



March 2, 2012

Ontario Energy Board  
P.O. Box 2310  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Attention: Board Secretary

VIA RESS and COURIER

**RE: BRANTFORD POWER INC.  
2012 3<sup>RD</sup> GENERATION IRM DISTRIBUTION RATE APPLICATION  
EB-2011-0147**

Dear Ms. Walli,

Brantford Power Inc. is submitting its reply submission in its 2012 IRM Rate Application.

If you have any further questions regarding this matter, please call me at 519-751-3522 x 3226.

Thank you,

*Original signed by*

George Mychailenko  
CEO, Brantford Power Inc.

cc. Heather Wyatt, Manager, Regulatory Compliance and Governance.

**IN THE MATTER OF** the *Ontario Energy Board Act 1998*  
Schedule B to the *Energy Competition Act, 1998*, S.O. 1998,  
c. 15;

**AND IN THE MATTER OF** an applicant by Brantford Power  
Inc. for an order approving or fixing just and reasonable rates  
and other charges for the distribution of electricity for the 2012  
rate year.

**BRANTFORD POWER INC. ("BPI") REPLY SUBMISSION  
TO  
BOARD STAFF AND VECC SUBMISSIONS  
DATED March 2, 2012  
EB-2011-0147**

**INTRODUCTION**

On November 10, 2011, Brantford Power Inc. ("BPI") filed its 2012 IRM Application (referred to as the "2012 IRM Application") for a mechanistic adjustment to its electricity distribution rates in accordance with the Board's 3rd Generation IRM Filing Guidelines. Notice of that Application was given on November 25, 2011, in accordance with the Ontario Energy Board's ("the Board") procedural order. The affidavit was filed on December 6, 2011.

On January 27, 2012 and February 3, 2012, Ontario Energy Board Staff ["Staff"] and the Vulnerable Energy Consumers Coalition ("VECC") submitted interrogatories to BPI in regards to its 2012 IRM Application which BPI responded to on February 10, 2012.

On February 24, 2012, BPI received submissions from Staff and VECC. The purpose of this document is to reply to these submissions. BPI has organized its reply submission to address the issues in the Staff submission and common issues in the Staff and VECC submissions.

The following issues are addressed:

1. Deferral and Variance Account Interest;
2. LRAM Claim; and
3. Account 1562 – Deferred PILs Disposition.

### 1. Deferral and Variance Account Interest

In the Staff submission, Staff notes that BPI did not enter interest amounts from January 1, 2012 to April 30, 2012. As requested, BPI confirms the interest amounts for that period for each Group 1 account in Table 1 below. BPI further notes that the projected interest from January 1, 2011 – December 31, 2011 on the December 31, 2010 balance adjusted for disposition during 2011 was also not entered and BPI has provided that information as well in Table 1 below.

**Table 1**

**Interest on Deferral and Variance Accounts—January 1, 2011 to December 31, 2011  
 and January 1, 2012 to April 30, 2012**

		Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011	Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011	Total
RSVA - Wholesale Market Service Charge	1580	\$ (15,637.00)	\$ (5,212.00)	\$ (20,849.00)
RSVA - Retail Transmission Network Charge	1584	\$ (16,015.00)	\$ (5,338.00)	\$ (21,353.00)
RSVA - Retail Transmission Connection Charge	1586	\$ (16,493.00)	\$ (5,498.00)	\$ (21,991.00)
RSVA - Power (excluding Global Adjustment)	1588	\$ 4,962.00	\$ 1,654.00	\$ 6,616.00
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ (11,656.00)	\$ (3,885.00)	\$ (15,541.00)
		\$ (54,839.00)	\$ (18,279.00)	\$ (73,118.00)

## 2. LRAM Claim

BPI has submitted an application for recovery of lost revenues using the Lost Revenue Adjustment Mechanism (LRAM). In its application, BPI had requested to recover a total LRAM claim of \$642,821.54 for Third Tranche CDM programs in 2005 and 2006 and OPA CDM programs from 2006 to 2010, recovering lost revenues from these programs in 2006 to 2011. The claim was updated by BPI during the interrogatory process, as 2010 Final OPA CDM Program Results became available, to \$643,351.43.

Staff and VECC have supported BPI's claims for the lost revenues associated with CDM programs delivered from 2005, 2006, 2007, 2009 and 2010 lost revenues, including the persisting lost revenues for 2005 in 2006, persisting lost revenues from 2005 and 2006 in 2007, and the persisting lost revenues from 2009 programs in 2010.

BPI submits, at the request of Staff, an updated LRAM calculation including only the Staff-supported lost revenues in Table 2.

**Table 2**  
**Revised LRAM Claim (as requested in Staff Submission)**

Program year	Years that Lost Revenues took Place				
	2006	2007	2009	2010	Total
2005	\$ 741.13	\$ 1,572.93			\$ 2,314.06
2006	\$ 49,872.45	\$ 45,884.96			\$ 95,757.41
2007		\$ 27,215.68			\$ 27,215.68
2008					\$ -
2009			\$ 53,780.55	\$ 42,496.61	\$ 96,277.16
2010				\$ 33,125.08	\$ 33,125.08
	<b>\$ 50,613.58</b>	<b>\$ 74,673.57</b>	<b>\$ 53,780.55</b>	<b>\$ 75,621.69</b>	<b>\$ 254,689.39</b>

Table 3 is an aggregate of the LRAM claim by rate class for that period.

**Table 3**  
**Aggregation of LRAM claim amounts by class**

Rate Class	OPA Programs	Third Tranche	Total
Residential	\$ 134,646.11	\$ 12,227.54	\$ 146,873.65
General Service less than 50 kW	\$ 39,604.68		\$ 39,604.68
General Service More than 50 kW	\$ 64,485.45		\$ 64,485.45
Unmetered Scattered Load		\$ 3,725.61	\$ 3,725.61
			<b><u>\$ 254,689.39</u></b>

Table 4 sets out the recalculated rate riders that are based on the Staff submission, which BPI was requested to file in this reply submission.

**Table 4**  
**Recalculated LRAM Rate Riders (as requested in Staff Submission)**

LRAM Rate Rider Calculation					
	LRAM	Consumption (kWh)	Demand (kW)	Rate Rider \$/kWh	Rate Rider \$/KW
<b>OPA Programs</b>					
Residential	\$ 146,873.65	289,840,430		<b>0.00051</b>	
General Service less than 50 kW	\$ 39,604.68	99,142,979		<b>0.00040</b>	
General Service More than 50 kW	\$ 64,485.45	522,228,963	1,326,294		<b>0.04862</b>
Unmetered Scattered Load	\$ 3,725.61	1,571,067		<b>0.00237</b>	
	<b><u>\$ 254,689.39</u></b>				

Attachment 1 provides a detailed breakdown of the LRAM claim amounts organized by class, year that lost revenues took place, and year that programs took place.

While BPI has provided the recalculated LRAM claim and LRAM Rate Riders as requested in the Staff submission to expedite the processing of the 2012 IRM Application, BPI submits the following comments with respect to the Staff and VECC submissions.

***LRAM Claim for 2005 and 2006 Third Tranche Programs – Recovery of Lost Revenue in 2008-2011***

VECC and Staff have expressed that they do not support BPI's LRAM claim for impacts in 2008 to 2011 of programs operating in 2005 and 2006. Both parties quote the Board's

*Guidelines for Electricity Distributor Conservation and Demand Management*, dated March 18, 2008, in support of this argument.

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.

BPI notes that its 2008 Cost of Service application was filed on December 20<sup>th</sup>, 2007, before the issue of the above-quoted document. As such, BPI could not take this clause into consideration during the preparation of its rebasing application.

BPI notes that the load forecast used in its 2008 rebasing application did not account for any CDM savings. Below is BPI's response to VECC interrogatory 1c. and Staff Interrogatory 8e. in this proceeding. The responses reference the Board's decision in its 2008 rebasing application [EB-2007-0698]:

BPI's load forecast was last approved by the Board in July 18, 2008 in its cost of service proceeding EB-2007-0698. The following is an extract from the Board's decision in that proceeding:

### **LOAD FORECAST**

The Company's load forecast was developed using a normalized average consumption ("NAC") estimate for a given rate class multiplied by a customer count forecast for that rate class. The NAC value is based on 2004 consumption data that was generated by Hydro One using Hydro One's weather normalization model for the cost allocation initiative previously undertaken by the Board. The Company's 2008 load forecast is based on a forecast of customer growth using historical data from 2002 to 2006 and projected data for 2007 and 2008.

Board staff observed that the Company's methodology utilized only a single year of weather-normalized historical load to determine the future load. Board staff noted that this assumed that no CDM improvements had occurred over the past few years and that none were expected in the immediate future, and might therefore result in an overestimation of load. SEC shared Board staff's concerns. In its reply submission, the Company stated that it is premature to comment on a multiyear normalization approach at this time pending the completion of its review of alternative methods to the single-year normalization used in the application.

## **Board Findings**

The Board accepts the Company's customer forecast. The Board also accepts the Company's use of 2004 weather normalized data. The Board has noted Board staff's concerns, but the process to obtain this data was an intensive effort for all parties involved and the proposal is leveraging the value of this work. The Company has not expressed concern that its load may be overestimated.

[Ontario Energy Board Decision EB-2007-0698 dated July 18, 2008, page 13.]

As noted in the Board's decision, BPI's last approved load forecast assumed no CDM improvements had occurred over the past few years and that none were expected in the immediate future. BPI asserts that no CDM savings were accounted for in its approved load forecast. This is consistent with the decision in Horizon's rate application with respect to its approved 2008 load forecast. [EB-2011-0172 dated December 21, 2011]

For these reasons, BPI respectfully submits that the persistence of 2005 and 2006 CDM programs be recovered from 2006 through to 2011 in this LRAM claim.

### ***LRAM Claim for 2008 Programs - Recovery of Lost Revenue in 2008-2011.***

BPI believes that lost revenues for CDM programs in 2008, and persisting into 2009-2011 should be recovered in this LRAM claim.

BPI notes that the OPA's *Amended and Restated Master CDM Program Agreement*, which defined the 2008-2010 OPA CDM programs, was issued on December 17, 2007; only three days prior to the filing of its 2008 Cost of Service application. Accordingly BPI was unable to predict any savings from these programs to be included in the load forecast portion of its rebasing application.

BPI strongly maintains that forecasting 2008 CDM results would have been very problematic, particularly under the expectation that the upcoming OPA programs would differ greatly from the Third Tranche initiatives BPI had some experience with.

In its final submission, VECC referred to the following recent Board decisions as precedents for disallowing rebasing year LRAM claims: Whitby Hydro [EB-2011-0206]; Hydro Ottawa [EB-2011-0054]; and Hydro One Brampton, [EB-2011-0174]. Staff's

submission also referred to the Hydro One Brampton decision. BPI notes that those distributors had last rebased for more recent years: 2011, 2012 and 2011, respectively. For the preparation of those rebasing applications, the *Guidelines for Electricity Distributor Conservation and Demand Management* had been published, and years of historical OPA CDM savings data were available. BPI prepared its last rebasing application in 2007, before OPA CDM programs were announced and before these CDM Guidelines were released. BPI therefore submits that the circumstances surrounding its own application were very different from the decisions referred to by Board Staff and VECC.

BPI respectfully submits that for these reasons, the savings from 2008 OPA programs in 2008 and the following years should be recovered in this LRAM claim.

### ***LRAM Claim for 2009 and 2010 CDM Programs - Recovery of Lost Revenue in 2011***

BPI submits that claims for persistence of 2006 – 2010 program results into 2011 should also be included in the total calculated LRAM. Since the only results included for consideration for 2011 are persistent results from prior years, sufficient time has passed to enable an accurate LRAM calculation, consistent with OEB CDM guidelines.

Based on the above submissions BPI would again request the LRAM amount of \$643,351.43 and its corresponding rate riders. This LRAM application has been supported by an independent third party review of the Third Tranche and OPA program savings and has been updated using final 2010 Final OPA CDM Program Results.

### **3. Account 1562 – Deferred PILs Disposition**

With respect to the disposition of deferred PILs, BPI advises that it has made the changes identified in the Staff submission. However BPI further notes that the 2004 interest expense component on Table 1 is different from the 2004 financial statement total on Table 2 by \$68,813. This amount relates to the IESO prudential payment which had been classified as a component of general administration in 2004. Therefore the 2004 Interest Expense Component from Table 3 should be updated from \$2,183,662 to \$2,252,475.



BPI has updated the SIMPIL models to reflect the totals from the updated Table 3 resulting in a revised credit amount of \$2,051,450 to be refunded to ratepayers.

BPI is filing as Attachments 2 to 5 the active Excel SIMPIL models for 2002 through 2005 and the Excel continuity schedule as Attachment 6 to this submission.

Respectfully submitted by,

*Original signed by*

George Mychailenko, CEO  
Brantford Power Inc.

Dated: March 2, 2012

### Attachment 1

Years that lost revenues took place					
2006	2007	2008	2009	2010	2011

#### RESIDENTIAL

##### THIRD TRANCHE

2005	\$ 741.13	\$ 726.15				
2006	\$ 5,435.08	\$ 5,325.18				

##### OPA PROGRAMS

2006	\$ 38,458.57	\$ 37,680.95				
2007		\$ 19,397.51				
2008						
2009				\$ 13,132.94	\$ 13,155.43	
2010					\$ 12,820.71	
2011						
	\$ 44,634.78	\$ 63,129.80	\$ -	\$ 13,132.94	\$ 25,976.14	\$ -

#### GENERAL SERVICE <50KW

##### OPA PROGRAMS

2006						
2007						
2008						
2009				\$ 17,691.37	\$ 17,973.68	
2010					\$ 3,939.63	
2011						
	\$ -	\$ -	\$ -	\$ 17,691.37	\$ 21,913.31	\$ -

#### GENERAL SERVICE >50KW

##### OPA PROGRAMS

2006	\$ 5,978.80					
2007		\$ 7,818.17				
2008						
2009				\$ 22,956.24	\$ 11,367.50	
2010					\$ 16,364.74	
2011						
	\$ 5,978.80	\$ 7,818.17	\$ -	\$ 22,956.24	\$ 27,732.24	\$ -

#### UNMETERED SCATTERED LOAD

##### THIRD TRANCHE

2005		\$ 846.78				
2006		\$ 2,878.83				
	\$ -	\$ 3,725.61	\$ -	\$ -	\$ -	\$ -

	A	B	C	D	E	F	G
1	<b>ATTACHMENT 2</b>						
2	<b>PILS TAXES - EB-2010-</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>
3	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>
4	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>	
5	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>	
6		0					<b>Version 2009.1</b>
7	<b>Utility Name: Brantford Power Inc.</b>						
8	<b>Reporting period: 2002</b>						
9							<b>Column</b>
10	<b>Days in reporting period:</b>	365	days				<b>Brought</b>
11	<b>Total days in the calendar year:</b>	365	days				<b>From</b>
12							<b>TAXREC</b>
13			\$		\$		\$
14							
15	<b>I) CORPORATE INCOME TAXES</b>						
16							
17	Regulatory Net Income REGINFO E53	1	2,682,600		2,180,141		4,862,741
18							
19	<b>BOOK TO TAX ADJUSTMENTS</b>						
20	<b>Additions:</b>						
21	Depreciation & Amortization	2	2,600,455		-675,014		1,925,441
22	Employee Benefit Plans - Accrued, Not Paid	3			0		0
23	Tax reserves - beginning of year	4			0		0
24	Reserves from financial statements - end of year	4			337,623		337,623
25	Regulatory Adjustments - increase in income	5	363,368		-363,368		0
26	Other Additions (See Tab entitled "TAXREC")						
27	"Material" Items from "TAXREC" worksheet	6			0		0
28	Other Additions (not "Material") "TAXREC"	6			40,026		40,026
29	"Material" Items from "TAXREC 2" worksheet	6			0		0
30	Other Additions (not "Material") "TAXREC 2"	6			0		0
31	<b>Items on which true-up does not apply "TAXREC 3"</b>				2,361,134		2,361,134
32							
33	<b>Deductions: Input positive numbers</b>						
34	Capital Cost Allowance and CEC	7	2,286,863		-357,448		1,929,415
35	Employee Benefit Plans - Paid Amounts	8			0		0
36	Items Capitalized for Regulatory Purposes	9			0		0
37	Regulatory Adjustments - deduction for tax purposes in Item 5	10	97,960		-97,960		0
38	Interest Expense Deemed/ Incurred	11	1,135,368		1,041,657		2,177,025
39	Tax reserves - end of year	4			0		0
40	Reserves from financial statements - beginning of year	4			261,905		261,905
41	Contributions to deferred income plans	3			0		0
42	Contributions to pension plans	3			0		0
43	Interest capitalized for accounting but deducted for tax	11			0		0
44	Other Deductions (See Tab entitled "TAXREC")						
45	"Material" Items from "TAXREC" worksheet	12			0		0
46	Other Deductions (not "Material") "TAXREC"	12			0		0
47	Material Items from "TAXREC 2" worksheet	12			0		0
48	Other Deductions (not "Material") "TAXREC 2"	12			0		0
49	<b>Items on which true-up does not apply "TAXREC 3"</b>				5,152,832		5,152,832
50							
51	<b>TAXABLE INCOME/ (LOSS)</b>		2,126,232		(2,120,444)	<b>Before loss C/F</b>	5,788
52							
53	<b>BLENDED INCOME TAX RATE</b>						
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%
55							
56	<b>REGULATORY INCOME TAX</b>		821,151		-727,274	<b>Actual</b>	93,877
57							
58							
59	Miscellaneous Tax Credits	14			0	<b>Actual</b>	0
60							
61	<b>Total Regulatory Income Tax</b>		821,151		-727,274	<b>Actual</b>	93,877
62							
63							
64	<b>II) CAPITAL TAXES</b>						
65							
66	<b>Ontario</b>						
67	Base	15	46,980,726		1,688,000		48,668,726
68	Loss Exemption Tax Rates - Regulatory Table 1; Actual Table 3	16	5,000,000		108,112		4,891,888

## ATTACHMENT 3

PILs TAXES - EB-2010-		ITEM	Initial		M of F	M of F	Tax
<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>			<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>
<b>TAX CALCULATIONS (TAXCALC)</b>					<b>Variance</b>	<b>Variance</b>	<b>Version 2009.1</b>
("Wires-only" business - see Tab TAXREC)					<b>K-C</b>	<b>Explanation</b>	
<b>Utility Name: Brantford Power Inc.</b>							<b>Column</b>
<b>Reporting period: 2003</b>							<b>Brought</b>
<b>Days in reporting period:</b>		365	days				<b>From</b>
<b>Total days in the calendar year:</b>		365	days				<b>TAXREC</b>
			\$		\$		<b>\$</b>
<b>II) CORPORATE INCOME TAXES</b>							
Regulatory Net Income REGINFO E53		1	2,682,600		414,331		3,096,931
<b>BOOK TO TAX ADJUSTMENTS</b>							
<b>Additions:</b>							
Depreciation & Amortization		2	2,600,455		-630,485		1,969,970
Employee Benefit Plans - Accrued, Not Paid		3			0		0
Tax reserves - beginning of year		4			0		0
Reserves from financial statements - end of year		4			421,788		421,788
Regulatory Adjustments - increase in income		5	363,368		-363,368		0
Other Additions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet		6			0		0
Other Additions (not "Material") "TAXREC"		6			5,009		5,009
"Material" Items from "TAXREC 2" worksheet		6			0		0
Other Additions (not "Material") "TAXREC 2"		6			0		0
<b>Items on which true-up does not apply "TAXREC 3"</b>					7,340,295		7,340,295
<b>Deductions: Input positive numbers</b>							
Capital Cost Allowance and CEC		7	2,286,863		-316,987		1,969,876
Employee Benefit Plans - Paid Amounts		8			0		0
Items Capitalized for Regulatory Purposes		9			0		0
Regulatory Adjustments - deduction for tax purposes in Item 5		10	97,960		-97,960		0
Interest Expense Deemed/ Incurred		11	1,135,368		1,041,657		2,177,025
Tax reserves - end of year		4			0		0
Reserves from financial statements - beginning of year		4			337,623		337,623
Contributions to deferred income plans		3			0		0
Contributions to pension plans		3			0		0
Interest capitalized for accounting but deducted for tax		11			0		0
Other Deductions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet		12			0		0
Other Deductions (not "Material") "TAXREC"		12			0		0
Material Items from "TAXREC 2" worksheet		12			0		0
Other Deductions (not "Material") "TAXREC 2"		12			0		0
<b>Items on which true-up does not apply "TAXREC 3"</b>					6,494,664		6,494,664
<b>TAXABLE INCOME/ (LOSS)</b>			2,126,232		(271,427)	Before loss C/F	1,854,805
<b>BLENDED INCOME TAX RATE</b>							
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3		13	38.62%		-2.0000%		36.62%
<b>REGULATORY INCOME TAX</b>			821,151		-784,355	Actual	36,796
<b>Miscellaneous Tax Credits</b>		14			0	Actual	0
<b>Total Regulatory Income Tax</b>			821,151		-784,355	Actual	36,796
<b>III) CAPITAL TAXES</b>							
<b>Ontario</b>							
Base		15	46,980,726		1,081,361		48,062,087
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3		16	5,000,000		-202,764		4,797,236
Taxable Capital			41,980,726		878,597		43,264,851
<b>Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3</b>		17	0.3000%		0.0000%		0.3000%

## ATTACHMENT 4

PILS TAXES - EB-2010- PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)		ITEM	Initial Estimate	M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns  Version 2009.1
Utility Name: Brantford Power Inc. Reporting period: 2004						Column Brought From TAXREC \$
Days in reporting period:		366	days			
Total days in the calendar year:		366	days			
			\$	\$		
<b><u>II) CORPORATE INCOME TAXES</u></b>						
Regulatory Net Income REGINFO E53		1	2,682,600	-72,023		2,610,577
BOOK TO TAX ADJUSTMENTS						
<b>Additions:</b>						
Depreciation & Amortization		2	2,600,455	-442,478		2,157,977
Employee Benefit Plans - Accrued, Not Paid		3		0		0
Tax reserves - beginning of year		4		0		0
Reserves from financial statements - end of year		4		474,521		474,521
Regulatory Adjustments - increase in income		5	197,353	-197,353		0
Other Additions (See Tab entitled "TAXREC")						
"Material" Items from "TAXREC" worksheet		6		0		0
Other Additions (not "Material") "TAXREC"		6		3,340		3,340
"Material" Items from "TAXREC 2" worksheet		6		0		0
Other Additions (not "Material") "TAXREC 2"		6		0		0
<b>Items on which true-up does not apply "TAXREC 3"</b>				8,892,055		8,892,055
<b>Deductions: Input positive numbers</b>						
Capital Cost Allowance and CEC		7	2,286,863	-309,149		1,977,714
Employee Benefit Plans - Paid Amounts		8		0		0
Items Capitalized for Regulatory Purposes		9		0		0
Regulatory Adjustments - deduction for tax purposes in Item 5		10	97,960	-97,960		0
Interest Expense Deemed/ Incurred		11	1,135,368	1,041,657		2,177,025
Tax reserves - end of year		4		0		0
Reserves from financial statements - beginning of year		4		421,788		421,788
Contributions to deferred income plans		3		0		0
Contributions to pension plans		3		0		0
Interest capitalized for accounting but deducted for tax		11		0		0
Other Deductions (See Tab entitled "TAXREC")						
"Material" Items from "TAXREC" worksheet		12		0		0
Other Deductions (not "Material") "TAXREC"		12		0		0
Material Items from "TAXREC 2" worksheet		12		0		0
Other Deductions (not "Material") "TAXREC 2"		12		0		0
<b>Items on which true-up does not apply "TAXREC 3"</b>				8,379,187		8,379,187
TAXABLE INCOME/ (LOSS)			1,960,217	(777,461)	Before loss C/F	1,182,756
BLENDED INCOME TAX RATE						
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3		13	38.62%	-37.1703%		1.45%
REGULATORY INCOME TAX			757,036	-739,889	Actual	17,147
Miscellaneous Tax Credits		14		0	Actual	0
<b>Total Regulatory Income Tax</b>			757,036	-739,889	Actual	17,147
<b><u>III) CAPITAL TAXES</u></b>						
<b>Ontario</b>						
Base		15	46,980,726	2,290,961		49,271,687
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3		16	5,000,000	-206,360		4,793,640
Taxable Capital			41,980,726	2,084,601		44,478,047
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3		17	0.3000%	0.0000%		0.3000%

## ATTACHMENT 5

PILs TAXES - EB-2010- PILs DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)		ITEM	Initial Estimate	M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns  Version 2009.1  Column Brought From TAXREC \$
Utility Name: Brantford Power Inc. Reporting period: 2005		0				
Days in reporting period:		365	days			
Total days in the calendar year:		365	days			
			\$	\$		
<b>II) CORPORATE INCOME TAXES</b>						
Regulatory Net Income REGINFO E53		1	4,167,800	47,439		4,215,239
BOOK TO TAX ADJUSTMENTS						
<b>Additions:</b>						
Depreciation & Amortization		2	2,600,455	-102,755		2,497,700
Employee Benefit Plans - Accrued, Not Paid		3		0		0
Tax reserves - beginning of year		4		0		0
Reserves from financial statements - end of year		4		821,850		821,850
Regulatory Adjustments - increase in income		5		0		0
Other Additions (See Tab entitled "TAXREC")						
"Material" Items from "TAXREC" worksheet		6		0		0
Other Additions (not "Material") "TAXREC"		6		5,748		5,748
"Material" Items from "TAXREC 2" worksheet		6		0		0
Other Additions (not "Material") "TAXREC 2"		6		0		0
<b>Items on which true-up does not apply "TAXREC 3"</b>				10,074,133		10,074,133
<b>Deductions: Input positive numbers</b>						
Capital Cost Allowance and CEC		7	2,286,863	80,153		2,367,016
Employee Benefit Plans - Paid Amounts		8		0		0
Items Capitalized for Regulatory Purposes		9	0	0		0
Regulatory Adjustments - deduction for tax purposes in Item 5		10		0		0
Interest Expense Deemed/ Incurred		11	1,703,051	473,974		2,177,025
Tax reserves - end of year		4		0		0
Reserves from financial statements - beginning of year		4		474,521		474,521
Contributions to deferred income plans		3		0		0
Contributions to pension plans		3		0		0
Interest capitalized for accounting but deducted for tax		11		0		0
Other Deductions (See Tab entitled "TAXREC")						
"Material" Items from "TAXREC" worksheet		12		0		0
Other Deductions (not "Material") "TAXREC"		12		0		0
Material Items from "TAXREC 2" worksheet		12		0		0
Other Deductions (not "Material") "TAXREC 2"		12		0		0
C&DM 2005 Incremental OM&A expenses per C&DM Plan			265,000			0
<b>Items on which true-up does not apply "TAXREC 3"</b>				9,895,189		9,895,189
TAXABLE INCOME/ (LOSS)			2,513,341	(77,422)		2,700,919
BLENDED INCOME TAX RATE						
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3		13	36.12%	-10.8161%		25.30%
REGULATORY INCOME TAX			907,819	-224,380	Actual	683,439
Miscellaneous Tax Credits		14		0	Actual	0
<b>Total Regulatory Income Tax</b>			907,819	-224,380	Actual	683,439
<b>III) CAPITAL TAXES</b>						
<b>Ontario</b>						
Base		15	46,980,726	8,890,957		55,871,683
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3		16	6,195,000	1,004,055		7,199,055
Taxable Capital			40,785,726	9,895,012		48,672,628
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3		17	0.3000%	0.0000%		0.3000%
Ontario Capital Tax			122,357	23,661		146,018
<b>Federal Large Corporations Tax</b>						
Base		18	46,980,726	13,472,091		60,452,817
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3		19	41,300,000	6,799,683		48,099,683
Taxable Capital			5,680,726	20,271,774		12,353,134
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3		20	0.1750%	0.0000%		0.1750%

## ATTACHMENT 6

### Deferred Payment in Lieu of Taxes (1562) Preliminary - REVISED

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
<b>2001</b>													
Interest Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
<b>G/L Beginning Balance</b>	-	-	-	-	-	-	-	-	-	-	143,653.66	287,307.33	
PILS Monthly Accrual	-	-	-	-	-	-	-	-	-	143,653.66	143,653.67	143,653.67	430,961.00
<b>Monthly Variance</b>	-	-	-	-	-	-	-	-	-	143,653.66	143,653.67	143,653.67	430,961.00
<b>G/L Ending Balance</b>	-	-	-	-	-	-	-	-	-	143,653.66	287,307.33	430,961.00	
<b>Interest Improvement</b>	-	-	-	-	-	-	-	-	-	-	867.91	1,735.82	2,603.73
Accumulated Interest	-	-	-	-	-	-	-	-	-	-	867.91	2,603.73	
<b>2002</b>													
Interest Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
<b>G/L Beginning Balance</b>	430,961.00	558,862.00	686,763.00	744,073.30	744,951.42	719,006.07	783,008.65	718,480.76	671,263.67	630,377.88	599,407.39	571,321.25	
PILS Monthly Accrual	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	1,534,812.00
Monthly Billing			(70,590.70)	(127,022.88)	(153,846.35)	(63,888.42)	(192,428.89)	(175,118.09)	(168,786.79)	(158,871.49)	(155,987.14)	(155,647.16)	(1,422,197.91)
True up Variance						-							-
<b>Monthly Variance</b>	127,901.00	127,901.00	57,310.30	878.12	(25,945.35)	64,002.58	(64,527.89)	(47,217.09)	(40,885.79)	(30,970.49)	(28,086.14)	(27,746.16)	112,614.09
<b>G/L Ending Balance</b>	558,862.00	686,763.00	744,073.30	744,951.42	719,006.07	783,008.65	718,480.76	671,263.67	630,377.88	599,407.39	571,321.25	543,575.09	
<b>Interest Improvement</b>	2,603.72	3,376.46	4,149.19	4,495.44	4,500.75	4,344.00	4,730.68	4,340.82	4,055.55	3,808.53	3,621.42	3,451.73	47,478.29
Accumulated Interest	5,207.45	8,583.91	12,733.10	17,228.54	21,729.29	26,073.29	30,803.97	35,144.79	39,200.34	43,008.87	46,630.29	50,082.02	
<b>2003</b>													
Interest Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
<b>G/L Beginning Balance</b>	543,575.09	507,453.54	467,593.93	434,644.58	404,170.31	376,340.74	(59,059.80)	(91,378.70)	(130,892.53)	(167,547.08)	(198,189.93)	(227,144.56)	
PILS Monthly Accrual	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	127,901.00	1,534,812.00
Monthly Billing	(164,022.55)	(167,760.61)	(160,850.35)	(158,375.27)	(155,730.57)	(151,384.54)	(160,219.90)	(167,414.83)	(164,555.55)	(158,543.85)	(156,855.63)	(156,786.53)	(1,922,500.18)
True up Variance						(411,917.00)							(411,917.00)
<b>Monthly Variance</b>	(36,121.55)	(39,859.61)	(32,949.35)	(30,474.27)	(27,829.57)	(435,400.54)	(32,318.90)	(39,513.83)	(36,654.55)	(30,642.85)	(28,954.63)	(28,885.53)	(799,605.18)
<b>G/L Ending Balance</b>	507,453.54	467,593.93	434,644.58	404,170.31	376,340.74	(59,059.80)	(91,378.70)	(130,892.53)	(167,547.08)	(198,189.93)	(227,144.56)	(256,030.09)	
<b>Interest Improvement</b>	3,284.10	3,065.87	2,825.05	2,625.98	2,441.86	2,273.73	(356.82)	(552.08)	(790.81)	(1,012.26)	(1,197.40)	(1,372.33)	11,234.89
Accumulated Interest	53,366.12	56,431.99	59,257.04	61,883.02	64,324.88	66,598.61	66,241.79	65,689.71	64,898.90	63,886.64	62,689.24	61,316.91	
<b>2004</b>													
Interest Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
<b>G/L Beginning Balance</b>	(256,030.09)	(303,240.14)	(354,105.60)	(398,301.41)	(404,250.43)	(393,872.43)	(827,688.29)	(825,633.60)	(830,987.39)	(834,243.20)	(831,901.30)	(821,541.41)	
PILS Monthly Accrual	119,600.00	119,600.00	119,600.00	119,600.00	119,600.00	119,600.00	119,600.00	119,600.00	119,600.00	119,600.00	119,600.00	119,603.00	1,435,203.00
Monthly Billing	(166,810.05)	(170,465.46)	(163,795.81)	(125,549.02)	(109,222.00)	(108,684.86)	(117,545.31)	(124,953.79)	(122,855.81)	(117,258.10)	(109,240.11)	(118,211.57)	(1,554,591.89)
True up Variance						(444,731.00)							(444,731.00)
<b>Monthly Variance</b>	(47,210.05)	(50,865.46)	(44,195.81)	(5,949.02)	10,378.00	(433,815.86)	2,054.69	(5,353.79)	(3,255.81)	2,341.90	10,359.89	1,391.43	(564,119.89)
<b>G/L Ending Balance</b>	(303,240.14)	(354,105.60)	(398,301.41)	(404,250.43)	(393,872.43)	(827,688.29)	(825,633.60)	(830,987.39)	(834,243.20)	(831,901.30)	(821,541.41)	(820,149.98)	
<b>Interest Improvement</b>	(1,546.85)	(1,832.08)	(2,139.39)	(2,406.40)	(2,442.35)	(2,379.65)	(5,000.62)	(4,988.20)	(5,020.55)	(5,040.22)	(5,026.07)	(4,963.48)	(42,785.86)
Accumulated Interest	59,770.06	57,937.98	55,798.59	53,392.19	50,949.84	48,570.19	43,569.57	38,581.37	33,560.82	28,520.60	23,494.53	18,531.05	
<b>2005</b>													
Interest Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
<b>G/L Beginning Balance</b>	(820,149.98)	(834,221.28)	(828,364.56)	(824,025.85)	(821,575.24)	(812,984.82)	(1,208,122.62)	(1,220,784.70)	(1,266,644.81)	(1,290,469.79)	(1,290,424.12)	(1,282,510.07)	