

BRANTFORD POWER INC.
EB-2011-0147

Disposition of Account 1562 – Deferred PILs
Board Staff Interrogatories
February 3, 2012

Interrogatory #1

Ref: PILs Amounts Billed to Customers

Brantford provided detailed billing information to support the PILs recoveries from ratepayers for 2002, 2003 and 2004. Brantford did not file this same level of detail for the PILs recoveries in 2005 and for the period January 1 to April 30, 2006.

- (A) Please provide the detailed active Excel worksheets that show the Board-approved PILs rate slivers multiplied by the volumetric data for all of 2005 and the first four months of 2006.
- (B) Please describe how Brantford dealt with the unbilled revenue accrual at April 30, 2006.

Interrogatory #2

Ref: 2002 Revised SIMPIL model filed on January 25, 2012

Brantford has used income tax rates that are not consistent with its evidence. The table below shows what was entered in the 2002 SIMPIL model and the tax rates that should be used.

- (A) Please **enter** (over-ride the formula) the correct income tax rates in the cells shown below and update the continuity schedule.

	Cell E122	Cell E175
Current evidence	19.12%	18.00%
Income tax rate should be	38.62%	37.50%

Brantford has input actual interest expense of \$2,177,025 in the 2002 SIMPIL model sheet TAXCALC cell E201 for the true-up calculations. Interest reported in its 2002 audited financial statements was \$2,197,830.

- (B) Please enter \$2,197,830 in the 2002 SIMPIL model sheet TAXCALC cell E201 and update the continuity schedule.

Interrogatory #3

Ref: 2003 Revised SIMPIL model filed on January 25, 2012

Brantford has input actual interest expense of \$2,177,025 in the 2003 SIMPIL model sheet TAXCALC cell E201 for the true-up calculations. Interest reported in its 2003 audited financial statements was \$2,205,799.

(A) Please enter \$2,205,799 in the 2003 SIMPIL model sheet TAXCALC cell E201 and update the continuity schedule.

Interrogatory #4

Ref: 2004 Revised SIMPIL model filed on January 25, 2012

Brantford has input actual interest expense of \$2,177,025 in the 2004 SIMPIL model sheet TAXCALC cell E201 for the true-up calculations. Interest reported in its 2004 audited financial statements was \$2,210,472.

(A) Please enter \$2,210,472 in the 2004 SIMPIL model sheet TAXCALC cell E201 and update the continuity schedule.

Interrogatory #5

Ref: 2005 Revised SIMPIL model filed on January 25, 2012

Brantford has input actual interest expense of \$2,177,025 in the 2005 SIMPIL model sheet TAXCALC cell E202 for the true-up calculations. Interest reported in its 2005 audited financial statements consisted of interest on a promissory note of \$2,210,472 and other financing expenses of \$112,523 for a total of \$2,289,548.

(A) Please enter \$2,289,548 in the 2005 SIMPIL model sheet TAXCALC cell E202 and update the continuity schedule.

Interest and Financing Expenses

Interest Portion of True-up – 2001 to 2005 SIMPIL - TAXCALC

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 Brantford have interest expense related to liabilities other than debt that is disclosed as interest and financing expenses in its financial statements?

- (B) Did Brantford net interest income against interest expense in deriving the amount it shows as interest and financing expenses in its financial statements and tax returns? If yes, please provide details to what the interest income relates.
- (C) Did Brantford include interest expense on customer security deposits in interest and financing expenses for purposes of the interest true-up calculation?
- (D) Did Brantford include interest income on customer security deposits in the disclosed amount of interest and financing expenses in its financial statements and tax returns?
- (E) Did Brantford include interest expense on IESO prudentials in interest and financing expenses?
- (F) Did Brantford include interest carrying charges on regulatory assets or liabilities in interest and financing expenses?
- (G) Did Brantford include the amortization of debt issue costs, debt discounts or debt premiums in interest and financing expenses? If the answer is yes, did Brantford also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.
- (H) Did Brantford deduct capitalized interest in deriving the interest and financing expenses disclosed in its financial statements? If the answer is yes, did Brantford back the capitalized interest to the actual interest and financing expenses amount for purposes of the interest true-up calculations? Please explain.
- (I) Please provide Brantford's views on which types of interest income and interest and financing expenses should be included in the excess interest true-up calculations.
- (J) Please provide a table for the years 2001 to 2005 that shows all of the components of Brantford's interest and financing expenses and the amount associated with each type of interest.