



Greater Sudbury Hydro Inc  
Hydro du Grand Sudbury Inc

empowering communities  
le pouvoir aux communautés



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February 6, 2012

Ms Mona Habashy  
Case Administrator  
Ontario Energy Board  
PO Box 2319  
27th Floor - 2300 Yonge Street  
Toronto, ON M4P 1E4

RE: Greater Sudbury Hydro Inc - 2012 IRM3 Application EB2011-0169

Dear Mona,

Enclosed are our responses to the Board Staff Submission dated January 26, 2012 as well as the final submissions tabled by counsel for the School Energy Coalition (SEC) and the Vulnerable Energy Consumers Coalition (VECC).

Should you require further information or clarification, please do not hesitate to contact the undersigned at 1-705-675-7536 extension 2241 or via email at [catherineh@shec.com](mailto:catherineh@shec.com).

Respectfully submitted,

Catherine Huneault, CGA  
Supervisor - Accounting and Administrative Services

cc: Jay Shepherd, CCC  
Michael Buonaguro, VECC

**EB:-2011-0169**

GREATER SUDBURY HYDRO INC

RESPONSES TO BOARD STAFF SUBMISSIONS AND FINAL ARGUMENTS SUBMITTED BY  
VULNERABLE ENERGY CONSUMERS COALITION (VECC)

2012 ELECTRICITY DISTRIBUTION RATES

**February 6, 2012**

## **Board Staff Submission**

As noted in the introduction, GSH Inc acknowledges that Board staff will make the necessary corrections to GSH's models at the time of the Board's Decision on the Application.

## **Disposition of Account 1521 - SPC Variance**

As per Appendix C of Chapter 3 of the Filing Requirements, if the combined Board approved balances of accounts 1521 and 1562 are immaterial and result in kWh rate riders of \$(0.0000) when rounded to the fourth decimal place and kW rate riders of \$(0.00) when rounded to the second decimal, GSH Inc agrees with transferring those balances to account 1595 for future disposition if so directed by the Board.

## **Smart Grid Funding Adder Request**

GSH Inc is not aware of any changes in S&C Electric's SGF application status at this time.

GSH Inc wishes to reconfirm the position that the LDC will not accept the regulatory risk of funding a demonstration project that will be reviewed and approved at a later date. GSH Inc is requesting Board approval of a funding adder for the entire sum of the capital expenditures as this is a pilot project. Inclusion of maintenance for two years may not be appropriate but inclusion of one year of maintenance costs is felt reasonable.

Board staff referred to Page 21 of the Filing Requirements: Distribution System Plans - Filing under Deemed Conditions of License (EB-2009-0397) which state the following with respect to funding adders for GEA related activities:

The costs collected through a funding adder (sometimes referred to as a rate adder) are not subjected to a prudence review before the adder is approved. The costs will be subject to a prudence review in the first cost of service application following the implementation of the adder. The Board will require the distributor to refund to ratepayers costs already collected through the adder but found to be imprudent.

Where costs recorded in a deferral account have not been subjected to a prudence review, recovery of these costs may be denied at the time the Board considers an application to dispose of the balances of the account.

Board staff note that, by its definition, the funding adder cannot fully protect GSH from regulatory risk as the amounts have not undergone a prudence review.

GSH Inc understands costs will be subject to a prudence review in the first cost of service application following implementation of the adder. However, if the Board approves the 'funding adder' with our 2012 IRM3 Application, our understanding is that this implies the Board's

approval of the concept underpinning the pilot program and only those costs found to be excessive or imprudent would be disallowed.

GSH Inc is not in favour of the approval of a deferral account as all costs could be denied at the time the Board considers an application to dispose of the balances.

To deny tacit approval of the Pilot or an adder to properly fund its costs is in effect telling LDCs that they are to ignore opportunities to participate in projects designed to advance the goals of the GEA if the opportunity does not fit neatly into the IRM/rebasing schedule. This inflexible approach will undoubtedly spoil valuable opportunities to efficiently develop a meaningful smart grid in Ontario.

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

#### **Persisting impacts of 2007 to 2009 CDM Programs – Lost Revenue in 2009 and 2010:**

Both Board Staff and VECC in their submissions do not support the recovery of 2007 to 2009 CDM programs in 2009 or 2010 stating that these savings should have been incorporated in the 2009 load forecast at the time of rebasing.

The OEB “Guidelines for Electricity Distributor Conservation and Demand Management”(the “CDM Guidelines”) (EB-2008-0037), section 5.2 states:

“Lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time.”

Greater Sudbury Hydro respectfully disagrees with Staff and VECC’s interpretation of the above guideline.

As outlined in its original 2009 Cost of Service filing (EB-2008-0230) “Greater Sudbury Hydro has implemented a number of CDM programs within its service area and the results have been very positive as can be seen in the decline in usage per customer since 2005. It is Greater Sudbury Hydro’s view that CDM programs that were offered prior to June 2006 have impacted the historical usage per customer but programs that have been initiated after June 2006 have not impacted the historical usage per customer. As explained further on in this evidence historical usage is considered when the forecasted consumption by rate class is determined. Consequently, a manual adjustment to the forecast has been made to reflect the savings in energy since June 2006 resulting from the CDM initiated after June 2006.”

Throughout Greater Sudbury Hydro’s 2009 COS application proceedings it was made clear that the CDM estimate underpinning the load forecast was based on the 2006 and 2007 Third Tranche CDM savings. This is made evident in Technical Conference Undertaking J2.11 where Greater Sudbury Hydro was asked to reduce its original CDM savings estimate based on updated Ontario Power Authority electricity savings assumptions for compact fluorescent bulbs (CFLs).

In its Decision (EB-2008-0230) the Board accepted Greater Sudbury Hydro’s filed load forecast plus a recommended increase of 2.618 GWh to compensate for a reduction in the originally

estimated CDM savings. It is clear in both the proceedings and this final decision that CDM savings did not include any adjustments for the impact of 2007 to 2009 OPA CDM programs in year 2009 and beyond.

In section 2.13 of VECC's final argument, VECC states that it supports the approval of 2007 and 2008 lost revenues from OPA CDM program implemented in 2007 and 2008, as Greater Sudbury Hydro had not yet recovered these eligible energy savings. Great Sudbury Hydro did not recover these savings in a past LRAM claim due to the fact that final 2007 and 2008 OPA CDM results were not available. This fact also makes it clear that OPA CDM program results could not have been included in the CDM estimate in its 2009 load forecast.

In applying the CDM policy, the Board has taken the specific circumstances of each case into account when making its decision. As noted by VECC, the LRAM for the rebasing year and beyond has been denied in the following decisions:

- Whitby Hydro (EB-2011-0206): Whitby Hydro applied for LRAM impacts of 2009-2010 programs, as well as persistent impacts of third tranche CDM and of 2008 OPA programs in 2010-2011 years. Whitby Hydro rebased based on the load forecast, effective January 1, 2011. Since at this point of time the OPA reports were available, and the utility used a regression method for load forecast, it is reasonable to assume that some CDM savings from 2008 and third tranche programs would be incorporated in the 2011 load forecast. Accordingly the LRAM claim for the year 2011 was rejected.
- Hydro One Brampton (EB-2011-0174): Hydro One Brampton applied for the revenues lost in 2010 -2011 through the participation in 2009-2010 OPA programs. Similar to Whitby Hydro, Hydro One Brampton rebased based on the load forecast effective January 1, 2011. Since at this time the OPA reports were available, and the regression method was used for load forecast, to some extent, CDM savings would be incorporated in the load forecast. Accordingly the LRAM claim for the year 2011 was rejected.

In other cases, LRAM for programs carried out prior to rebasing have been approved for the rebasing year and beyond. Examples include:

- Horizon (EB-2011-0172): Horizon rebased in 2008 and 2011. Horizon stated in its application that its 2008 load forecast did not include CDM impacts. Its \$1.6 million LRAM claim included 2007 and 2008 OPA programs and the resulting persistent lost revenues up to Dec. 31, 2010. The Board approved this request.
- Hydro Ottawa (EB-2011-0054): Hydro Ottawa made an LRAM claim for IRM program years where CDM was incorporated into the load forecast and the applied for LRAM was approved as filed<sup>1</sup>.
- PowerStream 2011 IRM application (EB-2010-0110): The OEB approved the LRAM claim including the recovery of lost revenues for OPA 2007 and 2008 programs, including "persisting" lost revenues of 2007 programs in 2008 for PowerStream - Barrie. PowerStream stated in that application that the 2008 Barrie load forecast did not include CDM impacts.

These Decisions show that the Board has not automatically made an assumption that the most

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<sup>1</sup> Hydro Ottawa Decision and Order, EB-2011-0054, Dec. 28,2011, p.24

recent rebasing load forecast includes CDM savings, from programs up to that point in time. Rather it shows that the Board has looked at the evidence to determine if that assumption is reasonable or not. Where it has determined those savings are not included in the load forecast, the Board has allowed the LRAM claim for persisting savings from those programs beyond the rebasing year.

Greater Sudbury Hydro submits that it is eligible for the persisting impacts of 2007 – 2009 programs in both 2009 and 2010 until it can adequately adjust its rates based on a load forecast that incorporates the CDM savings from the 2007 - 2009 programs.

In it's final argument, Board Staff requests that Greater Sudbury Hydro update its LRAM amount to include only lost revenues from 2007, 2008 and 2010 CDM programs, including the persisting lost revenues from 2007 programs in 2007, 2008 and 2010. Although, Greater Sudbury Hydro respectfully disagrees, it complies with the Board's request and provides an updated LRAM as shown in the tables below.

Updated Table 1  
Summary of 2005 to 2010 LRAM Amounts

LRAM Amounts by CDM Program Year								
		2007	2008	2009	2010	Total	Carrying Charges	Grand Total
<b>All Programs</b>								
Residential		\$ 23,645	\$ 43,159	\$ -	\$ 55,278	\$ 122,083	\$ 7,903	\$ 129,986
GS <50 kW		\$ -	\$ 984	\$ -	\$ 8,466	\$ 9,449	\$ 311	\$ 9,760
GS >50 kW		\$ -	\$ 10,860	\$ -	\$ 19,715	\$ 30,575	\$ 1,399	\$ 31,973
<b>Grand Total</b>		\$ 23,645	\$ 55,003	\$ -	\$ 83,458	\$ 162,107	\$ 9,613	\$ 171,719

Updated Table 2  
OPA and CDM Funded Programs by customer Class

Breakdown of Totals by Source of Funding						
<b>OPA-Funded Programs</b>						
Residential		\$ 23,645	\$ 43,159	\$ -	\$ 55,278	\$ 122,083
GS <50 kW		\$ -	\$ 984	\$ -	\$ 8,466	\$ 9,449
GS >50 kW		\$ -	\$ 10,860	\$ -	\$ 19,715	\$ 30,575
<b>Total for OPA-Funded Programs</b>		\$ 23,645	\$ 55,003	\$ -	\$ 83,458	\$ 162,107
<b>Third Tranche-Funded Programs</b>						
Residential		\$ -	\$ -	\$ -	\$ -	\$ -
GS <50 kW		\$ -	\$ -	\$ -	\$ -	\$ -
GS >50 kW		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total for Third Tranche-Funded Programs</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Grand Total</b>		\$ 23,645	\$ 55,003	\$ -	\$ 83,458	\$ 162,107

GSH Inc has not included an updated table for rate riders as we are standing by our adjusted submission forwarded to the Board in our January 12, 2012 Board Staff interrogatory responses and in response to VECC interrogatory 2(b). Revised Table 21 of the VECC response has proposed rate riders effective May 1, 2012 as follows:

Residential	\$0.0005 per kWh
GS<50 kW	\$0.0003 per kWh
GS>50 kW	\$0.0888 per kW

### **Account 1562 - Deferred Payments in Lieu of Taxes ("PILs")**

As a point of clarification per Board staff's inquiry, GSH Inc paid no dividend on preferred shares for the years 2001 - 2005.

Per EB-2011-0174 the Board decided the interest used to calculate the interest claw-back variance should not include interest on customer deposits. GSH Inc. has not included deposit interest in the claw-back calculation.

In EB-2011-0206 the Board decided that Whitby Hydro must use the interest expense disclosed in its financial statements and deducted in its tax returns in calculating the interest claw-back variance.

For the years 2001 - 2005, GSH Inc reported interest on its financial statements that included interest on future pension benefits. This was merely an accrual entry increasing the liability. The financial statement disclosure may not have been the most appropriate. However, this 'interest' was not deducted in the tax returns.

<b>Interest Expense</b>	2001	2002	2003	2004	2005
<b>From audited financial statements</b>					
Interest on promissory note payable	3,531,660	3,531,660	3,531,660	3,531,660	3,531,660
Interest (Note 1 below)	390,453	433,844	425,161	<b>493,610</b>	538,796
Total per income statements	3,922,113	3,965,504	3,956,821	4,025,270	4,070,456
<b>Interest used in SIMPIL true-up</b>	886,563	3,531,660	3,531,660	3,531,660	3,531,660
1) Includes interest on customer deposits		28,411	1,849	1,957	24,737

Refer to the amount of \$493,610 of interest under the 2004 column of the interest table above and as documented on page 10 of the Board Staff Submission dated January 26, 2012. This

amount is comprised of the following:

Deposit interest	\$ 1,957.02
Interest on future pension benefit liability	<u>\$491,652.90</u>
Total interest	\$493,609.92

Refer also to pages 9 and 10 of the 2004 T2 tax return for GSH Inc (excerpts enclosed). The 2004 T2 tax return was previously submitted to the Board as evidence. Under Miscellaneous Other Additions there is an amount reported in box 600 on page 9 which is added back to taxable income. This amount is derived as follows:

Accrued Future Benefit Cost

Accrual for current service employees	\$172,448.00
Interest on liability	<u>\$491,652.60</u>
Total reported box 600	\$664,100.60

Under Miscellaneous Other Deductions on page 10 in box 700 there is an amount of \$327,426 reported which reflects the actual cash payments of benefits for retirees. This was reflected as a reduction in the future pension benefit liability for accounting purposes.

The interest of \$491,652.60 reported as interest expense for accounting purposes was clearly not deducted for tax purposes. As such, GSH's position is that this interest should not be included in calculating the interest claw-back variance. This treatment was consistent for the years 2001 - 2005. GSH Inc should not use the sum of the interest expense as shown in its income statements as identified in the table on page 10 of the Board Staff Submission but it should use the figure reported as interest on promissory note payable - \$3,531,660. This is the value that has been used in the SIMPIL models.

Regulatory Assets Excluded from PILs

As per Board Staff Submission, GSH Inc has moved the regulatory asset addition of \$132,845 to TAXREC3 in the 2004 SIMPIL model. Enclosed as 'Appendix 19 - GSHI\_SIMPIL 2004 with Interest Clawback\_20120206' is the recalculated 2004 SIMPIL with a revised true-up variance amount of \$381,743. The total deferral account entry is \$161,272 and this has been carried forward to 'Appendix 1-GSHI and WNESL PILs continuity - revised 20120206' (also enclosed) which is the revised continuity schedule for the PILs. With the recalculation the adjusted refund to customers for GSHI is \$149,835.

GSHI PILs 1562	\$ 149,835 refund
WNESL PILs 1562	\$ 14,668 claim
Combined total	\$ 135,167 refund

GSH Inc is requesting approval of the revised refund in the amount of \$135,167.



## **Vulnerable Energy Consumers Coalition - Final Submission**

In paragraph 2.11 VECC submits that energy savings from Greater Sudbury Hydro's CDM programs implemented from 2007 to 2009 are not accruable in 2009 and 2010 as savings should have been incorporated in the 2009 load forecast at the time of rebasing. Several references were also made to Guidelines for Electricity Distributor Conservation and Demand Management (EB-8008-0037).

The Board's Guidelines also state "LRAM is a retrospective adjustment, which is designed to recover revenues lost from distributor supported CDM activities in a prior year. It is designed to compensate a distributor only for unforecasted lost revenues associated with CDM activities undertaken by the distributor within its licenses service area."<sup>1</sup>

Refer to our response to Board Staff's Submission. It is clear in our adjusted and Board approved load forecast submitted with our 2009 COS application that it did not include any adjustments for the impact of 2007 to 2009 OPA CDM programs.

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<sup>1</sup> Guidelines for Electricity Distributor Conservation and Demand Management (EB-2008-0037), Pg 18

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to in this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements.....	-705,241	A
-------------------------------------------------------------------------------------	----------	---

**Additions:**

Provision for income taxes - current . . . . .	101	1,066,615	
Provision for income taxes - deferred . . . . .	102	-1,376,485	
Amortization of tangible assets . . . . .	104	4,250,944	
		-----	
Subtotal of additions . . . . .		3,941,074	3,941,074

**Other Additions:**

**Miscellaneous Other Additions:**

<b>[600]</b>	Accrued future benefit cost	.....	<b>[290]</b>	664,101	
<b>[601]</b>	PILS deferred revenue	.....	<b>[291]</b>	132,845	
<b>[602]</b>	Regulatory asset variance	.....	<b>[292]</b>	2,782,165	
<b>[603a]</b>	Loss on employee future benefits	1,206,138			
<b>[603b]</b>		0			
<b>[603c]</b>		0			
		1,206,138	<b>[293]</b>	1,206,138	
				-----	
<b>Subtotal of Other Additions .....</b>			<b>[199]</b>	4,785,249	4,785,249
				-----	
			<b>Total Additions [500]</b>		8,726,323

Corporate Taxprep / Taxprep des sociétés - TP-10

**Deductions:**

Gain on disposal of assets per financial statements .....	401	49,849		
Capital cost allowance from Schedule 8 .....	403	3,098,359		
		-----		
Subtotal of Deductions .....		3,148,208	3,148,208	

**Other Deductions:**

**Miscellaneous Other Deductions:**

<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px 5px; margin-right: 5px;">700</div> <div style="flex-grow: 1;">Actual benefit payments .....</div> <div style="border: 1px solid black; padding: 2px 5px; margin-left: 10px;">390</div> <div style="margin-left: 10px;">327,436</div> </div>		-----		
Subtotal of Other Deductions .....	499	327,436	327,436	
<b>Total Deductions</b>		510	3,475,644	

<b>Net income (loss) for income tax purposes .....</b> (enter on line 300 on the T2 return)	4,545,438 =====
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T2 SCH 1 E (01)

Corporate Taxprep / Taxprep des sociétés - TP-10

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2010-	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: Greater Sudbury Hydro Inc.							
7	Reporting period: 2004							
8							Column	
9	Days in reporting period:	366	days				Brought	
10	Total days in the calendar year:	366	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
14	II CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	2,531,353		-14,804		2,516,549	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	4,893,000		-642,056		4,250,944	
21	Employee Benefit Plans - Accrued, Not Paid	3			664,101		664,101	
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			1,206,138		1,206,138	
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			0		0	
30	Items on which true-up does not apply "TAXREC 3"				2,915,010		2,915,010	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	2,903,827		194,532		3,098,359	
34	Employee Benefit Plans - Paid Amounts	8			327,436		327,436	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	2,531,353		1,000,307		3,531,660	
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			49,849		49,849	
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)		1,989,173		2,556,265	Before loss C/F	4,545,438	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1: Actual from Table 3	13	38.62%		-24.7694%		13.85%	
54								
55	REGULATORY INCOME TAX		768,219		-138,650	Actual	629,569	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		768,219		-138,650	Actual	629,569	
61								
62								
63	III CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	64,305,676		10,696,685		75,002,361	
67	Less: Exemption - Tax Rates - Regulatory, Table 1: Actual, Table 3	16	5,000,000		-461,771		4,538,229	
68	Taxable Capital		59,305,676		10,234,914		70,464,132	
69								
70	Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		177,917		33,475		211,392	
73								
74	Federal Large Corporations Tax							
75	Base	18	64,305,676		12,026,542		76,332,218	
76	Less: Exemption - Tax Rates - Regulatory, Table 1: Actual, Table 3	19	10,000,000		34,109,004		44,109,004	
77	Taxable Capital		54,305,676		46,135,546		32,223,214	
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)		122,188		-57,741		64,446	
82	Less: Federal Surtax 1.12% x Taxable Income	21	22,279		28,630		50,909	
83								
84	Net LCT		99,909		-86,372		13,538	
85								
86	III INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross-up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,229,150			Actual 2004	629,569	
91	LCT (proxy tax is grossed-up)	23	159,854			Actual 2004	32,569	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	177,917			Actual 2004	211,392	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,566,921			Actual 2004	873,530	
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			664,101			
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			1,206,138			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			327,436			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell E206)	11			855,835			
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		=	686,968			
121								
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	248,133			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				248,133			
129								
130	Greater Sudbury Hydro Inc				35.00%	ok		
131								

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2010-	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: Greater Sudbury Hydro Inc.							
7 Reporting period: 2004							
8						Column	
9 Days in reporting period:	366	days				Brought	
10 Total days in the calendar year:	366	days				From	
11						TAXREC	
12		\$		\$		\$	
13							
132 TRUE-UP VARIANCE ADJUSTMENT				381,743			
133							
134 IV b) Calculation of the Deferral Account Variance caused by changes							
135 in legislation							
136 REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate			=	1,989,173			
137 column)							
138 REVISED CORPORATE INCOME TAX RATE			x	36.12%	ok		
139							
140 REVISED REGULATORY INCOME TAX			=	718,489			
141							
142 Less: Revised Miscellaneous Tax Credits			-	0			
143							
144 Total Revised Regulatory Income Tax			=	718,489			
145							
146 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	768,219			
147							
148 Regulatory Income Tax Variance			=	-49,729			
149							
150 Ontario Capital Tax							
151 Base			=	64,305,676			
152 Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153 Revised deemed taxable capital			=	59,305,676			
154							
155 Rate - Tab Tax Rates cell C54			x	0.3000%			
156							
157 Revised Ontario Capital Tax			=	177,917			
158 Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	177,917			
159 Regulatory Ontario Capital Tax Variance			=	0			
160							
161 Federal LCT							
162 Base			=	64,305,676			
163 Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164 Revised Federal LCT			=	14,305,676			
165							
166 Rate (as a result of legislative changes) tab "Tax Rates" cell C51				0.2000%			
167							
168 Gross Amount			=	28,611			
169 Less: Federal surtax			-	22,279			
170 Revised Net LCT			=	6,333			
171							
172 Less: Federal LCT reported in the initial estimate column (Cell C82)			-	99,909			
173 Regulatory Federal LCT Variance			=	-93,576			
174							
175 Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%	ok		
176							
177 Income Tax (grossed-up)			+	-76,507			
178 LCT (grossed-up)			+	-143,964			
179 Ontario Capital Tax			+	0			
180							
181 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-220,470			
182							
183 TRUE-UP VARIANCE (from cell I132)			+	381,743			
184							
185 Total Deferral Account Entry (Positive Entry = Debit)			=	161,272			
186 (Deferral Account Variance + True-up Variance)							
187							
188							
189							
190 VI INTEREST PORTION OF TRUE-UP							
191 Variance Caused By Phase-in of Deemed Debt							
192							
193 Total deemed interest (REGINFO)				2,675,825			
194 Interest phased-in (Cell C37)				2,531,353			
195							
196 Variance due to phase-in of debt component of MARR in rates				144,472			
197 according to the Board's decision							
198							
199 Other Interest Variances (i.e. Borrowing Levels							
200 Above Deemed Debt per Rate Handbook)							
201 Interest deducted on MoF filing (Cell G37+G42)				3,531,660			
202 Total deemed interest (REGINFO CELL D62)				2,675,825			
203							
204 Variance caused by excess debt				855,835			
205							
206 Interest Adjustment for Tax Purposes (carry forward to Cell E112)				855,835			
207							
208 Total Interest Variance				-711,363			
209							
210							
211							

# Greater Sudbury Hydro Inc. - 1562 Deferred PILS

## Continuity Schedule

**Year: Q4 2001**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
October	\$ 177,126.67	\$ -		\$ 177,126.67	\$ 177,126.67	7.25%	\$ -	\$ -	\$ 177,126.67
November	\$ 177,126.67	\$ -		\$ 177,126.67	\$ 354,253.33	7.25%	\$ 1,070.14	\$ 1,070.14	\$ 355,323.47
December	\$ 177,126.67	\$ -		\$ 177,126.67	\$ 531,380.00	7.25%	\$ 2,140.28	\$ 3,210.42	\$ 534,590.42
<b>Total</b>	\$ 531,380.00	\$ -	\$ -	\$ 531,380.00			\$ 3,210.42		

**Year: 2002**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January	\$ 130,576.75	\$ -		\$ 130,576.75	\$ 661,956.75	7.25%	\$ 3,210.42	\$ 6,420.84	\$ 668,377.59
February	\$ 130,576.75	\$ -		\$ 130,576.75	\$ 792,533.50	7.25%	\$ 3,999.32	\$ 10,420.16	\$ 802,953.66
March	\$ 130,576.75	\$ -		\$ 130,576.75	\$ 923,110.25	7.25%	\$ 4,788.22	\$ 15,208.39	\$ 938,318.64
April	\$ 130,576.75	\$ -		\$ 130,576.75	\$ 1,053,687.00	7.25%	\$ 5,577.12	\$ 20,785.51	\$ 1,074,472.51
May	\$ 130,576.75	\$ 177,542.16		\$ (46,965.41)	\$ 1,006,721.59	7.25%	\$ 6,366.03	\$ 27,151.54	\$ 1,033,873.13
June	\$ 130,576.75	\$ 177,542.16	\$ (15,694.00)	\$ (62,659.41)	\$ 944,062.18	7.25%	\$ 6,082.28	\$ 33,233.81	\$ 977,295.99
July	\$ 130,576.75	\$ 177,542.16	\$ -	\$ (46,965.41)	\$ 897,096.77	7.25%	\$ 5,703.71	\$ 38,937.52	\$ 936,034.29
August	\$ 130,576.75	\$ 177,542.16		\$ (46,965.41)	\$ 850,131.36	7.25%	\$ 5,419.96	\$ 44,357.48	\$ 894,488.84
September	\$ 130,576.75	\$ 177,542.16		\$ (46,965.41)	\$ 803,165.95	7.25%	\$ 5,136.21	\$ 49,493.69	\$ 852,659.64
October	\$ 130,576.75	\$ 177,542.16		\$ (46,965.41)	\$ 756,200.54	7.25%	\$ 4,852.46	\$ 54,346.15	\$ 810,546.70
November	\$ 130,576.75	\$ 177,542.16		\$ (46,965.41)	\$ 709,235.13	7.25%	\$ 4,568.71	\$ 58,914.86	\$ 768,150.00
December	\$ 130,576.75	\$ 177,542.16		\$ (46,965.41)	\$ 662,269.72	7.25%	\$ 4,284.96	\$ 63,199.83	\$ 725,469.55
<b>Total</b>	\$ 1,566,921.00	\$ 1,420,337.28	-\$ 15,694.00	\$ 130,889.72			\$ 59,989.41		

**Year: 2003**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 659,585.98	7.25%	\$ 4,001.21	\$ 67,201.04	\$ 726,787.02
February	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 656,902.24	7.25%	\$ 3,985.00	\$ 71,186.04	\$ 728,088.28
March	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 654,218.49	7.25%	\$ 3,968.78	\$ 75,154.82	\$ 729,373.32
April	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 651,534.75	7.25%	\$ 3,952.57	\$ 79,107.39	\$ 730,642.14
May	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 648,851.01	7.25%	\$ 3,936.36	\$ 83,043.75	\$ 731,894.76
June	\$ 174,858.42	\$ 177,542.16	\$ (363,789.00)	\$ (366,472.74)	\$ 282,378.27	7.25%	\$ 3,920.14	\$ 86,963.89	\$ 369,342.16
July	\$ 174,858.42	\$ 177,542.16	\$ -	\$ (2,683.74)	\$ 279,694.52	7.25%	\$ 1,706.04	\$ 88,669.93	\$ 368,364.45

August	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 277,010.78	7.25%	\$ 1,689.82	\$ 90,359.75	\$ 367,370.53
September	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 274,327.04	7.25%	\$ 1,673.61	\$ 92,033.35	\$ 366,360.39
October	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 271,643.29	7.25%	\$ 1,657.39	\$ 93,690.75	\$ 365,334.04
November	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 268,959.55	7.25%	\$ 1,641.18	\$ 95,331.92	\$ 364,291.48
December	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 266,275.81	7.25%	\$ 1,624.96	\$ 96,956.89	\$ 363,232.70
<b>Total</b>	<b>\$ 2,098,301.00</b>	<b>\$ 2,130,505.91</b>	<b>-\$ 363,789.00</b>	<b>-\$ 395,993.91</b>			<b>\$ 33,757.06</b>		

**Year: 2004**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 263,592.07	7.25%	\$ 1,608.75	\$ 98,565.64	\$ 362,157.70
February	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 260,908.32	7.25%	\$ 1,592.54	\$ 100,158.17	\$ 361,066.50
March	\$ 174,858.42	\$ 177,542.16		\$ (2,683.74)	\$ 258,224.58	7.25%	\$ 1,576.32	\$ 101,734.49	\$ 359,959.07
April	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ 254,692.74	7.25%	\$ 1,560.11	\$ 103,294.60	\$ 357,987.34
May	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ 251,160.89	7.25%	\$ 1,538.77	\$ 104,833.37	\$ 355,994.26
June	\$ 130,576.75	\$ 134,108.59	\$ (388,380.00)	\$ (391,911.84)	\$ (140,750.95)	7.25%	\$ 1,517.43	\$ 106,350.80	\$ (34,400.15)
July	\$ 130,576.75	\$ 134,108.59	\$ -	\$ (3,531.84)	\$ (144,282.79)	7.25%	\$ (850.37)	\$ 105,500.43	\$ (38,782.36)
August	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (147,814.64)	7.25%	\$ (871.71)	\$ 104,628.72	\$ (43,185.91)
September	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (151,346.48)	7.25%	\$ (893.05)	\$ 103,735.67	\$ (47,610.80)
October	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (154,878.32)	7.25%	\$ (914.38)	\$ 102,821.29	\$ (52,057.03)
November	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (158,410.16)	7.25%	\$ (935.72)	\$ 101,885.57	\$ (56,524.60)
December	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (161,942.01)	7.25%	\$ (957.06)	\$ 100,928.51	\$ (61,013.50)
<b>Total</b>	<b>\$ 1,699,766.00</b>	<b>\$ 1,739,603.82</b>	<b>\$ (388,380.00)</b>	<b>-\$ 428,217.82</b>			<b>\$ 3,971.62</b>		

**Year: 2005**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (165,473.85)	7.25%	\$ (978.40)	\$ 99,950.11	\$ (65,523.75)
February	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (169,005.69)	7.25%	\$ (999.74)	\$ 98,950.37	\$ (70,055.33)
March	\$ 130,576.75	\$ 134,108.59		\$ (3,531.84)	\$ (172,537.54)	7.25%	\$ (1,021.08)	\$ 97,929.29	\$ (74,608.25)
April	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (172,698.43)	7.25%	\$ (1,042.41)	\$ 96,886.88	\$ (75,811.55)
May	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (172,859.32)	7.25%	\$ (1,043.39)	\$ 95,843.49	\$ (77,015.82)
June	\$ 163,501.00	\$ 163,661.89	\$ 161,272.00	\$ 161,111.11	\$ (11,748.20)	7.25%	\$ (1,044.36)	\$ 94,799.13	\$ 83,050.93
July	\$ 163,501.00	\$ 163,661.89	\$ -	\$ (160.89)	\$ (11,909.09)	7.25%	\$ (70.98)	\$ 94,728.15	\$ 82,819.06
August	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (12,069.98)	7.25%	\$ (71.95)	\$ 94,656.20	\$ 82,586.22
September	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (12,230.87)	7.25%	-\$ 72.92	\$ 94,583.28	\$ 82,352.41
October	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (12,391.76)	7.25%	-\$ 73.89	\$ 94,509.39	\$ 82,117.62
November	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (12,552.65)	7.25%	-\$ 74.87	\$ 94,434.52	\$ 81,881.87
December	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (12,713.54)	7.25%	-\$ 75.84	\$ 94,358.68	\$ 81,645.14
<b>Total</b>	<b>\$ 1,863,239.25</b>	<b>\$ 1,875,282.78</b>	<b>\$ 161,272.00</b>	<b>\$ 149,228.47</b>			<b>\$ (6,569.83)</b>		

**Year: 2006**

	Approved PILS		SIMPILS True-Up	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue	Adjustments (neg = CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (12,874.43)	7.25%	\$ (76.81)	\$ 94,281.87	\$ 81,407.44
February	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (13,035.32)	7.25%	\$ (77.78)	\$ 94,204.09	\$ 81,168.77
March	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (13,196.21)	7.25%	\$ (78.76)	\$ 94,125.33	\$ 80,929.12
April	\$ 163,501.00	\$ 163,661.89		\$ (160.89)	\$ (13,357.10)	7.25%	\$ (79.73)	\$ 94,045.60	\$ 80,688.51
May		\$ -		\$ -	\$ (13,357.10)	4.14%	\$ (46.08)	\$ 93,999.52	\$ 80,642.42
June			\$ (198,822.00)	\$ (198,822.00)	\$ (212,179.10)	4.14%	\$ (46.08)	\$ 93,953.44	\$ (118,225.66)
July			\$ -	\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 93,141.85	\$ (119,037.24)
August				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 92,330.27	\$ (119,848.83)
September				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 91,518.68	\$ (120,660.41)
October				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 90,707.10	\$ (121,472.00)
November				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 89,895.51	\$ (122,283.58)
December				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 89,083.93	\$ (123,095.17)
<b>Total</b>	\$ 654,004.00	\$ 654,647.56	\$ (198,822.00)	-\$ 199,465.56			\$ (5,274.75)		

Note: Greater Sudbury Hydro did not have any LCT included in approved PILS entitlement, therefore no adjustment to revenue required.

**Year: 2007**

	Approved PILS		SIMPILS True-Up	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue	Adjustments (neg = CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 88,272.34	\$ (123,906.75)
February				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 87,460.76	\$ (124,718.34)
March				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 86,649.17	\$ (125,529.92)
April				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 85,837.59	\$ (126,341.51)
May				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 85,026.00	\$ (127,153.09)
June				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 84,214.42	\$ (127,964.68)
July				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 83,402.83	\$ (128,776.26)
August				\$ -	\$ (212,179.10)	4.59%	\$ (811.59)	\$ 82,591.25	\$ (129,587.85)
September				\$ -	\$ (212,179.10)	4.59%	-\$ 811.59	\$ 81,779.66	\$ (130,399.43)
October				\$ -	\$ (212,179.10)	5.14%	\$ (908.83)	\$ 80,870.83	\$ (131,308.27)
November				\$ -	\$ (212,179.10)	5.14%	\$ (908.83)	\$ 79,962.00	\$ (132,217.10)
December				\$ -	\$ (212,179.10)	5.14%	\$ (908.83)	\$ 79,053.16	\$ (133,125.93)
<b>Total</b>	\$ -	\$ -	\$ -	\$ -			\$ (10,030.77)		

**Year: 2008**

	Approved PILS		SIMPILS True-Up	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue	Adjustments (neg = CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January				\$ -	-\$ 212,179.10	5.14%	\$ (908.83)	\$ 78,144.33	\$ (134,034.77)
February				\$ -	-\$ 212,179.10	5.14%	\$ (908.83)	\$ 77,235.49	\$ (134,943.60)



March						\$	-	-\$	212,179.10	5.14%	\$ (908.83)	\$ 76,326.66	\$ (135,852.44)
April						\$	-	-\$	212,179.10	4.08%	\$ (721.41)	\$ 75,605.25	\$ (136,573.84)
May						\$	-	-\$	212,179.10	4.08%	\$ (721.41)	\$ 74,883.84	\$ (137,295.25)
June						\$	-	-\$	212,179.10	4.08%	\$ (721.41)	\$ 74,162.43	\$ (138,016.66)
July						\$	-	-\$	212,179.10	3.35%	\$ (592.33)	\$ 73,570.10	\$ (138,609.00)
August						\$	-	-\$	212,179.10	3.35%	\$ (592.33)	\$ 72,977.77	\$ (139,201.33)
September						\$	-	-\$	212,179.10	3.35%	-\$ 592.33	\$ 72,385.43	\$ (139,793.66)
October						\$	-	-\$	212,179.10	3.35%	\$ (592.33)	\$ 71,793.10	\$ (140,386.00)
November						\$	-	-\$	212,179.10	3.35%	\$ (592.33)	\$ 71,200.77	\$ (140,978.33)
December						\$	-	-\$	212,179.10	3.35%	\$ (592.33)	\$ 70,608.43	\$ (141,570.66)
<b>Total</b>	\$	-	\$	-	\$	-	\$	-			\$ (8,444.73)		

**Year: 2009**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January			\$	-	-\$ 212,179.10	2.45%	\$ (433.20)	\$ 70,175.24	\$ (142,003.86)
February			\$	-	-\$ 212,179.10	2.45%	\$ (433.20)	\$ 69,742.04	\$ (142,437.06)
March			\$	-	-\$ 212,179.10	2.45%	\$ (433.20)	\$ 69,308.84	\$ (142,870.26)
April			\$	-	-\$ 212,179.10	1.00%	\$ (176.82)	\$ 69,132.02	\$ (143,047.08)
May			\$	-	-\$ 212,179.10	1.00%	\$ (176.82)	\$ 68,955.21	\$ (143,223.89)
June			\$	-	-\$ 212,179.10	1.00%	\$ (176.82)	\$ 68,778.39	\$ (143,400.71)
July			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 68,681.14	\$ (143,497.96)
August			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 68,583.89	\$ (143,595.20)
September			\$	-	-\$ 212,179.10	0.55%	-\$ 97.25	\$ 68,486.64	\$ (143,692.45)
October			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 68,389.39	\$ (143,789.70)
November			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 68,292.15	\$ (143,886.95)
December			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 68,194.90	\$ (143,984.20)
<b>Total</b>	\$	-	\$	-			\$ (2,413.54)		

**Year: 2010**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 68,097.65	\$ (144,081.45)
February			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 68,000.40	\$ (144,178.70)
March			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 67,903.15	\$ (144,275.95)
April			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 67,805.90	\$ (144,373.19)
May			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 67,708.65	\$ (144,470.44)
June			\$	-	-\$ 212,179.10	0.55%	\$ (97.25)	\$ 67,611.40	\$ (144,567.69)
July			\$	-	-\$ 212,179.10	0.89%	\$ (157.37)	\$ 67,454.04	\$ (144,725.06)
August			\$	-	-\$ 212,179.10	0.89%	\$ (157.37)	\$ 67,296.67	\$ (144,882.42)
September			\$	-	-\$ 212,179.10	0.89%	-\$ 157.37	\$ 67,139.31	\$ (145,039.79)
October			\$	-	-\$ 212,179.10	1.20%	\$ (212.18)	\$ 66,927.13	\$ (145,251.97)

November				\$	-	-\$	212,179.10	1.20%	\$	(212.18)	\$	66,714.95	\$	(145,464.15)
December				\$	-	-\$	212,179.10	1.20%	\$	(212.18)	\$	66,502.77	\$	(145,676.33)
<b>Total</b>	\$	-	\$	-	\$	-	\$	-		\$	(1,692.13)			

**Year: 2011**

	Approved PILS Entitlement		PILS Revenue		SIMPILS True-Up Adjustments		Variance (neg. = payable)		Interest Improvement (neg = payable)				Total Variance		
					(neg = CR)		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative				
January					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	66,242.85	\$	(145,936.25)
February					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	65,982.93	\$	(146,196.17)
March					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	65,723.01	\$	(146,456.09)
April					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	65,463.09	\$	(146,716.01)
May					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	65,203.17	\$	(146,975.93)
June					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	64,943.25	\$	(147,235.84)
July					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	64,683.33	\$	(147,495.76)
August					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	64,423.41	\$	(147,755.68)
September					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	64,163.49	\$	(148,015.60)
October					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	63,903.57	\$	(148,275.52)
November					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	63,643.66	\$	(148,535.44)
December					\$	-	-\$	212,179.10	1.47%	-\$	259.92	\$	63,383.74	\$	(148,795.36)
Total	\$	-	\$	-	\$	-	\$	-			-\$	3,119.03			

**Year: 2012**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)				Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative		
January			\$	-	-\$ 212,179.10	1.47%	-\$ 259.92	\$ 63,123.82	\$ (149,055.28)	
February			\$	-	-\$ 212,179.10	1.47%	-\$ 259.92	\$ 62,863.90	\$ (149,315.20)	
March			\$	-	-\$ 212,179.10	1.47%	-\$ 259.92	\$ 62,603.98	\$ (149,575.12)	
April			\$	-	-\$ 212,179.10	1.47%	-\$ 259.92	\$ 62,344.06	\$ (149,835.04)	
							-\$ 1,039.68			

Total 2006 Y/E	\$ 8,413,611.25	\$ 7,820,377.35	-\$ 805,413.00			\$ 89,083.93		\$ (123,095.17)
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Entitled

2001 \$ 531,380.00  
2002 \$ 1,566,921.00  
2003 \$ 2,098,301.00  
2004 \$ 1,699,766.00  
2005 \$ 1,863,239.25  
2006 \$ 654,004.00

includes 2002 and 2001

Greater Sudbury Hydro, Inc.  
EB 2011-0169 \$ 8,413,611.25

Sign Convention: + for increase; - for decrease

Year start:		2001/10/01	2002/01/01	2003/01/01	2004/01/01	2005/01/01	2006/01/01	
Year end:		2001/12/31	2002/12/31	2003/12/31	2004/12/31	2005/12/31	2006/04/30	Total
Opening balance:	=	0	534,590	725,470	-5,275	-429,521	-286,862	0
Board-approved PILs tax proxy from Decisions (1)	+/-	531,380	1,566,921	2,098,301	1,699,766	1,863,239	654,004	8,413,611
True-up Variance Adjustment (3)	+/-		(15,694)	(363,789)	(388,380)	161,272	(198,822)	(805,413)
Deferral Account Variance Adjustment Q4, 2001 (4)	+/-							
Deferral Account Variance Adjustment (5)	+/-				0	0		0
			0	0	0	0	0	0
Carrying charges (7)	+/-							
		3,210	59,989	33,757	3,972	(6,570)	-313	94,046
PILs billed to (collected from) customers (8)	-	0	(1,420,337)	(2,130,506)	(1,739,604)	(1,875,283)	(654,648)	(7,820,377)
Ending balance: # 1562		534,590	725,470	(5,275)	(429,521)	(286,862)	(486,641)	(118,133)

interest		
carrying charges balance of	2,006	(4,962)
	2,007	(10,031)
	2,008	(8,445)
	2,009	(2,414)
	2,010	(1,692)
	2,011	(3,119)
April-30-12	(1,040)	(149,835)
		(123,095)
		(133,126)
		(141,571)
		(143,984)
		(145,676)
		(148,795)
		(149,835)
		2010/12/31
		amount to claim

Uncollected PILs

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

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

- (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.  
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.  
If the Board gave more than one decision in the year, calculate a weighted average proxy.
- (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
- (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- (iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- (v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- (vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.
- (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 trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.  
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.  
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- (7) Carrying charges are calculated on a simple interest basis.
- (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 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 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.  
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
- (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
- In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
- In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will be recorded in APH Account # 1562 and from 1590.