*

### **Response**

No, Sioux Lookout did not include interest related to IESO prudentials in interest expense.

### **Interrogatory**

- f) Did Sioux Lookout include interest carrying charges on regulatory assets or liabilities in interest expense?*

### **Response**

Yes Sioux Lookout included interest carrying charges on regulatory assets or liabilities in interest expense.

### **Interrogatory**

- g) Did Sioux Lookout include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did Sioux Lookout also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.*

### **Response**

No, Sioux Lookout did not include the amortization of debt issue costs, debt discounts or debt premiums in interest expense. Sioux Lookout did not have any amortization related to debt issue costs, debt discounts or debt premiums.



### **Interrogatory**

- h) Did Sioux Lookout deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did Sioux Lookout add back the capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.*

### **Response**

Sioux Lookout did not capitalize any interest for the years 2001 to 2005 therefore there was no capitalized interest included in its interest expense.

### **Interrogatory**

- i) Please provide Sioux Lookout's views on which types of interest income and interest expense should be included in the excess interest true-up calculations.*

### **Response**

Sioux Lookout believes that interest expense relating to debt should be included in the excess interest true-up calculation. Interest relating to regulatory assets and liabilities should not be included.

### **Interrogatory**

- j) Please provide a table for the years 2001 to 2005 that shows all of the components of Sioux Lookout's interest expense and the amount associated with each type of interest.*



## **Response**

The following table breaks out all of the components included in the interest and bank charges line item on Sioux Lookout's audited financial statements for the years 2001 to 2005.

<b>Year</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Component</b>					
Interest on Bank Loan	125,140.48	88,013.02	99,039.29	78,919.04	80,218.17
Bank fees	11,049.22	14,305.90	17,825.63	24,722.59	29,531.23
Outside service billing charges	46,764.75	44,864.58	-	-	-
Interest expense other	1,446.28	530.85	2,614.97	2,867.18	3,559.82
Interest expense on Regulatory Assets/Liabilities	-	-	2,093.86	3,557.82	4,993.39
Interest on customer deposits	-	144.69	417.50	1,196.33	1,683.84
<b>Total Interest Expense</b>	<b>184,400.73</b>	<b>147,859.04</b>	<b>121,991.25</b>	<b>111,262.96</b>	<b>119,986.45</b>

## **Interrogatory**

### **12. Ref: 2001 to 2005 Tax Returns Ref: Tax Years – Statute-barred**

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

## **Response**

Sioux Lookout confirms that the tax years from 2001 to 2005 are now statute-barred.





Sioux Lookout Hydro Inc.  
EB-2011-0102  
Response to Board Staff Interrogatories  
Schedule 3

## **APPENDIX A**

### **MINISTER OF ENERGY SPC INVOICE**

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

**To:** Sioux Lookout Hydro Inc.  
25 Fifth Avenue, P.O Box 908  
Sioux Lookout, ON P8T 1B3  
Attn: Gordon Maki, President & CEO

**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.

Customer No./No du client 472775
Customer Site No./ N° d'emplacement du client 1061049
Invoice Date/Date de la facture  April 16, 2010
Invoice No./N° de la facture 50065
Due Date/ Date d'échéance  July 30, 2010
Payment Amount/ Montant remis  CAD \$ 29,539

*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. 27<sup>th</sup> 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<sup>e</sup> 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.*

-----  
Detach here/ Détacher ici



Ministry of Finance/Ministère des Finances  
Payment Processing Centre/Centre de traitement des paiements  
33 King St. West/33 rue King Ouest  
PO Box 647/CP 647  
Oshawa, ON L1H 8X3

Please detach and return this portion with your payment in the enclosed envelope. Make your cheque or money order payable to the Minister of Finance. Veuillez détacher et retourner cette partie avec votre remise dans l'enveloppe ci-jointe. Libellez votre chèque ou votre mandat à l'ordre du ministre des Finances.

Sioux Lookout Hydro Inc.  
25 Fifth Avenue, P.O Box 908  
Sioux Lookout, ON P8T 1B3  
Attn: Gordon Maki, President & CEO

Customer No. / N° du client 472775
Customer Site No./ N° d'emplacement du client 1061049
Invoice No./ N° de la facture 50065
Payment Amount / Montant remis CAD \$ .

45 AR 50065



## **APPENDIX B**

### **REVISED PILS RECOVERY SCHEDULE**

**Sioux Lookout Hydro Inc.  
PILS RECOVERIES  
2002**

**Variable Charge**

<u>Class</u>	<u>Rate ad for 2001 PILs</u>	<u>Rate adj for 2002 PILs</u>	<u>Total PILs Rate Adj</u>	<u>Mar - Dec 2002 Consumption</u>	<u>PILs Recovered</u>
Res	0.000211	0.000663	0.000874	15,182,209	13,269
GS<50	0.000169	0.000532	0.000701	8,395,607	5,885
GS>50	0.033467	0.105184	0.138651	55,118	7,642
Street Light	0.048861	0.153563	0.202424	847	171
					0
					<u>\$26,968</u>

**Service Charge**

<u>Class</u>	<u>Rate ad for 2001 PILs</u>	<u>Rate adj for 2002 PILs</u>	<u>Total PILs Rate Adj</u>	<u>Mar - Dec 2002 Customer # / Connections</u>	<u>PILs Recovered</u>
Res	0.5576	1.7526	2.3102	16828	38,876
GS<50	0.9942	3.1247	4.1189	3071	12,649
GS>50	12.0812	37.9698	50.051	191	9,560
Street Light	0.026	0.0819	0.1079	3791	409
					-
					<u>\$61,494</u>
				<b>TOTAL</b>	<u><b>\$88,462</b></u>

**Sioux Lookout Hydro Inc.  
PILS RECOVERIES  
2003**

**Variable Charge**

<u>Class</u>	<u>Rate ad for 2001 PILs</u>	<u>Rate adj for 2002 PILs</u>	<u>Total PILs Rate Adj</u>	<u>Jan - Dec 2003 Consumption</u>	<u>Total 2003 PILs Recovered</u>
Res	0.000211	0.000663	0.000874	32,459,023	28,369
GS<50	0.000169	0.000532	0.000701	16,742,069	11,736
GS>50	0.033467	0.105184	0.138651	103,564	14,359
Street Light	0.048861	0.153563	0.202424	1,462	296
					<u>\$54,761</u>

**Service Charge**

<u>Class</u>	<u>Rate ad for 2001 PILs</u>	<u>Rate adj for 2002 PILs</u>	<u>Total PILs Rate Adj</u>	<u>Jan - Dec 2003 Customer # / Connections</u>	<u>Total 2003 PILs Recovered</u>
Res	0.5576	1.7526	2.3102	26763	61,828
GS<50	0.9942	3.1247	4.1189	4950	20,389
GS>50	12.0812	37.9698	50.051	378	18,919
Street Light	0.026	0.0819	0.1079	6558	708
					<u>0</u>
					<u>\$101,843</u>
				<b>TOTAL</b>	<b><u>\$156,604</u></b>

### Variable Charge

**Service Charge**[illegible]

### Variable Charge

Class	Rate adj for 2004 PILs	Jan - Mar 2005 Consumption	PILs Recovered	Rate adj for 2005 PILs	Apr - Dec 2005 Consumption	PILs Recovered	Total 2005 PILs Recovered
Res	0.002344	11,067,663	25,943	0.0009	21,195,113	19,076	45,018
GS<50	0.000779	4,879,805	3,801	0.0006	10,711,256	6,427	10,228
GS>50	0.322356	26,274	8,470	0.1771	84,265	14,923	23,393
Street Light	0.590133	365	215	0.2226	1,104	246	461
			0			0	-
			38,429			40,671	79,100

### Service Charge

	Rate adj for	Jan - Mar 2005		Rate adj for	Apr - Dec 2005		Total 2005
Class	2004 PILs	Customer # / Connections	PILs Recovered	2005 PILs	Customer # / Connections	PILs Recovered	PILs Recovered
Res			-			-	-
GS<50			-			-	-
GS>50			-			-	-
Street Light			-			-	-
			-			-	-
			-			-	-
				TOTAL			79,100

**Sioux Lookout Hydro Inc.**  
**PILS RECOVERIES**  
**2006**

**Variable Charge**

<u>Class</u>	<u>Rate ad for 2005 PILs</u>	<u>Jan - Apr 2006 Consumption</u>	<u>Total 2006 PILs Recovered</u>
Res	0.0009	13,882,151	12,494
GS<50	0.0006	6,218,418	3,731
GS>50	0.1771	47,141	8,349
Street Light	0.2226	601	134
			0
			0
			<u>24,708</u>

**Service Charge**

<u>Class</u>	<u>Rate ad for 2005 PILs</u>	<u>Jan - Apr 2006 Customer # / Connections</u>	<u>Total 2006 PILs Recovered</u>
Res			-
GS<50			-
GS>50			-
Street Light			-
Sentinel Light			-
Unmetered			-
			<u>-</u>
			<u>-</u>
		<b>TOTAL</b>	<u><b>24,708</b></u>



**Sioux Lookout Hydro Inc.**  
**Total Recoveries Summary**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>TOTAL</u>
Recoveries per revised calc (kwh/kw/customer counts x PILs amounts in rates)	88,462	156,604	137,489	79,100	24,708	486,363



## **APPENDIX C**

### **REVISED 2001 TO 2005 SIMPIL MODELS**

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Sioux Lookout Hydro Inc.</b>			Colour Code	
4	<b>Reporting period: 2001</b>			Input Cell	
5				Formula in Cell	
6	<b>Days in reporting period:</b>	92	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2001	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			5,588,188	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			8.33%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			435,320	
42					
43	1999 return from RUD Sheet #7			348,286	348,286
44					
45	Total Incremental revenue			87,034	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			0	0
48	Amount allowed in 2002			43,447	0
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			43447	
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>348,286</b>
55					
56	Equity			2,794,094	
57					
58	Return at target ROE			232,748	
59					
60	Debt			2,794,094	
61					
62	Deemed interest amount in 100% of MARR			202,572	
63					
64	Phase-in of interest - Year 1 (2001)			162,071	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			182,289	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			182,289	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			202,572	
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				G-C Page 2	Explanation	Sioux Lookout	HaltonModel_PILs-2001Q4_20111014_REVISED20120126
5		0					Version 2009.1	
6	Utility Name: Sioux Lookout Hydro Inc.							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	87,072		-305,536		-218,464	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	62,374		-998		61,376	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			541		541	
30	Items on which true-up does not apply "TAXREC 3"				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	33,616		-33,616		0	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
37	Interest Expense Deemed/ Incurred	11	40,518		-40,518		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		75,312		-231,859	Before loss C/F	-156,547	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-15.0000%		19.12%	
54								
55	REGULATORY INCOME TAX		25,696		-24,495	Actual	1,201	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		25,696		-24,495	Actual	1,201	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	5,588,188		999,894		6,588,082	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		588,188		999,894		1,588,082	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		445		756		1,201	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	5,588,188		-5,588,188			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-10,000,000			
77	Taxable Capital		0		-15,588,188		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		33.00%					
89								
90	Income Tax (proxy tax is grossed-up)	22	38,353			Actual 2001	1,201	
91	LCT (proxy tax is grossed-up)	23	0			Actual 2001	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	445			Actual 2001	0	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2001	25	39,439			Actual 2001	1,201	
96	RAM DECISION							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				DR/(CR)			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26			0			

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				G-C Page 3	Explanation	Sioux Lookout	HaltonModel_PILs-2001Q4_20111014_REVISED20120126
5		0					Version 2009.1	
6	Utility Name: Sioux Lookout Hydro Inc.							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
121								
122	Income Tax Rate (excluding surtax) from 2001 Utility's tax return			x	19.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				18.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				0			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	75,312			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	19.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	14,400			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	14,400			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	25,696			
147								
148	Regulatory Income Tax Variance			=	-11,297			
149								
150	Ontario Capital Tax							
151	Base			=	5,588,188			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	588,188			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	445			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	445			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				5,588,188			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-4,411,812			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	Income Tax (grossed-up)			+	-13,777			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-13,777			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	0			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-13,777			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				202,572			
194	Interest phased-in (Cell C37)				162,071	25% for Q4 2001		
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				40,500			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200	Interest deducted on MoF filing (Cell G36+G41)				0			
201								
202	Total deemed interest (REGINFO CELL D61)				202,572			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207								
208	Total Interest Variance				40,500			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Sioux Lookout Hydro Inc.					
8	Reporting period: 2001					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		92	days		
12						
13	Please enter the Materiality Level :		6,985	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
31	Energy Sales	+	1,799,447		1,799,447	
32	Distribution Revenue	+			0	
33	Other Income	+	73,571		73,571	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	1,792,588		1,792,588	
40	Administration	-	137,711		137,711	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	99,807		99,807	
43	Amortization	-	61,376		61,376	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	-218,464	0	-218,464	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-			0	
53	<b>Net Income (loss)</b>	=	-218,464	0	-218,464	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	61,376	0	61,376	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	541	0	541	
69						
70	<b>Subtotal</b>		61,917	0	61,917	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	61,917	0	61,917	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	
87			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	<b>BOOK TO TAX DEDUCTIONS:</b>					
97	Capital cost allowance	-			0	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	0	0	0	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	0	0	0	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	-156,547	0	-156,547	
135	<b>DEDUCT:</b>					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	-156,547	0	-156,547	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,201		1,201	
144	Subtotal	=	1,201	0	1,201	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	<b>Total Income Tax</b>	=	1,201	0	1,201	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		13.12%		13.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		6.00%		6.00%	
151	Blended Income Tax Rate		19.12%		19.12%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP FROM ABOVE:</b>					
156	Total Income Taxes	+	1,201	0	1,201	
157	Ontario Capital Tax	+			0	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	1,201	0	1,201	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
8	<b>Reporting period: 2001</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2001</b>					
10	<b>Number of days in taxation year:</b>		92			
11	<b>Materiality Level:</b>		6,985			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22	non-deductible meals	+	541		541	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36		+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	541	0	541	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2001</b>					
10	<b>Number of days in taxation year:</b>		92			
11	<b>Materiality Level:</b>		6,985			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		541	0	541	
79	Total Additions		541	0	541	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2001</b>					
12	<b>Number of days in taxation year:</b>		92			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+				
36	Interest and penalties on unpaid taxes	+				
37	Management bonuses unpaid after 180 days of year end	+				
38	<b>Ontario Capital Tax per books</b>	+				
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Capital contributions - s.12(1)(x)	+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario Capital Tax per tax return</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69	Capital contributions s.13(7.4) Election	-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Sioux Lookout Hydro Inc.									
5	Reporting period: 2001									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2001 Q4									
9	Income Range		0		50,000					
10	RAM 2002		to		to					
11		Year	50,000		175,000			>175,000		
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		28.12%			28.12%		
15	and Ontario blended		6.00%		6.00%			12.50%		
16	Blended rate		19.12%		34.12%			40.62%		
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2001 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001									
27	Income Range		0		50,000					
28	Expected Rates		to		to			>175,000		
29		Year	50,000		175,000					
30	Income Tax Rate									
31	Current year	2001								
32	Federal (Includes surtax)	2001	13.12%		28.12%			28.12%		
33	Ontario	2001	6.00%		6.00%			12.50%		
34	Blended rate	2001	19.12%		34.12%			40.62%		
35										
36	Capital Tax Rate	2001	0.300%							
37	LCT rate	2001	0.225%							
38	Surtax	2001	1.12%							
39	Ontario Capital Tax Exemption *** 2001	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2001	MAX \$10MM	10,000,000							
41	*** Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2001 Tax Returns									
45	Income Range		0		50,000					
46			to		to			>175,000		
47		Year	50,000		175,000					
48	Income Tax Rate									
49	Current year	2001								
50	Federal (Includes surtax)		13.12%		22.12%			28.12%		
51	Ontario		6.00%		9.75%			12.50%		
52	Blended rate		19.12%		31.87%			40.62%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

Model\_PILs-2001Q4\_20111014\_REVISED20120126

29,611,572

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>G-C</b>	<b>Explanation</b>		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Sioux Lookout Hydro Inc							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income - REGINFO E53	1	87,072		-305,536		-218,464	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	62,374		-998		61,376	
21	Employee Benefit Plans - Accrued, Not Paid	3	0		0		0	
22	Tax reserves - beginning of year	4	0		0		0	
23	Reserves from financial statements - end of year	4	0		0		0	
24	Regulatory Adjustments - increase in income	5	0		0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6	0		0		0	
27	Other Additions (not "Material") "TAXREC"	6	0		0		0	
28	"Material" Items from "TAXREC 2" worksheet	6	0		0		0	
29	Other Additions (not "Material") "TAXREC 2"	6	0		541		541	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	33,616		-33,616		0	
34	Employee Benefit Plans - Paid Amounts	8	0		0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
37	Interest Expense Deemed/ Incurred	11	40,518		-40,518		0	
38	Tax reserves - end of year	4	0		0		0	
39	Reserves from financial statements - beginning of year	4	0		0		0	
40	Contributions to deferred income plans	3	0		0		0	
41	Contributions to pension plans	3	0		0		0	
42	Interest capitalized for accounting but deducted for tax	11	0		0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12	0		0		0	
45	Other Deductions (not "Material") "TAXREC"	12	0		0		0	
46	Material Items from "TAXREC 2" worksheet	12	0		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12	0		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	<b>TAXABLE INCOME/ (LOSS)</b>		75,312		-231,859	<b>Before loss C/F</b>	-156,547	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-15.0000%		19.12%	
54								
55	<b>REGULATORY INCOME TAX</b>		25,696		-24,495	<b>Actual</b>	1,201	
56								
57								
58	Miscellaneous Tax Credits	14	0		0	<b>Actual</b>	0	
59								
60	<b>Total Regulatory Income Tax</b>		25,696		-24,495	<b>Actual</b>	1,201	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	5,588,188		999,894		6,588,082	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-5,000,000		0	
68	Taxable Capital		588,188		-4,000,106		6,588,082	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		445		4,537	<b>Overpaid</b>	4,982	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	5,588,188		-5,588,188		0	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		-5,588,188		-10,000,000	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		-5,671		-5,671	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		-5,671		-5,671	
85								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		33.00%					
89								
90	Income Tax (proxy tax is grossed-up)	22	38,353			<b>Actual 2001</b>	1,201	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2001</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	445			<b>Actual 2001</b>	0	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2001</b>	25	38,797			<b>Actual 2001</b>	1,201	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>G-C</b>	<b>Explanation</b>		
5	0						<b>Version 2009.1</b>	
6	Utility Name: Sioux Lookout Hydro Inc							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
122	Income Tax Rate (excluding surtax) from 2001 Utility's tax return			x	18.00%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				33.00%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	75,312			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	31.87%			
139								
140	REVISED REGULATORY INCOME TAX			=	24,002			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	24,002			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	25,696			
147								
148	Regulatory Income Tax Variance			=	-1,695			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	5,588,188			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	588,188			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	445			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	445			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base			=	5,588,188			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-4,411,812			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	Income Tax (grossed-up)			+	-2,066			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-2,066			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-2,066			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				202,572			
194	Interest phased-in (Cell C37)				162,071	25% for Q4 2001		
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				40,500			
197								
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200								
201	Interest deducted on MoF filing (Cell G36+G41)				0			
202	Total deemed interest (REGINFO CELL D61)				202,572			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207								
208	<b>Total Interest Variance</b>				40,500			
209								
210								
211								

	A	B	C	D	E	F	G	H	I	J
1	<b>PILs TAXES - EB-2008-381</b>									
2	<b>Corporate Tax Rates</b>									
3	<b>Exemptions, Deductions, or Thresholds</b>									
4	Utility Name: Sioux Lookout Hydro Inc.									
5	Reporting period: 2001									
6										
7	<b>Table 1</b>									
8	<b>Rates Used in 2002 RAM PILs Applications for 2001 Q4</b>									
9	Income Range		0		50,000					
10	RAM 2002		to		to					
11		Year	50,000		175,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		28.12%					
15	and Ontario blended		6.00%		6.00%					
16	Blended rate		19.12%		34.12%					
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	<b>**Exemption amounts must agree with the Board-approved 2001 RAM PILs filing</b>									
24										
25	<b>Table 2</b>									
26	<b>Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002</b>									
27	Income Range		0		50,000					
28	Expected Rates		to		to					
29		Year	50,000		175,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		28.12%					
33	Ontario	2002	6.00%		6.00%					
34	Blended rate	2002	19.12%		34.12%					
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2001	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2001	MAX \$10MM	10,000,000							
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
42										
43	<b>Table 3</b>									
44	<b>Input Information from Utility's Actual 2001 Tax Returns</b>									
45	Income Range		0		50,000					
46			to		to					
47		Year	50,000		175,000					
48	Income Tax Rate									
49	Current year	2001								
50	Federal (Includes surtax)		13.12%		22.12%					
51	Ontario		6.00%		9.75%					
52	Blended rate		19.12%		31.87%					
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	0							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>									
60										
61										

29,611,572

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Sioux Lookout Hydro Inc.														Version 2009.1
4	Reporting period: 2001														0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											0		0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-13,777		-13,777
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-13,777		-13,777
23															
24															
25															
26	Uncollected PILs														
27															
28	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															



	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Sioux Lookout Hydro Inc.			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			5,588,188	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			8.33%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			435,320	
42					
43	1999 return from RUD Sheet #7			348,286	348,286
44					
45	Total Incremental revenue			87,034	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			0	0
48	Amount allowed in 2002			43,447	43,447
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			43447	0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				391,733
55					
56	Equity			2,794,094	
57					
58	Return at target ROE			232,748	
59					
60	Debt			2,794,094	
61					
62	Deemed interest amount in 100% of MARR			202,572	
63					
64	Phase-in of interest - Year 1 (2001)			162,071	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			182,289	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			182,289	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			202,572	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	<b>Utility Name: Sioux Lookout Hydro Inc.</b>							
7	<b>Reporting period: 2002</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	391,733		38,918		430,651	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	249,495		-5,423		244,072	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			2,885		2,885	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	264,683		23,091		287,774	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	182,347		-79,353		102,994	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	<b>TAXABLE INCOME/ (LOSS)</b>		194,198		92,642	Before loss C/F	286,840	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-19.5000%		19.12%	
54								
55	<b>REGULATORY INCOME TAX</b>		74,999		-50,087	Actual	24,912	
56								
57								
58	Miscellaneous Tax Credits	14			5,940	Actual	5,940	
59								
60	<b>Total Regulatory Income Tax</b>		74,999		-56,027	Actual	18,972	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	5,588,188		1,391,825		6,980,013	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		588,188		1,391,825		1,980,013	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		1,765		4,175	Overpaid	5,940	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	5,588,188		-5,588,188			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-10,000,000			
77	Taxable Capital		0		-15,588,188		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	<b>Net LCT</b>		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Sioux Lookout Hydro Inc.</b>							
7	<b>Reporting period: 2002</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		18.00%					
89								
90	Income Tax (proxy tax is grossed-up)	22	122,189			<b>Actual 2002</b>	18,972	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2002</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	1,765			<b>Actual 2002</b>	6,252	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	123,954			<b>Actual 2002</b>	25,224	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	19.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			5,940			
127								
128	Total Income Tax on True-ups				-5,940			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				18.00%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				-7,244			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	194,198			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	19.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	37,131			
141								
142	Less: Revised Miscellaneous Tax Credits			-	5,940			
143								
144	Total Revised Regulatory Income Tax			=	31,191			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	74,999			
147								
148	Regulatory Income Tax Variance			=	-43,809			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Sioux Lookout Hydro Inc.							
7	Reporting period: 2002							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	5,588,188			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	588,188			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	1,765			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	1,765			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				5,588,188			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-4,411,812			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-53,425			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-53,425			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	-7,244			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-60,669			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				202,572			
194	Interest phased-in (Cell C36)				182,289			
195								
196	Variance due to phase-in of debt component of MARR in rates				20,283			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				102,994			
202	Total deemed interest (REGINFO CELL D61)				202,572			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				20,283			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4			<b>Return</b>			
5	0				<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Sioux Lookout Hydro Inc.					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		6,948	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
31	Energy Sales	+	7,402,290		7,402,290	
32	Distribution Revenue	+			0	
33	Other Income	+	85,225		85,225	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	6,113,884		6,113,884	
40	Administration	-	375,137		375,137	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	368,186		368,186	
43	Amortization	-	199,657		199,657	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	430,651	0	430,651	
51	Less: Interest expense for accounting purposes	-	102,994		102,994	
52	Provision for payments in lieu of income taxes	-	32,230		32,230	
53	<b>Net Income (loss)</b>	=	295,427	0	295,427	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	32,230	0	32,230	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	244,072	0	244,072	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	2,885	0	2,885	
69						
70	<b>Subtotal</b>		279,187	0	279,187	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	<b>DEPRECIATION DIFFERENCE</b>	+			0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	279,187	0	279,187	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	271,779		271,779	
98	Cumulative eligible capital deduction	-	15,995		15,995	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	287,774	0	287,774	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	287,774	0	287,774	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	286,840	0	286,840	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	156,547		156,547	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	130,293	0	130,293	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	17,094		17,094	
143	Net Ontario Income Tax (Must agree with tax return)	+	7,818		7,818	
144	Subtotal	=	24,912	0	24,912	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	5,940		5,940	
146	Total Income Tax	=	18,972	0	18,972	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		13.12%		13.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		6.00%		6.00%	
151	Blended Income Tax Rate		19.12%	*****	19.12%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	RECAP					
156	Total Income Taxes	+	18,972	0	18,972	
157	Ontario Capital Tax	+	6,252		6,252	
158	Federal Large Corporations Tax	+			0	
159						
160	Total income and capital taxes	=	25,224	0	25,224	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		6,948			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	2,885		2,885	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	2,885	0	2,885	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		2,885	0	2,885	
79	Total Additions		2,885	0	2,885	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		6,948			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	Wires-only	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2002</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Sioux Lookout Hydro Inc.									
5	Reporting period: 2002									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0 to 200,000		200,001 to 700,000		>700,000			
10	RAM 2002									
11		Year								
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%		26.12%			
15	and Ontario blended		6.00%		6.00%		12.50%			
16	Blended rate		19.12%		34.12%		38.62%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002									
27	Income Range		0 to 200,000		200,001 to 700,000		>700,000			
28	Expected Rates									
29		Year								
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		26.12%		26.12%			
33	Ontario	2002	6.00%		6.00%		12.50%			
34	Blended rate	2002	19.12%		32.12%		38.62%			
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2002 Tax Returns									
45	Income Range		0 to 200,000		200,001 to 700,000		>700,000			
46										
47		Year								
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		22.12%		26.12%			
51	Ontario		6.00%		9.75%		12.50%			
52	Blended rate		19.12%		31.87%		38.62%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

26.12%	0.00%
12.50%	0.00%
38.62%	0.00%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Sioux Lookout Hydro Inc.														Version 2009.1
4	Reporting period: 2002				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											-7,244		-7,244
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-53,425		-53,425
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-60,669		-60,669
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Sioux Lookout Hydro Inc.</b>			<u>Colour Code</u>	
4	<b>Reporting period: 2003</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			5,588,188	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			8.33%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			435,320	
42					
43	1999 return from RUD Sheet #7			348,286	348,286
44					
45	Total Incremental revenue			87,034	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			43,447	43,447
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			43447	43,447
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				435,180
55					
56	Equity			2,794,094	
57					
58	Return at target ROE			232,748	
59					
60	Debt			2,794,094	
61					
62	Deemed interest amount in 100% of MARR			202,572	
63					
64	Phase-in of interest - Year 1 (2001)			162,071	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			182,289	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			182,289	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			202,572	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial Estimate</b>	<b>M of F Filing</b>	<b>M of F Filing</b>	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>			<b>Variance</b>	<b>Variance</b>		
3	<b>TAX CALCULATIONS (TAXCALC)</b>			<b>K-C</b>	<b>Explanation</b>		
4	("Wires-only" business - see Tab TAXREC)					<b>Version 2009.1</b>	
5		0					
6	Utility Name: Sioux Lookout Hydro Inc.						
7	Reporting period: 2003						
8						<b>Column Brought</b>	
9	Days in reporting period:	365	days			<b>From</b>	
10	Total days in the calendar year:	365	days			<b>TAXREC</b>	
11						<b>\$</b>	
12						<b>\$</b>	
13						<b>\$</b>	
14	<b>II) CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	435,180	121,947		557,127	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	249,495	28,253		277,748	
21	Employee Benefit Plans - Accrued, Not Paid	3		0		0	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5		0		0	
25	Other Additions (See Tab entitled "TAXREC")	6		0		0	
26	"Material" Items from "TAXREC" worksheet	6		0		0	
27	Other Additions (not "Material") "TAXREC"	6		0		0	
28	"Material" Items from "TAXREC 2" worksheet	6		0		0	
29	Other Additions (not "Material") "TAXREC 2"	6		4,519		4,519	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			0		0	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	288,557	-24,080		264,477	
34	Employee Benefit Plans - Paid Amounts	8		0		0	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0	
37	Interest Expense Deemed/ Incurred	11	182,289	-60,298		121,991	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			0		0	
49							
50	TAXABLE INCOME/ (LOSS)		213,829	239,097	Before loss C/F	452,926	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%	-3.3727%		30.75%	
54							
55	REGULATORY INCOME TAX		72,958	48,004	Actual	120,962	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		72,958	48,004	Actual	120,962	
61							
62							
63	<b>III) CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	5,588,188	1,594,448		7,182,636	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	0		5,000,000	
68	Taxable Capital		588,188	1,594,448		2,182,636	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		1,765	4,783		6,548	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	5,588,188	-5,588,188			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	-10,000,000			
77	Taxable Capital		0	-15,588,188		0	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0	0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0	0		0	
83							
84	Net LCT		0	0		0	
85							
86	<b>III) INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross- up (exclude surtax)		33.00%				
89							
90	Income Tax (proxy tax is grossed-up)	22	108,893		Actual 2003	120,962	
91	LCT (proxy tax is grossed-up)	23	0		Actual 2003	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	1,765		Actual 2003	6,548	
93							
94							
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	123,954		Actual 2003	127,510	
96	<b>RAM DECISION</b>						
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		0			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		0			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		0			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		0			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		0			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
118	Other deductions "Material" Item TAXREC 2	12		0			
119							
120	Total TRUE-UPS before tax effect	26	=	0			
121							
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return		x	18.62%			

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial Estimate</b>		<b>M of F Filing</b>	<b>M of F Filing</b>	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>				<b>Variance</b>	<b>Variance</b>		
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>K-C</b>	<b>Explanation</b>		
4	("Wires-only" business - see Tab TAXREC)							
5		0					<b>Version 2009.1</b>	
6	Utility Name: Sioux Lookout Hydro Inc.							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				<b>Column Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	213,829			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	39,815			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	39,815			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	72,958			
147								
148	Regulatory Income Tax Variance			=	-33,143			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	5,588,188			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	588,188			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	1,765			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	1,765			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				5,588,188			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-4,411,812			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	Income Tax (grossed-up)			+	-40,174			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-40,174			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-40,174			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				202,572			
194	Interest phased-in (Cell C36)				182,289			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				20,283			
197								
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200								
201	Interest deducted on MoF filing (Cell K36+K41)				121,991			
202	Actual Interest Paid				121,991			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				0			
207								
208	<b>Total Interest Variance</b>				20,283			
209								
210								
211								



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Sioux Lookout Hydro Inc.					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		6,948	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
31	Energy Sales	+	7,068,604		7,068,604	
32	Distribution Revenue	+			0	
33	Other Income	+	188,505		188,505	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	5,751,026		5,751,026	
40	Administration	-	402,274		402,274	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	332,923		332,923	
43	Amortization	-	213,759		213,759	
44	Ontario Capital Tax	-			0	
45	Reg Asset movement	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	557,127	0	557,127	
51	Less: Interest expense for accounting purposes	-	121,991		121,991	
52	Provision for payments in lieu of income taxes	-	126,718		126,718	
53	<b>Net Income (loss)</b>	=	308,418	0	308,418	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	126,718	0	126,718	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	277,748	0	277,748	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	4,519	0	4,519	
69						
70	<b>Subtotal</b>		408,985	0	408,985	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	408,985	0	408,985	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	<b>BOOK TO TAX DEDUCTIONS:</b>					
97	Capital cost allowance	-	249,602		249,602	
98	Cumulative eligible capital deduction	-	14,875		14,875	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	5,940	0	0	
112						
113	Subtotal	=	270,417	0	264,477	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	270,417	0	264,477	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	446,986	0	452,926	
135	<b>DEDUCT:</b>					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	446,986	0	452,926	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	81,563		81,563	
143	Net Ontario Income Tax (Must agree with tax return)	+	39,399		39,399	
144	Subtotal	=	120,962	0	120,962	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	<b>Total Income Tax</b>	=	120,962	0	120,962	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		18.25%		18.25%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		30.75%		30.75%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	120,962	0	120,962	
157	Ontario Capital Tax	+	6,548		6,548	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	127,510	0	127,510	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		6,948			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	4,519		4,519	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	4,519	0	4,519	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		6,948			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		4,519	0	4,519	
79	Total Additions		4,519	0	4,519	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92	Payment of Prior Year Capital Tax (Schedule 1)	-	5,940			
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	5,940	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		5,940	0	0	
121	Total Deductions		5,940	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2003</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	<b>PILs TAXES - EB-2008-381</b>									
2	<b>Corporate Tax Rates</b>									
3	<b>Exemptions, Deductions, or Thresholds</b>									
4	<b>Utility Name: Sioux Lookout Hydro Inc.</b>									
5	<b>Reporting period: 2003</b>									
6										
7	<b>Table 1</b>									
8	<b>Rates Used in 2002 RAM PILs Applications for 2002</b>									
9	<b>Income Range</b>		<b>0</b>		<b>200,001</b>					
10	<b>RAM 2002</b>		<b>to</b>		<b>to</b>					
11		<b>Year</b>	<b>200,000</b>		<b>700,000</b>					
12	<b>Income Tax Rate</b>									
13	<b>Proxy Tax Year</b>	<b>2002</b>								
14	<b>Federal (Includes surtax)</b>		13.12%		26.12%		26.12%			
15	<b>and Ontario blended</b>		6.00%		6.00%		12.50%			
16	<b>Blended rate</b>		19.12%		34.12%		38.62%			
17										
18	<b>Capital Tax Rate</b>		0.300%							
19	<b>LCT rate</b>		0.225%							
20	<b>Surtax</b>		1.12%							
21	<b>Ontario Capital Tax Exemption **</b>	<b>MAX \$5MM</b>	5,000,000							
22	<b>Federal Large Corporations Tax Exemption **</b>	<b>MAX \$10MM</b>	10,000,000							
23	<b>**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing</b>									
24										
25	<b>Table 2</b>									
26	<b>Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003</b>									
27	<b>Income Range</b>		<b>0</b>		<b>200,001</b>					
28	<b>Expected Rates</b>		<b>to</b>		<b>to</b>					
29		<b>Year</b>	<b>200,000</b>		<b>700,000</b>					
30	<b>Income Tax Rate</b>									
31	<b>Current year</b>	<b>2003</b>								
32	<b>Federal (Includes surtax)</b>	<b>2003</b>	13.12%				24.12%			
33	<b>Ontario</b>	<b>2003</b>	6.00%				12.50%			
34	<b>Blended rate</b>	<b>2003</b>	19.12%			34.12%	36.62%			
35										
36	<b>Capital Tax Rate</b>	<b>2003</b>	0.300%							
37	<b>LCT rate</b>	<b>2003</b>	0.225%							
38	<b>Surtax</b>	<b>2003</b>	1.12%							
39	<b>Ontario Capital Tax Exemption *** 2003</b>	<b>MAX \$5MM</b>	5,000,000							
40	<b>Federal Large Corporations Tax Exemption *** 2003</b>	<b>MAX \$10MM</b>	10,000,000							
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
42										
43	<b>Table 3</b>									
44	<b>Input Information from Utility's Actual 2003 Tax Returns</b>									
45	<b>Income Range</b>		<b>0</b>		<b>200,001</b>					
46			<b>to</b>		<b>to</b>					
47		<b>Year</b>	<b>200,000</b>		<b>700,000</b>					
48	<b>Income Tax Rate</b>									
49	<b>Current year</b>	<b>2003</b>								
50	<b>Federal (Includes surtax)</b>		13.12%				24.12%		0.00%	
51	<b>Ontario</b>		6.00%				12.50%		0.00%	
52	<b>Blended rate</b>		19.12%			0.00%	36.62%		0.00%	
53										
54	<b>Capital Tax Rate</b>		0.300%							
55	<b>LCT rate</b>		0.225%							
56	<b>Surtax</b>		1.12%							
57	<b>Ontario Capital Tax Exemption *</b>	<b>MAX \$5MM</b>	5,000,000							
58	<b>Federal Large Corporations Tax Exemption *</b>	<b>MAX \$10MM</b>	10,000,000							
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Sioux Lookout Hydro Inc.														Version 2009.1
4	Reporting period: 2003														0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											0		0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-40,174		-40,174
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-40,174		-40,174
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWts, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															



	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Sioux Lookout Hydro Inc.</b>			Colour Code	
4	<b>Reporting period: 2004</b>			Input Cell	
5				Formula in Cell	
6	<b>Days in reporting period:</b>	366	days		
7	<b>Total days in the calendar year:</b>	366	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			5,588,188	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			8.33%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			435,320	
42					
43	1999 return from RUD Sheet #7			348,286	348,286
44					
45	Total Incremental revenue			87,034	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			43,447	43,447
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			43447	43,447
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>435,180</b>
55					
56	Equity			2,794,094	
57					
58	Return at target ROE			232,748	
59					
60	Debt			2,794,094	
61					
62	Deemed interest amount in 100% of MARR			202,572	
63					
64	Phase-in of interest - Year 1 (2001)			162,071	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			182,289	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			182,289	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			202,572	
71					
72					

A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>			<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)			<b>K-C</b>	<b>Explanation</b>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Sioux Lookout Hydro Inc.						
7	Reporting period: 2004						
8						<b>Column</b>	
9	Days in reporting period:	366	days			<b>Brought</b>	
10	Total days in the calendar year:	366	days			<b>From</b>	
11						<b>TAXREC</b>	
12		\$		\$		<b>\$</b>	
13							
14	<b>I) CORPORATE INCOME TAXES</b>						
15							
16	Regulatory Net Income REGINFO E53	1	435,180	-212,964		222,216	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	<b>Additions:</b>						
20	Depreciation & Amortization	2	249,495	42,675		292,170	
21	Employee Benefit Plans - Accrued, Not Paid	3		0		0	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5		0		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6		0		0	
27	Other Additions (not "Material") "TAXREC"	6		5,421		5,421	
28	"Material" Items from "TAXREC 2" worksheet	6		0		0	
29	Other Additions (not "Material") "TAXREC 2"	6		3,329		3,329	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>			0		0	
31							
32	<b>Deductions: Input positive numbers</b>						
33	Capital Cost Allowance and CEC	7	264,683	-4,288		260,395	
34	Employee Benefit Plans - Paid Amounts	8		0		0	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0	
37	Interest Expense Deemed/ Incurred	11	182,289	-71,026		111,263	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		6,860		6,860	
46	Material Items from "TAXREC 2" worksheet	12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>			0		0	
49							
50	TAXABLE INCOME/ (LOSS)		237,703	-93,085	Before loss C/F	144,618	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%	-15.5000%		18.62%	
54							
55	REGULATORY INCOME TAX		81,104	-54,176	Actual	26,928	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	<b>Total Regulatory Income Tax</b>		81,104	-54,176	Actual	26,928	
61							
62							
63	<b>II) CAPITAL TAXES</b>						
64							
65	<b>Ontario</b>						
66	Base	15	5,588,188	1,448,137		7,036,325	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	0		5,000,000	
68	Taxable Capital		588,188	1,448,137		2,036,325	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		1,765	4,344		6,109	
73							
74	<b>Federal Large Corporations Tax</b>						
75	Base	18	5,588,188	-5,588,188			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	-10,000,000			
77	Taxable Capital		0	-15,588,188		0	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	-0.0250%		0.2000%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0	0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0	0		0	
83							
84	Net LCT		0	0		0	
85							
86	<b>III) INCLUSION IN RATES</b>						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		33.00%				
89							
90	Income Tax (proxy tax is grossed-up)	22	121,051		Actual 2004	26,928	
91	LCT (proxy tax is grossed-up)	23	0		Actual 2004	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	1,765		Actual 2004	6,109	
93							
94							
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION</b>	25	123,954		Actual 2004	33,037	
96							
97							
98							
99	<b>IV) FUTURE TRUE-UPS</b>						
100	<b>IV a) Calculation of the True-up Variance</b>			<b>DR/(CR)</b>			
101	<b>In Additions:</b>						
102	Employee Benefit Plans - Accrued, Not Paid	3		0			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		0			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		0			
108	<b>In Deductions - positive numbers</b>						
109	Employee Benefit Plans - Paid Amounts	8		0			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		0			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
118	Other deductions "Material" Item TAXREC 2	12		0			
119							
120	Total TRUE-UPS before tax effect	26		0			

A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>	<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>	<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>			<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)			<b>K-C</b>	<b>Explanation</b>		
5	0					<b>Version 2009.1</b>	
6	Utility Name: Sioux Lookout Hydro Inc.						
7	Reporting period: 2004						
8						<b>Column</b>	
9	Days in reporting period:	366	days			<b>Brought</b>	
10	Total days in the calendar year:	366	days			<b>From</b>	
11						<b>TAXREC</b>	
12						<b>\$</b>	
13							
121							
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return		x	18.62%			
123							
124	Income Tax Effect on True-up adjustments		=	0			
125							
126	Less: Miscellaneous Tax Credits	14		0			
127							
128	Total Income Tax on True-ups			0			
129							
130	Income Tax Rate used for gross-up (exclude surtax)			17.50%			
131							
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>			<b>0</b>			
133							
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>						
135							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)		=	237,703			
137							
138	REVISED CORPORATE INCOME TAX RATE		x	18.62%			
139							
140	REVISED REGULATORY INCOME TAX		=	44,260			
141							
142	Less: Revised Miscellaneous Tax Credits		-	0			
143							
144	Total Revised Regulatory Income Tax		=	44,260			
145							
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)		-	81,104			
147							
148	Regulatory Income Tax Variance		=	-36,844			
149							
150	<b>Ontario Capital Tax</b>						
151	Base		=	5,588,188			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39		-	5,000,000			
153	Revised deemed taxable capital		=	588,188			
154							
155	Rate - Tab Tax Rates cell C54		x	0.3000%			
156							
157	Revised Ontario Capital Tax		=	1,765			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)		-	1,765			
159	Regulatory Ontario Capital Tax Variance		=	0			
160							
161	<b>Federal LCT</b>						
162	Base		=	5,588,188			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40		-	50,000,000			
164	Revised Federal LCT		=	-44,411,812			
165							
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			0.2000%			
167							
168	Gross Amount			0			
169	Less: Federal surtax		-	0			
170	Revised Net LCT		=	0			
171							
172	Less: Federal LCT reported in the initial estimate column (Cell C82)		-	0			
173	Regulatory Federal LCT Variance		=	0			
174							
175	Actual Income Tax Rate used for gross-up (exclude surtax)			17.50%			
176							
177	Income Tax (grossed-up)		+	-44,659			
178	LCT (grossed-up)		+	0			
179	Ontario Capital Tax		+	0			
180							
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>		=	-44,659			
182							
183	<b>TRUE-UP VARIANCE (from cell I132)</b>		+	0			
184							
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>		=	-44,659			
186	(Deferral Account Variance + True-up Variance)						
187							
188							
189							
190	<b>V) INTEREST PORTION OF TRUE-UP</b>						
191	<b>Variance Caused By Phase-in of Deemed Debt</b>						
192							
193	Total deemed interest (REGINFO)			202,572			
194	Interest phased-in (Cell C36)			182,289			
195							
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision			20,283			
197							
198							
199	<b>Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>						
200	Interest deducted on MoF filing (Cell K36+K41)			111,263			
201	Actual Interest Paid			111,263			
202							
203							
204	Variance caused by excess debt			0			
205							
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>			0			
207							
208	<b>Total Interest Variance</b>			20,283			
209							
210							
211							

A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4	0	Return			
5				Version 2009.1	
6	Section A: Identification:				
7	Utility Name: Sioux Lookout Hydro Inc.				
8	Reporting period: 2004				
9	Taxation Year's start date:				
10	Taxation Year's end date:				
11	Number of days in taxation year:	366	days		
12					
13	Please enter the Materiality Level :	6,985	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y		
15	(0.25% x Net Assets)	Y/N			
16	Or other measure (please provide the basis of the amount)	Y/N			
17	Does the utility carry on non-wires related operation?	Y/N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	Section B: Financial statements data:				
23	Input unconsolidated financial statement data submitted with Tax returns.				
24	The actual categories of the income statements should be used.				
25	If required please change the descriptions except for amortization, interest expense and provision for income tax				
26					
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts				
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.				
29					
30	Income:				
31	Energy Sales	+	7,017,813		7,017,813
32	Distribution Revenue	+			0
33	Other Income	+	131,025		131,025
34	Miscellaneous income	+			0
35		+			0
36	Revenue should be entered above this line				
37					
38	Costs and Expenses:				
39	Cost of energy purchased	-	5,772,596		5,772,596
40	Administration	-	441,599		441,599
41	Customer billing and collecting	-			0
42	Operations and maintenance	-	487,530		487,530
43	Amortization	-	224,897		224,897
44	Ontario Capital Tax	-			0
45	Recovery of regulatory assets - expense	-			0
46		-			0
47		-			0
48		-			0
49					
50	Net Income Before Interest & Income Taxes EBIT	=	222,216	0	222,216
51	Less: Interest expense for accounting purposes	-	111,263		111,263
52	Provision for payments in lieu of income taxes	-	34,063		34,063
53	Net Income (loss)	=	76,890	0	76,890
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )				
55					
56	Section C: Reconciliation of accounting income to taxable income				
57	From T2 Schedule 1				
58	BOOK TO TAX ADDITIONS:				
59	Provision for income tax	+	34,063	0	34,063
60	Federal large corporation tax	+	0		0
61	Depreciation & Amortization	+	292,170	0	292,170
62	Employee benefit plans-accrued, not paid	+		0	0
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	0	0	0
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	Items on which true-up does not apply "TAXREC 3"		0	0	0
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	3,329	0	3,329
69					
70	Subtotal		329,562	0	329,562
71					
72	Other Additions: (Please explain the nature of the additions)				
73	Recapture of CCA	+			0
74	Non-deductible meals and entertainment expense	+	2,554		2,554
75	Capital items expensed	+			0
76	interest on penalties and taxes	+	2,867		2,867
77		+			0
78		+			0
79		+			0
80	Total Other Additions	=	5,421	0	5,421
81					
82	Total Additions	=	334,983	0	334,983
83					
84	Recap Material Additions:				
85			0	0	0

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		5,421	0	5,421	
94	Total Other Additions		5,421	0	5,421	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	246,561		246,561	
98	Cumulative eligible capital deduction	-	13,834		13,834	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"	-	0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	260,395	0	260,395	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117	Payment of additional Capital tax 2002-2003	-	6,860		6,860	
118					0	
119		-			0	
120	Total Other Deductions	=	6,860	0	6,860	
121						
122	Total Deductions	=	267,255	0	267,255	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		6,860	0	6,860	
132	Total Other Deductions		6,860	0	6,860	
133						
134	TAXABLE INCOME	=	144,618	0	144,618	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	144,618	0	144,618	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	18,974	0	18,974	
143	Net Ontario Income Tax (Must agree with tax return)	+	7,954	0	7,954	
144	Subtotal	=	26,928	0	26,928	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	26,928	0	26,928	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		13.12%		13.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		5.50%		5.50%	
151	Blended Income Tax Rate		18.62%		18.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	26,928	0	26,928	
157	Ontario Capital Tax	+	6,109		6,109	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	33,037	0	33,037	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		6,985			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	3,329		3,329	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	3,329	0	3,329	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		6,985			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		3,329	0	3,329	
79	Total Additions		3,329	0	3,329	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		366			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory - end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-			0	
63		-			0	
64	Assessment Notice	-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Sioux Lookout Hydro Inc.									
5	Reporting period: 2004									
6										
7										
8	Rates Used in 2002 RAM PILs Applications for 2002					Table 1				
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%		26.12%			
15	and Ontario blended		6.00%		6.00%		12.50%			
16	Blended rate		19.12%		34.12%		38.62%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25										
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to					
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%		22.12%			
33	Ontario	2004	5.50%	5.50%	9.75%		14.00%			
34	Blended rate	2004	18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43										
44	Input Information from Utility's Actual 2004 Tax Returns					Table 3				
45	Income Range		0	250,001	400,001					
46			to	to	to					
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.12%		22.12%	0.00%
51	Ontario		5.50%	5.50%	13.77%		14.00%		14.00%	0.00%
52	Blended rate		18.62%	27.62%	36.06%		36.12%		36.12%	0.00%
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	45,995,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

22.12%	0.00%
14.00%	0.00%
36.12%	0.00%

[illegible]

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-0381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Sioux Lookout Hydro Inc.</b>			<u>Colour Code</u>	
4	<b>Reporting period: 2005</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			5,588,188	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			8.33%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			435,320	
42					
43	1999 return from RUD Sheet #7			348,286	348,286
44					
45	Total Incremental revenue			87,034	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			43,447	43,447
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			43447	43,447
52	Other Board-approved changes to MARR or incremental revenue				
53					0
54	<b>Total Regulatory Income</b>				435,180
55					
56	Equity			2,794,094	
57					
58	Return at target ROE			232,748	
59					
60	Debt			2,794,094	
61					
62	Deemed interest amount in 100% of MARR			202,572	
63					
64	Phase-in of interest - Year 1 (2001)			162,071	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			182,289	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			182,289	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			202,572	
71					
72					

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2008-0381	ITEM	Initial		M of F	M of F	Tax	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Version 2009.1	
6 Utility Name: Sioux Lookout Hydro Inc.							
7 Reporting period: 2005							
8						Column	
9 Days in reporting period:	365	days				Brought	
10 Total days in the calendar year:	365	days				From	
11						TAXREC	
12		\$		\$		\$	
13							
14 I) CORPORATE INCOME TAXES							
15							
16 Regulatory Net Income REGINFO E53	1	435,180		-227,903		207,277	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 Additions:							
20 Depreciation & Amortization	2	249,495		56,009		305,504	
21 Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22 Tax reserves - beginning of year	4			0		0	
23 Reserves from financial statements - end of year	4			0		0	
24 Regulatory Adjustments - increase in income	5			0		0	
25 Other Additions (See Tab entitled "TAXREC")							
26 "Material" Items from "TAXREC" worksheet	6			0		0	
27 Other Additions (not "Material") "TAXREC"	6			1,891		1,891	
28 "Material" Items from "TAXREC 2" worksheet	6			25,307		25,307	
29 Other Additions (not "Material") "TAXREC 2"	6			965		965	
30 Items on which true-up does not apply "TAXREC 3"				64,651		64,651	
31							
32 Deductions: Input positive numbers							
33 Capital Cost Allowance and CEC	7	264,683		-566		264,117	
34 Employee Benefit Plans - Paid Amounts	8			0		0	
35 Items Capitalized for Regulatory Purposes	9			0		0	
36 Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37 Interest Expense Deemed/ Incurred	11	202,572		-82,586		119,986	
38 Tax reserves - end of year	4			0		0	
39 Reserves from financial statements - beginning of year	4			0		0	
40 Contributions to deferred income plans	3			0		0	
41 Contributions to pension plans	3			0		0	
42 Interest capitalized for accounting but deducted for tax	11			0		0	
43 Other Deductions (See Tab entitled "TAXREC")							
44 "Material" Items from "TAXREC" worksheet	12			0		0	
45 Other Deductions (not "Material") "TAXREC"	12			6,109		6,109	
46 Material Items from "TAXREC 2" worksheet	12			0		0	
47 Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48 Items on which true-up does not apply "TAXREC 3"				0		0	
49							
50 TAXABLE INCOME/ (LOSS)		217,420		-2,037	Before loss C/F	215,383	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	18.62%		0.0000%		18.62%	
54							
55 REGULATORY INCOME TAX		40,484		-379	Actual	40,105	
56							
57							
58 Miscellaneous Tax Credits	14			0	Actual	0	
59							
60 Total Regulatory Income Tax		40,484		-379	Actual	40,105	
61							
62							
63 II) CAPITAL TAXES							
64							
65 Ontario							
66 Base	15	5,588,188		1,516,293		7,104,481	
67 Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		0		7,500,000	
68 Taxable Capital		0		1,516,293		-395,519	
69							
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71							
72 Ontario Capital Tax		0		0		0	
73							
74 Federal Large Corporations Tax							
75 Base	18	5,588,188		-5,588,188		0	
76 Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		-50,000,000		0	
77 Taxable Capital		0		-55,588,188		0	
78							
79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80							
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82 Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83							
84 Net LCT		0		0		0	
85							
86 III) INCLUSION IN RATES							
87							
88 Income Tax Rate used for gross-up (exclude surtax)		18.62%					
89							
90 Income Tax (proxy tax is grossed-up)	22	49,746			Actual 2005	40,105	
91 LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
92 Ontario Capital Tax (no gross-up since it is deductible)	24	0			Actual 2005	0	
93							
94							
95 Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	49,365			Actual 2005	40,105	
96 RAM DECISION							
97							
98							
99 IV) FUTURE TRUE-UPS							
100 IV a) Calculation of the True-up Variance				DR/(CR)			
101 In Additions:							
102 Employee Benefit Plans - Accrued, Not Paid	3			0			
103 Tax reserves deducted in prior year	4			0			
104 Reserves from financial statements-end of year	4			0			
105 Regulatory Adjustments	5			0			
106 Other additions "Material" Items TAXREC	6			0			
107 Other additions "Material" Items TAXREC 2	6			25,307			
108 In Deductions - positive numbers							
109 Employee Benefit Plans - Paid Amounts	8			0			
110 Items Capitalized for Regulatory Purposes	9			0			
111 Regulatory Adjustments	10			0			
112 Interest Adjustment for tax purposes (See Below - cell I206)	11			0			
113 Tax reserves claimed in current year	4			0			
114 Reserves from F/S beginning of year	4			0			
115 Contributions to deferred income plans	3			0			
116 Contributions to pension plans	3			0			
117 Other deductions "Material" Items TAXREC	12			0			
118 Other deductions "Material" Item TAXREC 2	12			0			
119							
120 Total TRUE-UPS before tax effect	26		=	25,307			
121							
122 Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	18.62%			

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Sioux Lookout Hydro Inc.							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							<b>\$</b>	
123								
124	Income Tax Effect on True-up adjustments			=	4,712			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				4,712			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>5,712</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	217,420			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	40,484			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	40,484			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	40,484			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	5,588,188			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	-1,911,812			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				5,588,188			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-44,411,812			
165								
166	Rate (as a result of legislative changes) tab "Tax Rates" cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	<b>0</b>			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	5,712			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	<b>5,712</b>			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				202,572			
194	Interest phased-in (Cell C36)				182,289			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				20,283			
197								
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels)</b>							
200	<b>Above Deemed Debt per Rate Handbook</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				119,986			
202	Actual Interest Paid				<b>119,986</b>			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				<b>0</b>			
207								
208	<b>Total Interest Variance</b>				<b>20,283</b>			
209								
210								
211								

	A	B	C	D	E	F	G
1	<b>PILs TAXES - EB-2008-0381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>		
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>		
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>		
4		<b>0</b>	<b>Return</b>				
5					<b>Version 2009.1</b>		
6	<b>Section A: Identification:</b>						
7	Utility Name: Sioux Lookout Hydro Inc.						
8	Reporting period: 2005						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12							
13	Please enter the Materiality Level :		6,985	< - enter materiality level			
14	(0.25% x Rate Base x CER)	Y/N	Y				
15	(0.25% x Net Assets)	Y/N					
16	Or other measure (please provide the basis of the amount)	Y/N					
17	Does the utility carry on non-wires related operation?	Y/N					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)						
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	<b>Section B: Financial statements data:</b>						
23	Input unconsolidated financial statement data submitted with Tax returns.						
24	The actual categories of the income statements should be used.						
25	If required please change the descriptions except for amortization, interest expense and provision for income tax						
26							
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts						
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.						
29							
30	<b>Income:</b>						
31	Energy Sales	+	7,059,306		7,059,306		
32	Distribution Revenue	+			0		
33	Other Income	+	169,400		169,400		
34	Miscellaneous income	+			0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	<b>Costs and Expenses:</b>						
39	Cost of energy purchased	-	5,779,463		5,779,463		
40	Administration	-	444,726		444,726		
41	Customer billing and collecting	-			0		
42	Operations and maintenance	-	563,198		563,198		
43	Amortization	-	234,042		234,042		
44	Ontario Capital Tax	-			0		
45	Capitalized	-			0		
46	Recovery of Regulatory Assets	-			0		
47		-			0		
48		-			0		
49							
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	207,277	0	207,277		
51	Less: Interest expense for accounting purposes	-	119,986		119,986		
52	Provision for payments in lieu of income taxes	-	23,378		23,378		Does this include LCT?
53	<b>Net Income (loss)</b>	=	63,913	0	63,913		
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)						
55							
56	<b>Section C: Reconciliation of accounting income to taxable income</b>						
57	<b>From T2 Schedule 1</b>						
58	<b>BOOK TO TAX ADDITIONS:</b>						
59	Provision for income tax	+	23,378	0	23,378		Does this include LCT?
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	305,504	0	305,504		
62	Employee benefit plans-accrued, not paid	+		0	0		
63	Tax reserves - beginning of year	+	0	0	0		
64	Reserves from financial statements- end of year	+	0	0	0		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		64,651	0	64,651		
67	Material addition items from TAXREC 2	+	25,307	0	25,307		
68	Other addition items (not Material) from TAXREC 2	+	965	0	965		
69							
70	<b>Subtotal</b>		419,805	0	419,805		
71							
72	<b>Other Additions: (Please explain the nature of the additions)</b>						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+	1,891		1,891		
75	Capital items expensed	+			0		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	<b>Total Other Additions</b>	=	1,891	0	1,891		
81							
82	<b>Total Additions</b>	=	421,696	0	421,696		
83							
84	<b>Recap Material Additions:</b>						
85			0	0	0		
86			0	0	0		
87			0	0	0		

	A	B	C	D	E	F	G
1	<b>PILs TAXES - EB-2008-0381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>		
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>		
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>		
4		<b>0</b>	<b>Return</b>				
5					<b>Version 2009.1</b>		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		1,891	0	1,891		
94	Total Other Additions		1,891	0	1,891		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	251,251		251,251		
98	Cumulative eligible capital deduction	-	12,866		12,866		
99	Employee benefit plans-paid amounts	-			0		
100	Items capitalized for regulatory purposes	-			0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	0	0	0		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	0	0	0		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	264,117	0	264,117		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-			0		
117	Payment of 2004 Capital Tax	-	6,109		6,109		
118					0		
119		-			0		
120	Total Other Deductions	=	6,109	0	6,109		
121							
122	Total Deductions	=	270,226	0	270,226		
123							
124	Recap Material Deductions:						
125			0	0	0		
126			0	0	0		
127			0	0	0		
128			0	0	0		
129			0	0	0		
130	Total Other Deductions exceed materiality level		0	0	0		
131	Other Deductions less than materiality level		6,109	0	6,109		
132	Total Other Deductions		6,109	0	6,109		
133							
134	TAXABLE INCOME	=	215,383	0	215,383		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	215,383	0	215,383		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	28,259	0	28,259		
143	Net Ontario Income Tax (Must agree with tax return)	+	11,846	0	11,846		
144	Subtotal	=	40,105	0	40,105		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		
146	Total Income Tax	=	40,105	0	40,105		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		13.12%		13.12%		Divide federal income tax by the taxable
150	Net Ontario Income Tax Rate (Must agree with tax return)		5.50%		5.50%		Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		18.62%		18.62%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	40,105	0	40,105		
157	Ontario Capital Tax	+			0		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	40,105	0	40,105		
161							



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-0381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		6,985			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	965		965	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Net Change in vested sick leave accrual	+	14,201		14,201	
42	Net change in post employment benefit accrual	+	11,106		11,106	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	26,272	0	26,272	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72	Net Change in vested sick leave accrual		14,201	0	14,201	
73	Net change in post employment benefit accrual		11,106	0	11,106	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		6,985			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		25,307	0	25,307	
78	Other additions less than materiality level		965	0	965	
79	Total Additions		26,272	0	26,272	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Sioux Lookout Hydro Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	interest on unrecorded interest on variance accounts	+	64,651		64,651	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	64,651	0	64,651	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

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

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-0381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Sioux Lookout Hydro Inc.														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		40,160		65,521		14,122		-30,789		-91,208		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	39,439		123,954		163,393		133,814		30,989		16,455		508,043
13	PILs proxy from April 1, 2005 - input 9/12 of amount										37,024				37,024
14	True-up Variance Adjustment Q4, 2001 (2)	+/-	0		0				0						0
15	True-up Variance Adjustment (3)	+/-					-7,244		0		0		5,712		-1,532
16	Deferral Account Variance Adjustment Q4, 2001 (4)				-13,777						0				-13,777
17	Deferral Account Variance Adjustment (5)	+/-					-53,425		-40,174		-44,659		0		-138,258
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	721		3,646		2,481		-1,062		-4,672		-2,019		-905
20	PILs billed to (collected from) customers (8)	-	0		-88,462		-156,604		-137,489		-79,100		-24,708		-486,363
21															
22	Ending balance: # 1562		40,160		65,521		14,122		-30,789		-91,208		-95,768		-95,768
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:										Method 3				
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															



## **APPENDIX D**

### **UPDATED PILS CONTINUITY SCHEDULE**

**Sioux Lookout Hydro Inc.**  
**Continuity Schedule - Account 1562**  
**2001 to 2012**

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
Principal Opening balance: # 1562		39,439	61,154	7,274	-36,575	-92,321	-94,862	-94,862	-94,862	-94,862	-94,862	-94,862	-94,862
Board-approved PILs tax proxy from Decisions <sup>(1)</sup>	+/-	39,439	123,954	163,393	133,814	30,989	16,455						
PILS Proxy from April 1, 2005 - input 9/12 of amount	+/-					37,024		0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001 <sup>(2)</sup>	+/-		0					0	0	0	0	0	0
True-up Variance Adjustment <sup>(3)</sup>	+/-			-7,244	0	0	5,712	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001 <sup>(4)</sup>	+/-							0	0	0	0	0	0
Deferral Account Variance Adjustment <sup>(5)</sup>	+/-		-13,777					0	0	0	0	0	0
Adjustments to reported prior years' variances <sup>(6)</sup>	+/-			-53,425	-40,174	-44,659	0	0	0	0	0	0	0
PILs collected from customers - Proxy <sup>(8)</sup>	-							0	0	0	0	0	0
Principal Ending balance: # 1562		39,439	61,154	7,274	-36,575	-92,321	-94,862	-94,862	-94,862	-94,862	-94,862	-94,862	-94,862
Principal Opening balance: # 1562		0	721	4,367	6,848	5,786	1,114	-3,737	-8,222	-11,998	-13,077	-13,834	-15,228
Carrying charges <sup>(7)</sup>	+/-	721	3,646	2,481	-1,062	-4,672	-2,019	-4,485	-3,776	-1,079	-757	-1,394	-465
Principal Ending balance: # 1562		721	4,367	6,848	5,786	1,114	-905	-8,222	-11,998	-13,077	-13,834	-15,228	-15,693

-486,363



**Sioux Lookout Hydro Inc.**  
**PILs Variance #1562**  
**Carrying Charges Calculation**

	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
	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
<b>Principle Balance</b>	39,439	61,154	7,274	-36,575	-92,321	-94,862	-94,862	-94,862	-94,862	-94,862	-94,862	-94,862	-94,862
<b>Carrying Charge</b>	721	3,646	2,481	-1,062	-4,672	-2,019	-2,832	-4,485	-3,776	-1,079	-757	-1,394	-465

<b>Approved Deferral and  Variance Accounts  Prescribed Interest Rate  (per the Bankers'  Acceptances-3 months  Plus 0.25 Spread)</b>	
Q3 2001	7.25
Q2 2006	4.14
Q3 2006	4.59
Q4 2006	4.59
Q1 2007	4.59
Q2 2007	4.59
Q3 2007	4.59
Q4 2007	5.14
Q1 2008	5.14
Q2 2008	4.08
Q3 2008	3.35
Q4 2008	3.35
Q1 2009	2.45
Q2 2009	1.00
Q3 2009	0.55
Q4 2009	0.55
Q1 2010	0.55
Q2 2010	0.55
Q3 2010	0.89
Q4 2010	1.20
Q1 2011	1.47
Q2 2011	1.47
Q3 2011	1.47
Q4 2011	1.47
Q1 2012	1.47
Q2 2012	1.47