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April 11, 2012

BY COURIER & RESS

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: IRM 2012 EB Number: EB-2011-0179 Draft Rate Order
Kitchener-Wilmot Hydro Inc. Application for Approval of 2012 Electricity
Distribution Rates, Licence No. ED-2002-0573**

Dear Ms. Walli:

On November 1, 2011, Kitchener-Wilmot Hydro Inc. (KWHI) submitted its 2012 IRM Application to the Ontario Energy Board (the Board) for rates effective May 1, 2012. The Board issued its Decision on this Application on April 4, 2012 in which the Board directed KWHI to file a draft Rate Order with the Board that reflected the Board's findings with 7 days. Attached please find the required documentation.

A copy of this package has been electronically filed through the Ontario Energy Board's RESS system. The original and one copy have been couriered to the Board's offices.

Should you require any further information or clarification of any of the above, kindly contact myself.

Respectfully submitted,

Original Signed by

M. Nanninga, MBA, CGA

Manager of Finance

MN/kb
Attachments

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ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Kitchener-Wilmot
Hydro Inc. to the Ontario Energy Board for an Order approving just
and reasonable rates and other charges, effective May 1, 2012.

**DRAFT RATE ORDER
OF
KITCHENER-WILMOT HYDRO INC.**

A. INTRODUCTION

1. Kitchener-Wilmot Hydro Inc. (“KWHI” or the “Applicant”) owns and operates the electricity distribution system located in the City of Kitchener and the Township of Wilmot.
2. On November 1, 2011, Kitchener-Wilmot Hydro Inc. (“KWHI”) submitted its IRM Application to the Ontario Energy Board (“the Board”) for rates effective May 1, 2012.
3. Subsequently, the Board issued a Letter of Direction and Notice of Application and Hearing on November 14, 2011.
4. As a result of the Notice of Application and Hearing, the Board received one intervention request from the Vulnerable Energy Consumers Coalition (“VECC”), which was accepted on December 9, 2011.
5. As per the Board’s instructions, KWHI received written interrogatories from both Board staff and VECC.
6. KWHI submitted its responses to those interrogatories on January 13, 2012. In addition to the interrogatory responses, KWHI updated its LRAM Application with the Final OPA 2010 Program Results received by the Applicant on November 14, 2011.

7. Board submissions from both Board staff and VECC were received by KWHI on January 30, 2012 and KWHI filed its Reply Submission with the Board on February 8, 2012.
8. The Board issued its Decision and Order on KWHI's Application on April 4, 2012. The Board directed KWHI to file a draft Rate Order with the Board that reflected the Board's findings within 7 days.
9. Board staff supplied KWHI with updated rate models that reflect the changes made by the Board since the model was originally issued in 2011.

General

10. KWHI's model and resulting Rate Order includes the following updates as mandated by the Board:
 - a. Price Cap Index Adjustment of 1.08% as a result of the following components:
 - i. Price escalator of 2%
 - ii. Productivity factor of \$0.72%
 - iii. Stretch factor of 0.2%.
 - b. Amended RRRP charge of \$0.0011 per kWh (from \$0.0013 per kWh).
 - c. Sharing tax savings amount of \$436,903 to be refunded to customers over a one year period.
 - d. 2012 Uniform Transmission Rates.
 - e. Disposition of the debit balance in account 1521 – Special Purpose Charge of \$16,967 over a one year period. The balance will be transferred to account 1595 effective May 1, 2012 and the account closed.
 - f. LRAM amount of \$96,279 to be recovered over a one year period.
 - g. Removal of the Smart Meter Funding Adder.
 - h. Updated values resulting from the calculation of the balance of account 1562 – Deferred PILS (see below) for the Deferral/Variance Account Disposition rate rider.

Draft Rate Order

11. KWHI has included with this submission a draft Rate Order (Appendix A) which reflects the changes as ordered by the Board.

Payments In Lieu of Taxes – PILS 1562

12. KWHI has updated the interest table to reflect the Board's Decision:

**Kitchener-Wilmot Hydro Inc.
Interest Expense
Years 2001 ~ 2005**

Interest subject to clawback

	2001	2002	2003	2004	2005
Interest on Long Term Debt	721,520	3,601,828	5,387,350	5,402,110	5,387,350
Interest on Short Term Debt	1,869	22,018	-	-	-
Interest on IESO Prudentials		57,757	93,085	89,701	89,456
Subtotal	723,389	3,681,604	5,480,435	5,491,811	5,476,806

Interest not subject to clawback

Interest on Security Deposits	27,020	34,207	50,237	90,014	98,107
Interest on PILS Returns					4,056
Subtotal	27,020	34,207	50,237	90,014	102,162
	750,409	3,715,810	5,530,672	5,581,825	5,578,968

13. KWHI has revised all the models to reflect the changes above. The SIMPIL models for the year 2001 ~ 2005 and an updated Continuity Schedule have been provided in Excel format and hard copies have been provided as Appendices B, C, D, E, F and G respectively.
14. As a result of the changes to the models through this process, the balance of Account 1562 has now been adjusted to a payable to customers of (\$369,683). This balance is comprised of a payable of PILS to customers of (\$521,274) plus interest payable from customers of \$151,591.

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Kitchener-Wilmot Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective May 01, 2012

EB-2011-0179

MONTHLY RATES AND CHARGES

Applied For Monthly Rates and Charges

Residential

Monthly Rates and Charges - Delivery Component

Service Charge	\$	9.69
Distribution Volumetric Rate	\$/kWh	0.01718
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until April 30, 2013, applicable only for Non-RPP Customers	\$/kWh	0.00210
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2013	\$/kWh	(0.00040)
Distribution Volumetric Def Var Disp 2012 – effective until Monday, April 30, 2013	\$/kWh	(0.00010)
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2014	\$/kWh	0.00030
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2013	\$/kWh	0.00003
Distribution Volumetric Tax Change – effective until Monday, April 30, 2013	\$/kWh	(0.00040)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00600
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00150

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Monthly Rates and Charges - Delivery Component

Service Charge	\$	25.54
Distribution Volumetric Rate	\$/kWh	0.01233
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until April 30, 2013, applicable only for Non-RPP Customers	\$/kWh	0.00210
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2013	\$/kWh	(0.00040)
Distribution Volumetric Def Var Disp 2012 – effective until Monday, April 30, 2013	\$/kWh	(0.00010)
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2014	\$/kWh	0.00010
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2013	\$/kWh	0.00013
Distribution Volumetric Tax Change – effective until Monday, April 30, 2013	\$/kWh	(0.00030)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00520
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00130

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 4,999 kW

Monthly Rates and Charges - Delivery Component

Service Charge	\$	236.11
Distribution Volumetric Rate	\$/kW	4.03188
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until April 30, 2013, applicable only for Non-RPP Customers	\$/kW	0.81210
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2013	\$/kW	(0.15750)
Distribution Volumetric Def Var Disp 2012 – effective until Monday, April 30, 2013	\$/kW	(0.02300)
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2014	\$/kW	0.01720
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2013	\$/kW	0.02049
Distribution Volumetric Tax Change – effective until Monday, April 30, 2013	\$/kW	(0.07490)
Retail Transmission Rate – Network Service Rate	\$/kW	2.75280
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.71960

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Large Use

Monthly Rates and Charges - Delivery Component

Service Charge	\$	14,403.67
Distribution Volumetric Rate	\$/kW	1.37267
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until April 30, 2013, applicable only for Non-RPP Customers	\$/kW	1.04030
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2013	\$/kW	(0.20220)
Distribution Volumetric Def Var Disp 2012 – effective until Monday, April 30, 2013	\$/kW	(0.01350)
Distribution Volumetric Tax Change – effective until Monday, April 30, 2013	\$/kW	0.03560
Retail Transmission Rate – Network Service Rate	\$/kW	2.58730
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.67640

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Standby Power – INTERIM APPROVAL

Monthly Rates and Charges - Delivery Component

Unmetered Scattered Load

Monthly Rates and Charges - Delivery Component

Service Charge (per connection)	\$	8.46
Distribution Volumetric Rate	\$/kWh	0.01648
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2013	\$/kWh	(0.00040)
Distribution Volumetric Def Var Disp 2012 – effective until Monday, April 30, 2013	\$/kWh	(0.00030)
Distribution Volumetric Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2014	\$/kWh	0.00450
Distribution Volumetric Tax Change – effective until Monday, April 30, 2013	\$/kWh	(0.00060)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00520
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00130

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Monthly Rates and Charges - Delivery Component

Service Charge (per connection)	\$	0.79
Distribution Volumetric Rate	\$/kW	5.30245
Rate Rider for Global Adjustment Sub-Account Disposition (2011) - Effective until April 30, 2013, applicable only for Non-RPP Customers	\$/kW	0.72910
Distribution Volumetric Def Var Disp 2011 – effective until Monday, April 30, 2013	\$/kW	(0.14170)
Distribution Volumetric Def Var Disp 2012 – effective until Monday, April 30, 2013	\$/kW	(0.04720)
Distribution Volumetric Tax Change – effective until Monday, April 30, 2013	\$/kW	(0.14140)
Retail Transmission Rate – Network Service Rate	\$/kW	1.67390
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.43770

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.00520
Rural Rate Protection Charge	\$/kWh	0.00110
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Embedded Distributor

Monthly Rates and Charges - Delivery Component

Distribution Volumetric Rate	\$/kW	1.13200
Distribution Volumetric Tax Change – effective until Monday, April 30, 2013	\$/kW	(0.01620)
Retail Transmission Rate – Network Service Rate	\$/kW	2.59550
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.67850

Embedded Distributor

Monthly Rates and Charges - Delivery Component

Distribution Volumetric Rate	\$/kW	0.14030
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microFIT Generator

Service Charge	\$	5.25
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Specific Service Charges

Customer Administration

Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Collection of Account Charge – No Disconnection	\$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (if meter found correct)	\$	30.00
Meter Removal Without Authorization	\$	60.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter - during regular hours	\$	45.00
Disconnect/Reconnect at meter - after regular hours	\$	75.00
Disconnect/Reconnect at pole - during regular hours	\$	95.00

Other

Service call - after regular hours	\$	105.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Allowances

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)

Service Transaction Requests (STR)

Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50

Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party

Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0320
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0154
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0226
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0053

	A	B	C	D	E
1	PILs TAXES - EB-2010-				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Kitchener-Wilmot Hydro Inc.			Colour Code	
4	Reporting period: 2001			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	92	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
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		99.98%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100.00%	
23					
24	Accounting Year End		Date	12-31-2001	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			139,931,166	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			11,608,690	
42					
43		4,587,898			
44	1999 return from RUD Sheet #7	(388,709)		4,199,189	4,199,189
45					
46	Total Incremental revenue			7,409,501	
47	Input: Board-approved dollar amounts phased-in				
48	Amount allowed in 2001	2,340,264		2,340,264	2,340,264
49	Amount allowed in 2002	388,709		2,728,973	0
50	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
51	unless authorized by the Minister and the Board)				0
52	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
53	Other Board-approved changes to MARR or incremental revenue				0
54					0
55	Total Regulatory Income				6,539,453
56					
57	Equity			62,969,025	
58					
59	Return at target ROE			6,221,340	
60					
61	Debt			76,962,142	
62					
63	Deemed interest amount in 100% of MARR			5,387,350	
64					
65	Phase-in of interest - Year 1 (2001)			3,034,823	
66	((D43+D47)/D41)*D61				
67	Phase-in of interest - Year 2 (2002)			4,301,283	
68	((D43+D47+D48)/D41)*D61				
69	Phase-in of interest - Year 3 (2003) and forward			4,301,283	
70	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
71	Phase-in of interest - 2005			5,387,350	
72					
73					

	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)				G-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmut 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	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	1,634,863		-5,562,377		-3,927,514	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	1,637,925		-85,753		1,552,172	
21	Employee Benefit Plans - Accrued, Not Paid	3	827		62,341		63,168	
22	Tax reserves - beginning of year	4			91,033		91,033	
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			0		0	
30	Items on which true-up does not apply "TAXREC 3"				3,575		3,575	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	701,941		986,511		1,688,452	
34	Employee Benefit Plans - Paid Amounts	8			34,655		34,655	
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	758,706		-35,317		723,389	
38	Tax reserves - end of year	4			65,645		65,645	
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			27,000		27,000	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				-5,524,710		-5,524,710	
49								
50	TAXABLE INCOME/ (LOSS)		1,812,968		(1,044,965)		768,003	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-28.1200%		12.50%	
54								
55	REGULATORY INCOME TAX		736,428		-736,428		Actual	0
56								
57								
58	Miscellaneous Tax Credits	14			0		Actual	0
59								
60	Total Regulatory Income Tax		736,428		-736,428		Actual	0
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	139,931,166		7,383,968		147,315,134	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	4,998,841		-10,000		4,988,841	
68	Taxable Capital		134,932,325		7,373,968		142,326,293	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		101,199		6,423		107,622	
73								
74	Federal Large Corporations Tax							
75	Base	18	139,931,166		7,522,725		147,453,891	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		129,931,166		7,522,725		137,453,891	
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)		73,086		4,867		77,953	
82	Less: Federal Surtax 1.12% x Taxable Income	21	20,305		-20,305		0	
83								
84	Net LCT		52,781		25,172		77,953	
85								

	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)				G-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,217,236			Actual 2001	0	
91	LCT (proxy tax is grossed-up)	23	87,241			Actual 2001	77,953	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	101,199			Actual 2001	107,622	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2001	25	1,405,677			Actual 2001	185,575	
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			62,341			
103	Tax reserves deducted in prior year	4			91,033			
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	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			34,655			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell E206)	11			0			
113	Tax reserves claimed in current year	4			65,645			
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			27,000			
119								
120	Total TRUE-UPS before tax effect	26		=	26,074			
121								
122	Income Tax Rate (excluding surtax) from 2001 Utility's tax return			x	40.62%			
123								
124	Income Tax Effect on True-up adjustments			=	10,591			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				10,591			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				39.50%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				17,506			
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)			=	1,812,968			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	40.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	736,428			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	736,428			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	736,428			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	Ontario Capital Tax							
151	Base			=	139,931,166			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	4,998,841			
153	Revised deemed taxable capital			=	134,932,325			

	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)				G-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	101,199			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	101,199			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				139,931,166			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	129,931,166			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				73,687			
169	Less: Federal surtax			-	20,305			
170	Revised Net LCT			=	53,382			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	52,781			
173	Regulatory Federal LCT Variance			=	601			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				39.50%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	993			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	993			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	17,506			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	18,499			
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)				5,387,350			
194	Interest phased-in (Cell C37)				758,706			
195								
196	Variance due to phase-in of debt component of MARR in rates				4,628,644			
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)				723,389			
202	Total deemed interest (REGINFO CELL D62)				5,387,350			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell E112)				0			
207								
208	Total Interest Variance				4,628,644			
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES - EB-2010-	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: Kitchener-Wilmot 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 :		0	< - 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	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	+	30,588,359		30,588,359	
32	Distribution Revenue	+	4,803,654		4,803,654	
33	Other Income	+	313,376		313,376	
34	Miscellaneous income	+	158,058		158,058	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	36,220,691		36,220,691	
40	Administration	-	456,399		456,399	
41	Customer billing and collecting	-	338,937		338,937	
42	Operations and maintenance	-	1,195,743		1,195,743	
43	Amortization	-	1,552,172		1,552,172	
44	Ontario Capital & Property Taxes	-	0		0	
45	Interest Not Subject to Clawback	-	27,019		27,019	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	-3,927,514	0	-3,927,514	
51	Less: Interest expense for accounting purposes	-	723,389		723,389	
52	Provision for payments in lieu of income taxes	-	227,092		227,092	
53	Net Income (loss)	=	-4,877,995	0	-4,877,995	
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	+	227,092	0	227,092	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,552,172	0	1,552,172	
62	Employee benefit plans-accrued, not paid	+	63,168	0	63,168	
63	Tax reserves - beginning of year - bad debts	+	91,033	0	91,033	
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"		3,575	0	3,575	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		1,937,040	0	1,937,040	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Donations	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	<i>Total Additions</i>	=	1,937,040	0	1,937,040	
83						

	A	B	C	D	E	F
1	PILs TAXES - EB-2010-	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	
84	Recap Material Additions:					
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	
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	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,688,452		1,688,452	
98	Cumulative eligible capital deduction	-	0		0	
99	Employee benefit plans-paid amounts	-	34,655		34,655	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year - bad debts	-	65,645	0	65,645	
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"		-5,524,710	0	-5,524,710	
109	Interest capitalized for accounting deducted for tax	-	0		0	
110	Material deduction items from TAXREC 2	-	27,000	0	27,000	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	-3,708,958	0	-3,708,958	
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	=	-3,708,958	0	-3,708,958	
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	=	768,003	0	768,003	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	768,003	0	768,003	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	0	0	0	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		12.50%		12.50%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP FROM ABOVE:					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	107,622		107,622	
158	Federal Large Corporations Tax	+	77,953		77,953	
159						
160	Total income and capital taxes	=	185,575	0	185,575	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2010-	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Kitchener-Wilmot Hydro Inc.					
8	Reporting period: 2001					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2010-	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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		+			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		+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Regulatory Assets	+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49	Regulatory assets		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	PILs TAXES - EB-2010-	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	27,000		27,000	
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	=	27,000	0	27,000	
100						
101	Recap of Material Deductions:					
102	Gain on disposal of assets per f/s		27,000	0	27,000	
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		27,000	0	27,000	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		27,000	0	27,000	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2010-					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	<u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Kitchener-Wilmot Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2001					
12	Number of days in taxation year:		92			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+	3,525		3,525	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books	+	50			
36	Interest and penalties on unpaid taxes	+				
37	Management bonuses unpaid after 180 days of year end	+				
38	Ontario Capital Tax per books	+				
39		+			0	
40	Changes in Regulatory Asset balances	+			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		+				
47	Total Additions on which true-up does not apply	=	3,575	0	3,525	
48						
49	Deduct:					
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	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Ontario Capital Tax per tax return	-	107,622		107,622	
61		-			0	
62	Changes in Regulatory Asset balances	-	-5,632,332		-5,632,332	
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	Prospectus & underwriting fees	-			0	
71	Income not earned on movement of Regulatory A/Cs	-			0	
72	Deferred cost deductible (market ready)	-			0	
73	Total Deductions on which true-up does not apply	=	-5,524,710	0	-5,524,710	
74						
75						

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PILs TAXES - EB-2010-

2

Corporate Tax Rates

Version 2009.1

3

Exemptions, Deductions, or Thresholds

4

Utility Name: Kitchener-Wilmot Hydro Inc.

5

Reporting period: 2001

6

7

8

8

Rates Used in 2001 RAM PILs Applications for 2001 Q4

9

Income Range

0

50,000

>175,000

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%

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

4,998,841

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

26

26

Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001

27

Income Range

0

50,000

>175,000

28

Expected Rates

to

to

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

4,998,841

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

44

44

Input Information from Utility's Actual 2001 Tax Returns

45

Income Range

0

50,000

>175,000

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%

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

4,988,841

58

Federal Large Corporations Tax Exemption *

MAX \$10MM

0

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-2010-														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Kitchener-Wilmot Hydro Inc.														Version 2009.1
4	Reporting period: 2001				Sign Convention: + for increase; - for decrease									0	
5															
6															
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		1,413,944		1,413,944		1,413,944		1,413,944		1,413,944		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	1,405,677						0		0		0		1,405,677
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
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	8,267												8,267
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		1,413,944		1,413,944		1,413,944		1,413,944		1,413,944		1,413,944		1,413,944
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 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, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
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, 2001and 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	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Kitchener-Wilmot 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	BACKGROUND				
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		
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	Y	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99.78%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			139,931,166	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			11,608,690	
42		4,587,898			
43	1999 return from RUD Sheet #7	(388,709)		4,199,189	4,199,189
44					
45	Total Incremental revenue			7,409,501	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001	2,340,264		2,340,264	2,340,264
48	Amount allowed in 2002	388,709		2,728,973	2,728,973
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				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				9,268,426
55					
56	Equity			62,969,025	
57					
58	Return at target ROE			6,221,340	
59					
60	Debt			76,962,141	
61					
62	Deemed interest amount in 100% of MARR			5,387,350	
63					
64	Phase-in of interest - Year 1 (2001)			3,034,823	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			4,301,283	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			4,301,283	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			5,387,350	
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)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2002							
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	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	9,268,426		1,397,442		10,665,868	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	6,551,699		1,161,731		7,713,430	
21	Employee Benefit Plans - Accrued, Not Paid	3	3,307		229,520		232,827	
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			219,981		219,981	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				2,543,529		2,543,529	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	5,545,625		1,723,503		7,269,128	
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	4,301,283		-619,679		3,681,603	
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			80,491		80,491	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			231,230		231,230	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				464,087		464,087	
49								
50	TAXABLE INCOME/ (LOSS)		5,976,525		3,672,570	Before loss C/F	9,649,095	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	
54								
55	REGULATORY INCOME TAX		2,308,134		-263,481	Actual	2,044,653	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		2,308,134		-263,481	Actual	2,044,653	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	139,931,166		18,653,611		158,584,777	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-10,969		4,989,031	
68	Taxable Capital		134,931,166		18,642,642		153,595,746	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		404,793		55,994		460,787	
73								
74	Federal Large Corporations Tax							
75	Base	18	139,931,166		17,987,730		157,918,896	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		129,931,166		17,987,730		147,918,896	
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)		292,345		40,472		332,818	
82	Less: Federal Surtax 1.12% x Taxable Income	21	66,937		-8,180		58,757	
83								
84	Net LCT		225,408		48,652		274,061	

	A	B	C	D	E	F	G
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)				K-C	Explanation	
5	0						Version 2009.1
6	Utility Name: Kitchener-Wilmot Hydro Inc.						
7	Reporting period: 2002						
8							Column
9	Days in reporting period:	365	days				Brought
10	Total days in the calendar year:	365	days				From
11							TAXREC
12			\$		\$		\$
13							
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	3,693,014			Actual 2002	2,044,653
91	LCT (proxy tax is grossed-up)	23	360,653			Actual 2002	274,061
92	Ontario Capital Tax (no gross-up since it is deductible)	24	404,793			Actual 2002	460,787
93							
94							
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	4,458,461			Actual 2002	2,779,501
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			229,520		
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			219,981		
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 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			80,491		
118	Other deductions "Material" Item TAXREC 2	12			231,230		
119							
120	Total TRUE-UPS before tax effect	26		=	137,779		
121							
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	38.62%		
123							
124	Income Tax Effect on True-up adjustments			=	53,210		
125							
126	Less: Miscellaneous Tax Credits	14			0		
127							
128	Total Income Tax on True-ups				53,210		
129							
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%		
131							
132	TRUE-UP VARIANCE ADJUSTMENT				85,136		
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)			=	5,976,525		
137							
138	REVISED CORPORATE INCOME TAX RATE			x	38.62%		
139							
140	REVISED REGULATORY INCOME TAX			=	2,308,134		
141							
142	Less: Revised Miscellaneous Tax Credits			-	0		
143							
144	Total Revised Regulatory Income Tax			=	2,308,134		
145							
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,308,134		
147							
148	Regulatory Income Tax Variance			=	0		
149							
150	Ontario Capital Tax						
151	Base			=	139,931,166		

	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)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13							\$	
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	134,931,166			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	404,793			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	404,793			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				139,931,166			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	129,931,166			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				292,345			
169	Less: Federal surtax			-	66,937			
170	Revised Net LCT			=	225,408			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	225,408			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	85,136			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	85,136			
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)				5,387,350			
194	Interest phased-in (Cell C36)				4,301,283			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				1,086,067			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				3,681,603			
202	Total deemed interest (REGINFO CELL D61)				5,387,350			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
207								
208	Total Interest Variance				1,086,067			
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: Kitchener-Wilmot 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 :		0	< - 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	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	132,890,224		132,890,224	
32	Distribution Revenue	+	29,008,419		29,008,419	
33	Other Income	+	892,658		892,658	
34	Miscellaneous income	+	994,869		994,869	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	132,890,224		132,890,224	
40	Administration	-	2,118,200		2,118,200	
41	Customer billing and collecting	-	2,419,222		2,419,222	
42	Operations and maintenance	-	4,966,406		4,966,406	
43	Amortization	-	7,184,857		7,184,857	
44	Property & Ontario Capital Tax	-	980,218		980,218	
45	Regulatory Asset Impairment	-	2,526,968		2,526,968	
46	Interest expense not subject to clawback	-	34,207		34,207	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	10,665,868	0	10,665,868	
51	Less: Interest expense for accounting purposes	-	3,681,603		3,681,603	
52	Provision for payments in lieu of income taxes	-	2,293,540		2,293,540	
53	Net Income (loss)	=	4,690,725	0	4,690,725	
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	+	2,754,900	0	2,754,900	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	7,713,430	0	7,713,430	
62	Employee benefit plans-accrued, not paid	+	232,827	0	232,827	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+		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"		2,543,529	0	2,543,529	
67	Material addition items from TAXREC 2	+	219,981	0	219,981	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		13,464,667	0	13,464,667	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	13,464,667	0	13,464,667	
83						
84	Recap Material Additions:					

	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	
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	
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	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	7,269,128		7,269,128	
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	Items on which true-up does not apply "TAXREC 3"		464,087	0	464,087	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	231,230	0	231,230	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	7,964,445	0	7,964,445	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-	80,491		80,491	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	80,491	0	80,491	
121						
122	Total Deductions	=	8,044,937	0	8,044,937	
123						
124	Recap Material Deductions:					
125			0	0	0	
126	Gain on disposal of assets		80,491	0	80,491	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		80,491	0	80,491	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		80,491	0	80,491	
133						
134	TAXABLE INCOME	=	10,110,455	0	10,110,455	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	4,864,331		4,864,331	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	5,246,124	0	5,246,124	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	1,423,322		1,423,322	
143	Net Ontario Income Tax (Must agree with tax return)	+	621,331		621,331	
144	Subtotal	=	2,044,653	0	2,044,653	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	2,044,653	0	2,044,653	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		26.12%		26.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		38.62%	*****	38.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	2,044,653	0	2,044,653	
157	Ontario Capital Tax	+	460,787		460,787	
158	Federal Large Corporations Tax	+	274,061		274,061	
159						
160	Total income and capital taxes	=	2,779,501	0	2,779,501	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Kitchener-Wilmot Hydro Inc.					
8	Reporting period: 2002					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Regulatory Asset Impairment				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations <i>(Only if it benefits ratepayers)</i>	+			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	+	219,981		219,981	
37		+			0	
38		+			0	
39		+			0	
40	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	219,981	0	219,981	
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	Provision for bad debts		219,981	0	219,981	
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	

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
77	Total Material additions		219,981	0	219,981	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		219,981	0	219,981	
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	-	231,230		231,230	
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	
97		-			0	
98		-			0	
99	Total Deductions	=	231,230	0	231,230	
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	Bad debts		231,230	0	231,230	
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		231,230	0	231,230	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		231,230	0	231,230	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Kitchener-Wilmot Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+	13,311		13,311	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		3,250		3,250	
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	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+	2,526,968		2,526,968	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	2,543,529	0	2,543,529	
48						
49	Deduct:					
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	Donations - amount deductible for tax purposes	-	3,300		3,300	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-	460,787		460,787	
65		-			0	
66	Changes in Regulatory Asset balances	-			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	Total Deductions on which true-up does not apply	=	464,087	0	464,087	
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: Kitchener-Wilmot Hydro Inc.									
5	Reporting period: 2002									
6										
7										
8	Table 1									
9	Rates Used in 2002 RAM PILs Applications for 2002									
10	Income Range		0 to 200,000		200,001 to 700,000		>700,000			
11	RAM 2002	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	Year								
29	Income Tax Rate									
30	Current year	2002								
31	Federal (Includes surtax)	2002	13.12%		26.12%		26.12%			
32	Ontario	2002	6.00%		6.00%		12.50%			
33	Blended rate	2002	19.12%		32.12%		38.62%			
34										
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		Year								
47	Income Tax Rate									
48	Current year	2002								
49	Federal (Includes surtax)		13.12%		22.12%		26.12%			
50	Ontario		6.00%		9.75%		12.50%			
51	Blended rate		19.12%		31.87%		38.62%			
52										
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,989,031							
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%

[illegible]

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Kitchener-Wilmot Hydro Inc.			<u>Colour Code</u>	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
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	Y	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99.78%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			139,931,166	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			11,608,690	
42		4,587,898			
43	1999 return from RUD Sheet #7	-388,709		4,199,189	4,199,189
44					
45	Total Incremental revenue			7,409,501	
46	Input: Board-approved dollar amounts phased-in	2,340,264			
47	Amount allowed in 2001	388,709		2,340,264	2,340,264
48	Amount allowed in 2002			2,728,973	2,728,973
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			2,728,973	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				9,268,426
55					
56	Equity			62,969,025	
57					
58	Return at target ROE			6,221,340	
59					
60	Debt			76,962,141	
61					
62	Deemed interest amount in 100% of MARR			5,387,350	
63					
64	Phase-in of interest - Year 1 (2001)			3,034,823	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			4,301,283	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			4,301,283	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			5,387,350	
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)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2003							
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	9,268,426		3,599,021		12,867,447	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	6,551,699		1,482,474		8,034,173	
21	Employee Benefit Plans - Accrued, Not Paid	3	3,307		392,051		395,358	
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			91,109		91,109	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				165,934		165,934	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	5,545,625		1,887,911		7,433,536	
34	Employee Benefit Plans - Paid Amounts	8			147,268		147,268	
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	4,301,283		1,179,153		5,480,435	
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			191,176		191,176	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				581,357		581,357	
49								
50	TAXABLE INCOME/ (LOSS)		5,976,525		1,743,724	Before loss C/F	7,720,249	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.2506%		37.37%	
54								
55	REGULATORY INCOME TAX		2,308,134		738,014	Actual	3,046,148	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		2,308,134		738,014	Actual	3,046,148	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	139,931,166		22,824,212		162,755,378	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-10,836		4,989,164	
68	Taxable Capital		134,931,166		22,813,376		157,766,214	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		404,793		68,505		473,299	
73								
74	Federal Large Corporations Tax							
75	Base	18	139,931,166		22,223,576		162,154,742	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		129,931,166		22,223,576		152,154,742	
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)		292,345		50,003		342,348	
82	Less: Federal Surtax 1.12% x Taxable Income	21	66,937		24,359		91,296	
83								

	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)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2003							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
84	Net LCT		225,408		25,644		251,052	
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	3,693,014			Actual 2003	3,046,148	
91	LCT (proxy tax is grossed-up)	23	360,653			Actual 2003	251,052	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	404,793			Actual 2003	473,299	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	4,458,461			Actual 2003	3,770,499	
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			392,051			
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			91,109			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			147,268			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11			93,086			
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			191,176			
119								
120	Total TRUE-UPS before tax effect	26		=	51,630			
121								
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return			x	36.62%			
123								
124	Income Tax Effect on True-up adjustments			=	18,907			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				18,907			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				29,313			
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)			=	5,976,525			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	2,188,603			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	2,188,603			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,308,134			
147								
148	Regulatory Income Tax Variance			=	(119,530)			
149								
150	Ontario Capital Tax							

	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)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2003							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
151	Base			=	139,931,166			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	134,931,166			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	404,793			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell							
158	C70)			-	404,793			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				139,931,166			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	129,931,166			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				292,345			
169	Less: Federal surtax			-	66,937			
170	Revised Net LCT			=	225,408			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	225,408			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.50%			
176								
177	Income Tax (grossed-up)			+	(185,319)			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(185,319)			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	29,313			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(156,006)			
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)				5,387,350			
194	Interest phased-in (Cell C36)				4,301,283			
195								
196	Variance due to phase-in of debt component of MARR in rates				1,086,067			
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 K36+K41)				5,480,435			
202	Total deemed interest (REGINFO CELL D61)				5,387,350			
203								
204	Variance caused by excess debt				93,086			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				93,086			
207								
208	Total Interest Variance				992,982			
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: Kitchener-Wilmot 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 :		0	< - 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	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	128,780,125		128,780,125	
32	Distribution Revenue	+	29,792,692		29,792,692	
33	Other Income	+	96,209		96,209	
34	Miscellaneous income	+	1,547,471		1,547,471	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	128,780,125		128,780,125	
40	Administration	-	2,627,230		2,627,230	
41	Customer billing and collecting	-	2,254,446		2,254,446	
42	Operations and maintenance	-	5,154,295		5,154,295	
43	Amortization	-	7,510,231		7,510,231	
44	Property & Ontario Capital Taxes	-	972,486		972,486	
45	Interest expense not subject to clawback	-	50,237		50,237	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	12,867,447	0	12,867,447	
51	Less: Interest expense for accounting purposes	-	5,480,435		5,480,435	
52	Provision for payments in lieu of income taxes	-	3,319,312		3,319,312	
53	Net Income (loss)	=	4,067,700	0	4,067,700	
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	+	3,750,519	0	3,750,519	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	8,034,173	0	8,034,173	
62	Employee benefit plans-accrued, not paid	+	395,358	0	395,358	
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"		165,934	0	165,934	
67	Material addition items from TAXREC 2	+	91,109	0	91,109	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		12,437,093	0	12,437,093	
71						
72	Other Additions: (Please explain the nature of the additions)					
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	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	12,437,093	0	12,437,093	
83						
84	Recap Material Additions:					
85			0	0	0	

	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	
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	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	7,433,536		7,433,536	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-	147,268		147,268	
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"		581,357	0	581,357	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	191,176	0	191,176	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	8,353,337	0	8,353,337	
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	=	8,353,337	0	8,353,337	
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	=	8,151,456	0	8,151,456	
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	=	8,151,456	0	8,151,456	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	2,027,216		2,027,216	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,018,932		1,018,932	
144	Subtotal	=	3,046,148	0	3,046,148	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	3,046,148	0	3,046,148	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.87%		24.87%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		37.37%		37.37%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	3,046,148	0	3,046,148	
157	Ontario Capital Tax	+	473,299		473,299	
158	Federal Large Corporations Tax	+	251,052		251,052	
159						
160	Total income and capital taxes	=	3,770,499	0	3,770,499	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Kitchener-Wilmot Hydro Inc.					
8	Reporting period: 2003					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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		+			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	+	91,109		91,109	
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	=	91,109	0	91,109	
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	Provision for bad debts		91,109	0	91,109	
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	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		91,109	0	91,109	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		91,109	0	91,109	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	20,123		20,123	
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	-	171,053		171,053	
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	=	191,176	0	191,176	
100						
101	Recap of Material Deductions:					
102	Gain on disposal of assets per f/s		20,123	0	20,123	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		171,053	0	171,053	
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		191,176	0	191,176	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		191,176	0	191,176	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Kitchener-Wilmot Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2003					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+	15,784		15,784	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		150,150		150,150	
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	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+			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	Total Additions on which true-up does not apply	=	165,934	0	165,934	
48						
49	Deduct:					
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	Donations - amount deductible for tax purposes	-	150,150		150,150	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-	431,207		431,207	
65		-			0	
66	Changes in Regulatory Asset balances	-			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	Total Deductions on which true-up does not apply	=	581,357	0	581,357	
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: Kitchener-Wilmot Hydro Inc.														
5	Reporting period: 2003														
6															
7															
8	Table 1														
9	Rates Used in 2002 RAM PILs Applications for 2002														
10	Income Range		0		200,001										
11	RAM 2002		to		to										
12		Year	200,000		700,000			>700000							
13	Income Tax Rate														
14	Proxy Tax Year	2002													
15	Federal (Includes surtax)		13.12%		26.12%			26.12%							
16	and Ontario blended		6.00%		6.00%			12.50%							
17	Blended rate		19.12%		34.12%			38.62%							
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 2003 and Capital Tax Exemptions for 2003														
27	Income Range		0		200,001										
28	Expected Rates		to		to			>700000							
29		Year	200,000		700,000										
30	Income Tax Rate														
31	Current year	2003													
32	Federal (Includes surtax)	2003	13.12%					24.12%							
33	Ontario	2003	6.00%					12.50%							
34	Blended rate	2003	19.12%		34.12%			36.62%							
35															
36	Capital Tax Rate	2003	0.300%												
37	LCT rate	2003	0.225%												
38	Surtax	2003	1.12%												
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000												
40	Federal Large Corporations Tax Exemption *** 2003	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 2003 Tax Returns														
45	Income Range		0		200,001										
46			to		to			>700,000							
47		Year	200,000		700,000										
48	Income Tax Rate														
49	Current year	2003													
50	Federal (Includes surtax)		13.12%		0.00%			24.12%							
51	Ontario		6.00%		0.00%			12.50%							
52	Blended rate		19.12%		0.00%			36.62%							
53															
54	Capital Tax Rate		0.300%												
55	LCT rate		0.225%												
56	Surtax		1.12%												
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,989,164												
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															

24.12%	0.00%
12.50%	0.00%
36.62%	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: Kitchener-Wilmot Hydro Inc.														Version 2009.1
4	Reporting period: 2003				Sign Convention: + for increase; - for decrease									0	
5															
6															
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		1,413,943		942,861		843,615		5,653,494		6,768,109		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	1,405,676		4,458,461		5,864,137		4,809,880		1,114,615		0		17,652,768
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			17,506										17,506
15	True-up Variance Adjustment (3)	+/-					85,136						29,313		114,449
16	Deferral Account Variance Adjustment Q4, 2001 (4)				993										993
17	Deferral Account Variance Adjustment (5)	+/-											-185,319		-185,319
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	8,267		112,047		52,273								172,587
20	PILs billed to (collected from) customers (8)	-	0		-5,060,090		-6,100,792								-11,160,881
21															
22	Ending balance: # 1562		1,413,943		942,861		843,615		5,653,494		6,768,109		6,612,104		6,612,104
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 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, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
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, 2001and 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	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Kitchener-Wilmot Hydro Inc.			<u>Colour Code</u>	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	BACKGROUND				
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		
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	Y	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99.81%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			139,931,166	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			11,608,690	
42		4,587,898			
43	1999 return from RUD Sheet #7	-388,709		4,199,189	4,199,189
44					
45	Total Incremental revenue			7,409,501	
46	Input: Board-approved dollar amounts phased-in	2,340,264			
47	Amount allowed in 2001	388,709		2,340,264	2,340,264
48	Amount allowed in 2002			2,728,973	2,728,973
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			388,709	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				9,268,426
55					
56	Equity			62,969,025	
57					
58	Return at target ROE			6,221,340	
59					
60	Debt			76,962,141	
61					
62	Deemed interest amount in 100% of MARR			5,387,350	
63					
64	Phase-in of interest - Year 1 (2001)			3,034,823	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			4,301,283	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			4,301,283	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			5,387,350	
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)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2004							
8								
9	Days in reporting period:	366	days				Column	
10	Total days in the calendar year:	366	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	9,268,426		3,135,355		12,403,781	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	6,551,699		2,010,455		8,562,154	
21	Employee Benefit Plans - Accrued, Not Paid	3	3,307		217,309		220,616	
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			115,474		115,474	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				170,645		170,645	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	5,545,625		2,054,432		7,600,057	
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	4,301,283		1,190,528		5,491,811	
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			226,571		226,571	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				154,275		154,275	
49								
50	TAXABLE INCOME/ (LOSS)		5,976,525		2,023,431	Before loss C/F	7,999,956	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5000%		36.12%	
54								
55	REGULATORY INCOME TAX		2,308,134		543,951	Actual	2,852,085	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		2,308,134		543,951	Actual	2,852,085	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	139,931,166		27,785,228		167,716,394	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-9,457		4,990,543	
68	Taxable Capital		134,931,166		27,775,771		162,725,851	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		404,793		83,384		488,178	
73								
74	Federal Large Corporations Tax							
75	Base	18	139,931,166		26,823,131		166,754,297	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		129,931,166		66,823,131		116,754,297	
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)		292,345		-58,837		233,509	
82	Less: Federal Surtax 1.12% x Taxable Income	21	66,937		22,662		89,599	
83								
84	Net LCT		225,408		-81,498		143,910	
85								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								

	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)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2004							
8								
9	Days in reporting period:	366	days				Column	
10	Total days in the calendar year:	366	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
90	Income Tax (proxy tax is grossed-up)	22	3,693,014			Actual 2004	2,852,085	
91	LCT (proxy tax is grossed-up)	23	360,653			Actual 2004	143,910	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	404,793			Actual 2004	488,178	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	4,458,461			Actual 2004	3,484,173	
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			217,309			
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			115,474			
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			104,461			
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			226,571			
119								
120	Total TRUE-UPS before tax effect	26		=	1,751			
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			=	632			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				632			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				972.75			
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)			=	5,976,525			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	2,158,721			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	2,158,721			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,308,134			
147								
148	Regulatory Income Tax Variance			=	(149,413)			
149								
150	Ontario Capital Tax							
151	Base			=	139,931,166			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	134,931,166			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	404,793			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	404,793			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								

	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)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2004							
8								
9	Days in reporting period:	366	days				Column	
10	Total days in the calendar year:	366	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
161	Federal LCT							
162	Base				139,931,166			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	89,931,166			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				179,862			
169	Less: Federal surtax			-	66,937			
170	Revised Net LCT			=	112,925			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	225,408			
173	Regulatory Federal LCT Variance			=	(112,483)			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	(229,866)			
178	LCT (grossed-up)			+	(173,050)			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-402,916.79			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	972.75			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-401,944.04			
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)				5,387,350			
194	Interest phased-in (Cell C36)				4,301,283			
195								
196	Variance due to phase-in of debt component of MARR in rates				1,086,067			
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 K36+K41)				5,491,811			
202	Total deemed interest (REGINFO CELL D61)				5,387,350			
203								
204	Variance caused by excess debt				104,461			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				104,461			
207								
208	Total Interest Variance				981,606			
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: Kitchener-Wilmot 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 :		0	< - 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	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	127,326,094		127,326,094	
32	Distribution Revenue	+	29,363,383		29,363,383	
33	Other Income	+	1,488,917		1,488,917	
34	Miscellaneous income	+	788,029		788,029	
35		+	158,966,423		158,966,423	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	127,326,094		127,326,094	
40	Administration	-	2,632,714		2,632,714	
41	Customer billing and collecting	-	2,408,837		2,408,837	
42	Operations and maintenance	-	5,052,878		5,052,878	
43	Amortization	-	8,045,955		8,045,955	
44	Property & Capital Tax es	-	1,006,150		1,006,150	
45	Interest expense not subject to clawback	-	90,014		90,014	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	12,403,781	0	12,403,781	
51	Less: Interest expense for accounting purposes	-	5,491,811		5,491,811	
52	Provision for payments in lieu of income taxes	-	3,022,443		3,022,443	
53	Net Income (loss)	=	3,889,527	0	3,889,527	
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	+	3,022,443	0	3,022,443	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	8,562,154	0	8,562,154	
62	Employee benefit plans-accrued, not paid	+	220,616	0	220,616	
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"		170,645		170,645	
67	Material addition items from TAXREC 2	+	115,474	0	115,474	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		12,091,332	0	12,091,332	
71						
72	Other Additions: (Please explain the nature of the additions)					
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	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	12,091,332	0	12,091,332	
83						

	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	
84	Recap Material Additions:					
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	
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	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	7,600,057		7,600,057	
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	Items on which true-up does not apply "TAXREC 3"		154,275	0	154,275	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	226,571	0	226,571	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	7,980,903	0	7,980,903	
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	=	7,980,903	0	7,980,903	
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	=	7,999,956	0	7,999,956	
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	=	7,999,956	0	7,999,956	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	1,758,561	0	1,758,561	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,093,524	0	1,093,524	
144	Subtotal	=	2,852,085	0	2,852,085	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	2,852,085	0	2,852,085	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	2,852,085	0	2,852,085	
157	Ontario Capital Tax	+	488,178		488,178	
158	Federal Large Corporations Tax	+	143,910		143,910	
159						
160	Total income and capital taxes	=	3,484,173	0	3,484,173	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Kitchener-Wilmot Hydro Inc.					
8	Reporting period: 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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		+			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	+	115,474		115,474	
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	=	115,474	0	115,474	
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	Provision for bad debts		115,474	0	115,474	
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	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		115,474	0	115,474	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		115,474	0	115,474	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	35,377		35,377	
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	-	191,194		191,194	
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	=	226,571	0	226,571	
100						
101	Recap of Material Deductions:					
102	Gain on disposal of assets per f/s		35,377	0	35,377	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107	Bad debts		191,194	0	191,194	
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		226,571	0	226,571	
120	Other deductions less than materiality level			0	0	
121	Total Deductions		226,571	0	226,571	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Kitchener-Wilmot Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2004					
12	Number of days in taxation year:		366			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+		20,731	-20,731	
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	+	16,445		16,445	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		154,200		154,200	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+			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	Total Additions on which true-up does not apply	=	170,645	20,731	149,914	
48						
49	Deduct:					
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	Donations - amount deductible for tax purposes	-	154,200		154,200	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-	75		75	
61		-			0	
62	Changes in Regulatory Asset balances	-			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	Total Deductions on which true-up does not apply	=	154,275	0	154,275	
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: Kitchener-Wilmot Hydro Inc.									
5	Reporting period: 2004									
6										
7										
8	Table 1									
9	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000			>700000		
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 2004 and Capital Tax Exemptions for 2004									
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	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	Table 3									
44	Input Information from Utility's Actual 2004 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	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.12%			
51	Ontario		5.50%	5.50%	13.77%		14.00%			
52	Blended rate		18.62%	27.62%	36.06%		36.12%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,990,543							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

22.12%	0.00%
14.00%	0.00%
36.12%	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: Kitchener-Wilmot Hydro Inc.														Version 2009.1
4	Reporting period: 2004				Sign Convention: + for increase; - for decrease									0	
5															
6															
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		1,413,943		942,861		843,616		789,528		789,528		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	1,405,676		4,458,461		5,864,137		4,809,880.00						16,538,154
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			17,506										17,506
15	True-up Variance Adjustment (3)	+/-					85,136		29,313						114,449
16	Deferral Account Variance Adjustment Q4, 2001 (4)				993										993
17	Deferral Account Variance Adjustment (5)	+/-							-185,319						-185,319
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	8,267		112,047		52,273		41,020						213,607
20	PILs billed to (collected from) customers (8)	-	0		-5,060,090		-6,100,792		-4,748,982						-15,909,863
21															
22	Ending balance: # 1562		1,413,943		942,861		843,616		789,528		789,528		789,528		789,528
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	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Kitchener-Wilmot Hydro Inc.			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
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	Y	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99.86%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	31-Dec	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			139,931,166	
32					
33	Common Equity Ratio (CER)			45.00%	
34					
35	1-CER			55.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.00%	
40					
41	Market Adjusted Revenue Requirement			11,608,690	
42					
43	1999 return from RUD Sheet #7			4,587,898	4,587,898
44					
45	Total Incremental revenue			7,020,792	
46	Input: Board-approved dollar amounts phased-in	2,340,264			
47	Amount allowed in 2001			2,340,264	2,340,264
48	Amount allowed in 2002			2,340,264	2,340,264
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			2,340,264	2,340,264
52	Other Board-approved changes to MARR or incremental revenue				0
53				338709	338,709
54	Total Regulatory Income				11,947,399
55					
56	Equity			62,969,025	
57					
58	Return at target ROE			6,221,340	
59					
60	Debt			76,962,141	
61					
62	Deemed interest amount in 100% of MARR			5,387,350	
63					
64	Phase-in of interest - Year 1 (2001)			3,215,215	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			4,301,283	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			4,301,283	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			5,387,350	
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)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
14	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	11,947,399		1,590,738		13,538,137	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	6,551,699		2,192,572		8,744,271	
21	Employee Benefit Plans - Accrued, Not Paid	3	0		365,802		365,802	
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			131,545		131,545	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				176,087		176,087	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	5,545,625		2,536,278		8,081,903	
34	Employee Benefit Plans - Paid Amounts	8			454,095		454,095	
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	5,387,350		89,456		5,476,806	
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	607,000		-607,000		0	
46	Material Items from "TAXREC 2" worksheet	12			163,597		163,597	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				201,014		201,014	
49								
50	TAXABLE INCOME/ (LOSS)		6,959,123		1,619,304		8,578,427	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		0.0000%		36.12%	
54								
55	REGULATORY INCOME TAX		2,513,635		320,282	Actual	2,833,917	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		2,513,635		320,282	Actual	2,833,917	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	139,931,166		42,874,134		182,805,300	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		-10,592		7,489,408	
68	Taxable Capital		132,431,166		42,863,542		175,315,893	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		397,293		128,654		525,948	
73								
74	Federal Large Corporations Tax							
75	Base	18	139,931,166		40,346,425		180,277,591	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		0		50,000,000	
77	Taxable Capital		89,931,166		40,346,425		130,277,591	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0000%		0.1750%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		157,380		70,606		227,986	
82	Less: Federal Surtax 1.12% x Taxable Income	21	77,942		18,160		96,102	
83								
84	Net LCT		79,437		52,446		131,884	
85								

	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)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13							\$	
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
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79								
80								
81								
82								
83								
84								
85								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		36.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	3,934,933			Actual 2005	2,833,917	
91	LCT (proxy tax is grossed-up)	23	124,354			Actual 2005	131,884	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	397,293			Actual 2005	525,948	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	4,456,580			Actual 2005	3,491,749	
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			365,802			
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			131,545			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			454,095			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11			89,456			
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			163,597			
119								
120	Total TRUE-UPS before tax effect	26		=	-209,801			
121								
122	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	-75,780			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-75,780			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(116,585)			
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)			=	6,959,123			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	2,513,635			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	2,513,635			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,513,635			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	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)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Kitchener-Wilmot Hydro Inc.							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
150	Ontario Capital Tax							
151	Base			=	139,931,166			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	132,431,166			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	397,293			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	397,293			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				139,931,166			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	89,931,166			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.1750%			
167								
168	Gross Amount				157,380			
169	Less: Federal surtax			-	77,942			
170	Revised Net LCT			=	79,437			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	79,437			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	(116,585)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(116,585)			
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)				5,387,350			
194	Interest phased-in (Cell C36)				4,301,283			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				1,086,067			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200	Interest deducted on MoF filing (Cell K36+K41)				5,476,806			
201	Actual Interest Paid				5,387,350			
202								
203	Variance caused by excess debt				89,456			
204								
205	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				89,456			
206								
207								
208	Total Interest Variance				996,612			
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: Kitchener-Wilmot 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 :		0	< - 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	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	151,137,931		151,137,931	
32	Distribution Revenue	+	31,503,586		31,503,586	
33	Other Income	+	860,757		860,757	
34	Miscellaneous income	+	752,225		752,225	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	151,137,931		151,137,931	
40	Administration	-	2,530,264		2,530,264	
41	Customer billing and collecting	-	2,288,198		2,288,198	
42	Operations and maintenance	-	5,418,660		5,418,660	
43	Amortization	-	8,218,644		8,218,644	
44	Property & Ontario Capital Taxes	-	1,020,503		1,020,503	
45	Interest expense not subject to clawback	-	102,162		102,162	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	13,538,137	0	13,538,137	
51	Less: Interest expense for accounting purposes	-	5,476,806		5,476,806	
52	Provision for payments in lieu of income taxes	-	2,939,451		2,939,451	
53	Net Income (loss)	=	5,121,880	0	5,121,880	
54	<i>(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.)</i>					
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	+	2,941,591	0	2,941,591	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	8,744,271	0	8,744,271	
62	Employee benefit plans-accrued, not paid	+	365,802	0	365,802	
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"		176,087		176,087	
67	Material addition items from TAXREC 2	+	131,545	0	131,545	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		12,359,296	0	12,359,296	
71						
72	Other Additions: (Please explain the nature of the additions)					
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	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	12,359,296	0	12,359,296	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	

	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	
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	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	8,081,903		8,081,903	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-	454,095		454,095	
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"		201,014	0	201,014	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	163,597	0	163,597	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	8,900,609	0	8,900,609	
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	=	8,900,609	0	8,900,609	
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	=	8,580,567	0	8,580,567	
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	=	8,580,567	0	8,580,567	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	1,672,564	0	1,672,564	
143	Net Ontario Income Tax (Must agree with tax return)	+	1,161,353	0	1,161,353	
144	Subtotal	=	2,833,917	0	2,833,917	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	2,833,917	0	2,833,917	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	2,833,917	0	2,833,917	
157	Ontario Capital Tax	+	525,948		525,948	
158	Federal Large Corporations Tax	+	131,884		131,884	
159						
160	Total income and capital taxes	=	3,491,749	0	3,491,749	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Kitchener-Wilmot Hydro Inc.					
8	Reporting period: 2005					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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		+			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	+	91,619		91,619	
37	Ontario ATTC claimed in year	+	36,534		36,534	
38	Ontario CETC claimed in year	+	3,392		3,392	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Interest & Penalties on Taxes	+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	131,545	0	131,545	
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	Provision for bad debts		91,619	0	91,619	
68	Ontario ATTC claimed in year		36,534	0	36,534	
69	Ontario CETC claimed in year		3,392	0	3,392	
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	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Kitchener-Wilmot Hydro Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		131,545	0	131,545	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		131,545	0	131,545	
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	-	163,597		163,597	
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	=	163,597	0	163,597	
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	Bad debts		163,597	0	163,597	
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		163,597	0	163,597	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		163,597	0	163,597	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Kitchener-Wilmot Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2005					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+		20,731	-20,731	
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	+	21,531		21,531	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		150,500		150,500	
36	Interest and penalties on unpaid taxes		4,056		4,056	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+			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	Total Additions on which true-up does not apply	=	176,087	20,731	155,356	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	50,514		50,514	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-	150,500		150,500	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	
61		-			0	
62	Changes in Regulatory Asset balances	-			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	Total Deductions on which true-up does not apply	=	201,014	0	201,014	
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: Kitchener-Wilmot Hydro Inc.									
5	Reporting period: 2005									
6										
7										
8	Table 1									
9	Rates Used in 2002 RAM PILs Applications for 2005									
10	Income Range		0		200,001					
11	RAM 2005		to		to					
12		Year	200,000		700,000				>700000	
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 2002 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										
36	Capital Tax Rate	2005	0.300%							
37	LCT rate	2005	0.200%							
38	Surtax	2005	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$7.5MM	7,500,000							
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	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										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.175%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,489,408							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

22.12% 0.00%
14.00% 0.00%
36.12% 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: Kitchener-Wilmot Hydro Inc.														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease									0	
5															
6															
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		1,413,943		942,861		843,616		789,528		250,827		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	1,405,676		4,458,461		5,864,137		4,809,880.00		1,114,615		1,114,145		18,766,914
13	PILs proxy from April 1, 2005 - input 9/12 of amount										3,342,435				3,342,435
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			17,506										17,506
15	True-up Variance Adjustment (3)	+/-					85,136		29,313		973		-116,585		-1,163
16	Deferral Account Variance Adjustment Q4, 2001 (4)				993										993
17	Deferral Account Variance Adjustment (5)	+/-							-185,319		-402,917		0		-588,235
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	8,267		112,047		52,273		41,020		21,984		-18,300		217,291
20	PILs billed to (collected from) customers (8)	-	0		-5,060,090		-6,100,792		-4,748,982		-4,615,790		-1,534,071		-22,059,725
21															
22	Ending balance: # 1562		1,413,943		942,861		843,616		789,528		250,827		-303,983		-303,983
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. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
29															
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. 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.														
34	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
35	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
36	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
37	(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.														
38	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
39															
40															
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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
43															
44															
45	(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.														
46															
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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
49															
50															
51	(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.														
52															
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 components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
59															
60															
61															
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
64															
65															
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, 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.														
68															
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, 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.														
71															
72															
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.														
75															
76															
77															

Kitchener-Wilmot Hydro Inc.
Account 1562 - Deferred PILS
Account Detail

		All Rate Classes								
Month	Year	PILS Collected	PILS Proxy	True up Variances	Account Balance (before carrying charges)	Days	Rate	Carrying Charges	Carrying Charges (cumulative)	Account Balance
October	2001	-	468,558.67	18,499.12	468,558.67	31	7.00%			468,558.67
November	2001	-	468,558.67		937,117.33	30	7.00%	2,695.82	2,695.82	939,813.15
December	2001	-	468,558.67		1,405,676.00	31	7.00%	5,571.36	8,267.17	1,413,943.17
January	2002	-	371,538.42		1,777,214.42	31	7.00%	8,357.03	16,624.20	1,793,838.62
February	2002	-	371,538.42		2,148,752.83	28	7.00%	9,543.40	26,167.60	2,174,920.44
March	2002	(518,304.31)	371,538.42		2,001,986.94	31	7.00%	12,774.78	38,942.38	2,040,929.32
April	2002	(480,952.78)	371,538.42		1,892,572.58	30	7.00%	11,518.28	50,460.66	1,943,033.24
May	2002	(355,565.59)	371,538.42		1,908,545.40	31	7.00%	11,251.73	61,712.39	1,970,257.80
June	2002	(598,102.22)	371,538.42		1,700,480.72	30	7.00%	10,980.67	72,693.07	1,773,173.79
July	2002	(508,764.16)	371,538.42		1,563,254.97	31	7.00%	10,109.71	82,802.77	1,646,057.75
August	2002	(496,455.17)	371,538.42		1,438,338.22	31	7.00%	9,293.87	92,096.65	1,530,434.87
September	2002	(540,308.90)	371,538.42		1,269,567.74	30	7.00%	8,275.37	100,372.02	1,369,939.76
October	2002	(512,966.63)	371,538.42	85,136.31	1,128,139.53	31	7.00%	7,547.84	107,919.86	1,236,059.38
November	2002	(506,588.62)	371,538.42		993,089.32	30	7.00%	6,490.67	114,410.52	1,107,499.84
December	2002	(542,081.29)	371,538.42		822,546.45	31	7.00%	5,904.12	120,314.64	942,861.09
January	2003	(523,942.42)	488,678.08		787,282.11	31	7.00%	4,890.21	125,204.85	912,486.96
February	2003	(501,117.14)	488,678.08		774,843.05	28	7.00%	4,227.60	129,432.45	904,275.50
March	2003	(539,742.41)	488,678.08		723,778.72	31	7.00%	4,606.60	134,039.05	857,817.77
April	2003	(471,956.59)	488,678.08		740,500.21	30	7.00%	4,164.21	138,203.25	878,703.47
May	2003	(541,130.42)	488,678.08		688,047.88	31	7.00%	4,402.43	142,605.68	830,653.56
June	2003	(476,920.02)	488,678.08		784,942.25	30	7.00%	3,958.63	146,564.31	931,506.56
July	2003	(512,260.42)	488,678.08		761,359.91	31	7.00%	4,666.64	151,230.96	912,590.87
August	2003	(485,904.20)	488,678.08		764,133.79	31	7.00%	4,526.44	155,757.40	919,891.19
September	2003	(540,011.40)	488,678.08		712,800.48	30	7.00%	4,396.39	160,153.78	872,954.26
October	2003	(490,715.85)	488,678.08		710,762.71	31	7.00%	4,237.75	164,391.53	875,154.23
November	2003	(508,692.01)	488,678.08		690,748.78	30	7.00%	4,089.32	168,480.85	859,229.62
December	2003	(508,398.85)	488,678.08		671,028.01	31	7.00%	4,106.64	172,587.49	843,615.50
January	2004	(509,059.88)	488,678.08	(156,005.57)	650,646.21	31	7.00%	3,989.40	176,576.89	827,223.10
February	2004	(528,713.92)	488,678.08		610,610.38	29	7.00%	3,618.66	180,195.55	790,805.93
March	2004	(518,300.77)	488,678.08		580,987.70	31	7.00%	3,630.20	183,825.76	764,813.45
April	2004	(349,128.12)	371,538.42		603,397.99	30	7.00%	3,342.67	187,168.43	790,566.42
May	2004	(335,361.42)	371,538.42		639,574.98	31	7.00%	3,587.33	190,755.75	830,330.73
June	2004	(365,330.51)	371,538.42		489,777.32	30	7.00%	3,679.75	194,435.50	684,212.81
July	2004	(342,521.79)	371,538.42		518,793.94	31	7.00%	2,911.83	197,347.32	716,141.27
August	2004	(366,655.27)	371,538.42		523,677.09	31	7.00%	3,084.34	200,431.66	724,108.75
September	2004	(338,604.82)	371,538.42		556,610.69	30	7.00%	3,012.94	203,444.60	760,055.29
October	2004	(352,670.36)	371,538.42		575,478.74	31	7.00%	3,309.16	206,753.76	782,232.51
November	2004	(351,196.47)	371,538.42		595,820.69	30	7.00%	3,310.97	210,064.74	805,885.43
December	2004	(391,438.48)	371,538.42		575,920.63	31	7.00%	3,542.28	213,607.01	789,527.64
January	2005	(390,725.29)	371,538.42	(401,944.04)	556,733.76	31	7.00%	3,423.97	217,030.98	773,764.74
February	2005	(354,611.27)	371,538.42		573,660.90	28	7.00%	2,989.58	220,020.56	793,681.47
March	2005	(426,557.89)	371,538.42		518,641.43	31	7.00%	3,410.53	223,431.10	742,072.53
April	2005	(369,062.61)	371,381.69		520,960.51	30	7.00%	2,983.96	226,415.06	747,375.57
May	2005	(329,054.49)	371,381.69		563,287.72	31	7.00%	3,097.22	229,512.28	792,800.00
June	2005	(376,179.77)	371,381.69		156,545.60	30	7.00%	3,240.83	232,753.11	389,298.71
July	2005	(399,003.50)	371,381.69		128,923.79	31	7.00%	930.70	233,683.81	362,607.60
August	2005	(447,535.65)	371,381.69		52,769.84	31	7.00%	766.48	234,450.28	287,220.12
September	2005	(381,330.38)	371,381.69		42,821.15	30	7.00%	303.61	234,753.89	277,575.04
October	2005	(368,546.98)	371,381.69		45,655.86	31	7.00%	254.58	235,008.47	280,664.33
November	2005	(363,296.74)	371,381.69		53,740.81	30	7.00%	262.68	235,271.15	289,011.96
December	2005	(409,885.77)	371,381.69		15,236.73	31	7.00%	319.50	235,590.65	250,827.38
January	2006	(386,812.14)	278,536.25	(116,584.62)	(93,039.17)	31	7.00%	90.59	235,681.24	142,642.07
February	2006	(382,865.93)	278,536.25		(197,368.85)	28	7.00%	(499.61)	235,181.63	37,812.78
March	2006	(403,781.88)	278,536.25		(322,614.48)	31	7.00%	(1,173.40)	234,008.23	(88,606.25)
April	2006	(360,611.02)	278,536.33		(404,689.17)	30	7.00%	(1,856.14)	232,152.09	(172,537.08)
May	2006				(404,689.17)	31	4.14%	(1,422.95)	230,729.14	(173,960.03)
June	2006				(521,273.79)	30	4.14%	(1,377.05)	229,352.09	(291,921.70)
July	2006				(521,273.79)	31	4.59%	(2,032.11)	227,319.98	(293,953.81)
August	2006				(521,273.79)	31	4.59%	(2,032.11)	225,287.86	(295,985.92)
September	2006				(521,273.79)	30	4.59%	(1,966.56)	223,321.31	(297,952.48)
October	2006				(521,273.79)	31	4.59%	(2,032.11)	221,289.19	(299,984.59)
November	2006				(521,273.79)	30	4.59%	(1,966.56)	219,322.64	(301,951.15)

Month	Year	PILS Collected	PILS Proxy	True up Variances	Account Balance (before carrying charges)	Days	Rate	Carrying Charges	Carrying Charges (cumulative)	Account Balance
December	2006				(521,273.79)	31	4.59%	(2,032.11)	217,290.52	(303,983.26)
January	2007				(521,273.79)	31	4.59%	(2,032.11)	215,258.41	(306,015.37)
February	2007				(521,273.79)	28	4.59%	(1,835.45)	213,422.96	(307,850.83)
March	2007				(521,273.79)	31	4.59%	(2,032.11)	211,390.85	(309,882.94)
April	2007				(521,273.79)	30	4.59%	(1,966.56)	209,424.29	(311,849.50)
May	2007				(521,273.79)	31	4.59%	(2,032.11)	207,392.18	(313,881.61)
June	2007				(521,273.79)	30	4.59%	(1,966.56)	205,425.62	(315,848.17)
July	2007				(521,273.79)	31	4.59%	(2,032.11)	203,393.51	(317,880.28)
August	2007				(521,273.79)	31	4.59%	(2,032.11)	201,361.40	(319,912.39)
September	2007				(521,273.79)	30	4.59%	(1,966.56)	199,394.84	(321,878.95)
October	2007				(521,273.79)	31	5.14%	(2,275.61)	197,119.23	(324,154.56)
November	2007				(521,273.79)	30	5.14%	(2,202.20)	194,917.03	(326,356.76)
December	2007				(521,273.79)	31	5.14%	(2,275.61)	192,641.42	(328,632.37)
January	2008				(521,273.79)	31	5.14%	(2,275.61)	190,365.81	(330,907.98)
February	2008				(521,273.79)	29	5.14%	(2,128.80)	188,237.01	(333,036.78)
March	2008				(521,273.79)	31	5.14%	(2,275.61)	185,961.40	(335,312.39)
April	2008				(521,273.79)	30	4.08%	(1,748.05)	184,213.35	(337,060.44)
May	2008				(521,273.79)	31	4.08%	(1,806.32)	182,407.03	(338,866.76)
June	2008				(521,273.79)	30	4.08%	(1,748.05)	180,658.97	(340,614.81)
July	2008				(521,273.79)	31	3.35%	(1,483.13)	179,175.84	(342,097.95)
August	2008				(521,273.79)	31	3.35%	(1,483.13)	177,692.71	(343,581.08)
September	2008				(521,273.79)	30	3.35%	(1,435.29)	176,257.42	(345,016.37)
October	2008				(521,273.79)	31	3.35%	(1,483.13)	174,774.29	(346,499.50)
November	2008				(521,273.79)	30	3.35%	(1,435.29)	173,339.00	(347,934.78)
December	2008				(521,273.79)	31	3.35%	(1,483.13)	171,855.87	(349,417.92)
January	2009				(521,273.79)	31	2.45%	(1,084.68)	170,771.19	(350,502.59)
February	2009				(521,273.79)	28	2.45%	(979.71)	169,791.49	(351,482.30)
March	2009				(521,273.79)	31	2.45%	(1,084.68)	168,706.81	(352,566.98)
April	2009				(521,273.79)	30	1.00%	(428.44)	168,278.36	(352,995.42)
May	2009				(521,273.79)	31	1.00%	(442.73)	167,835.64	(353,438.15)
June	2009				(521,273.79)	30	1.00%	(428.44)	167,407.19	(353,866.59)
July	2009				(521,273.79)	31	0.55%	(243.50)	167,163.69	(354,110.09)
August	2009				(521,273.79)	31	0.55%	(243.50)	166,920.20	(354,353.59)
September	2009				(521,273.79)	30	0.55%	(235.64)	166,684.55	(354,589.24)
October	2009				(521,273.79)	31	0.55%	(243.50)	166,441.05	(354,832.74)
November	2009				(521,273.79)	30	0.55%	(235.64)	166,205.41	(355,068.38)
December	2009				(521,273.79)	31	0.55%	(243.50)	165,961.91	(355,311.88)
January	2010				(521,273.79)	31	0.55%	(243.50)	165,718.41	(355,555.38)
February	2010				(521,273.79)	28	0.55%	(219.93)	165,498.47	(355,775.31)
March	2010				(521,273.79)	31	0.55%	(243.50)	165,254.98	(356,018.81)
April	2010				(521,273.79)	30	0.55%	(235.64)	165,019.33	(356,254.46)
May	2010				(521,273.79)	31	0.55%	(243.50)	164,775.83	(356,497.96)
June	2010				(521,273.79)	30	0.55%	(235.64)	164,540.19	(356,733.60)
July	2010				(521,273.79)	31	0.89%	(394.03)	164,146.16	(357,127.63)
August	2010				(521,273.79)	31	0.89%	(394.03)	163,752.14	(357,521.65)
September	2010				(521,273.79)	30	0.89%	(381.32)	163,370.82	(357,902.97)
October	2010				(521,273.79)	31	1.20%	(531.27)	162,839.55	(358,434.24)
November	2010				(521,273.79)	30	1.20%	(514.13)	162,325.42	(358,948.37)
December	2010				(521,273.79)	31	1.20%	(531.27)	161,794.15	(359,479.64)
January	2011				(521,273.79)	31	1.47%	(650.81)	161,143.34	(360,130.45)
February	2011				(521,273.79)	28	1.47%	(587.83)	160,555.51	(360,718.27)
March	2011				(521,273.79)	31	1.47%	(650.81)	159,904.71	(361,369.08)
April	2011				(521,273.79)	30	1.47%	(629.81)	159,274.89	(361,998.89)
May	2011				(521,273.79)	31	1.47%	(650.81)	158,624.09	(362,649.70)
June	2011				(521,273.79)	30	1.47%	(629.81)	157,994.27	(363,279.51)
July	2011				(521,273.79)	31	1.47%	(650.81)	157,343.47	(363,930.32)
August	2011				(521,273.79)	31	1.47%	(650.81)	156,692.66	(364,581.13)
September	2011				(521,273.79)	30	1.47%	(629.81)	156,062.85	(365,210.94)
October	2011				(521,273.79)	31	1.47%	(650.81)	155,412.04	(365,861.75)
November	2011				(521,273.79)	30	1.47%	(629.81)	154,782.23	(366,491.56)
December	2011				(521,273.79)	31	1.47%	(650.81)	154,131.42	(367,142.37)
January	2012				(521,273.79)	31	1.47%	(650.81)	153,480.61	(367,793.17)
February	2012				(521,273.79)	29	1.47%	(608.82)	152,871.80	(368,401.99)
March	2012				(521,273.79)	31	1.47%	(650.81)	152,220.99	(369,052.80)
April	2012				(521,273.79)	30	1.47%	(629.81)	151,591.18	(369,682.61)
		(22,059,724.55)	22,109,349.56	(570,898.80)	(521,273.79)			151,591.18	151,591.18	(369,682.61)