IMBSI
Management Report

on

1562 Deferred PILS Determination

for

Wellington North Power Inc.

Box 39114
London Ontario, N5Y 5L1
Phone: 519-691-6501
Email:
i_s_mckenzie@sympatico.ca

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Overview

Wellington North Power Inc. (WNP) contracted with Ian McKenzie Business Services Inc. (IMBSI) to provide an independent 1562 Deferred PILS Determination and develop a detailed evidence package to support the disposition of the 1562 Deferred PILS Regulatory Asset account (as part of the Cost of Service (CoS) rate application.

The evidence package must conform to the principles set out in the combined proceeding decision outlined below. In addition, the evidence package must meet the expectations of Board Staff which have been communicated through Board Staff interrogatories to other applicants and though a letter sent to all LDCs on September 13, 2011.

Specifically, the tax rates used in WNP PILs submission apply the minimum tax rates described in Decision & Order June 24 - issue #9, page 17. The SIMPIL models used the format of Halton Hills SIMPILS models and Regulatory Assets have been treated as per the IMBSI interpretation of the OEB guidelines (all additions or deductions to taxable income are to be ignored for True-up purposes).

Regulatory Background

Recent Decision

On June 24, 2011, the Ontario Energy Board (OEB) issued a decision which concluded a combined proceeding (EB-2008-0381), spanning 3 years, involving 3 LDCs (EnWin, Barrie, and Halton Hills). The participants applied for disposition of their respective 1562 Deferred PILS accounts as part of their 2009 rate rebasing applications.

The decision:

- Clarified both the interpretation and application of the rules to be utilized in determining final Deferred PILS values.
  - This was achieved through a combination of Board approved settlement agreement items and Board Findings on contentious issues
- Confirmed that Deferred PILS amounts would be dispositioned
- Declared that the principles determined in the combined proceeding would apply to all remaining LDCs
- Directed that all remaining LDCs must apply for disposition of their Deferred PILS balances as part of their next rate application (2012 COS and IRM)

Historical Perspective

Municipally owned LDCs became subject to PILS effective October 1, 2001 as a result of the passing of the Electricity Act. The requirement to make payments in lieu of taxes (PILS) was embedded in the Act, as any entity that is 90% or more owned by a public sector entity is exempt from the requirement to pay tax. The equivalent of both the Federal and Provincial amounts are paid to the Ontario Ministry of Finance and were intended to be a revenue source utilized to pay down the stranded Ontario Hydro debt, which was created through the restructuring of Ontario Hydro (split into Hydro One and Ontario Power Generation and recapitalized to market sustainability conditions).

The conceptual design envisioned PILS as a cost of doing business but a pass through to customers. Theoretically, the inclusion of PILS in the distribution rates should not create an additional profit or loss opportunity for the LDC and conversely they should not create a situation for customers to over or under pay.

Objective of 1562 Account

Based on these principles the 1562 Deferred PILS account is intended to track a series of differences between what customers pay (PILS embedded in rates) and the actual taxes paid by the LDC. There are 4 primary differences that this account tracks (it is not simply the difference between the dollar value of PILS included in rates and the dollar value of income taxes actually paid).

These differences are tracked in the 1562 Deferred PILS account for a time limited period (October 1, 2001 to April 30, 2006) as directed by the OEB.

Like all variance accounts there is either an amount due to or due from customers. This means that one of the parties is out of pocket. As a result this (and all) Variance Accounts have an interest improvement process, which compensates the respective parties for the time value of money (interest cost or revenue).

The account tracks the following key differences:

1. The monthly difference between the entitlement to receive PILS (annual amount approved in rates/12) and the actual amount of PILS revenue billed (the PILS portions of revenues received from the fixed and variable distribution rates charged to all customer classes)
2. The tax impact of any changes in legislated tax rates (e.g. PILS in rates determined using a 30% tax rate but government changes reduced the actual tax rate down to 25%

3. The tax impact of any reassessments (e.g. Paid $250,000 of PILS in 2005 which was subsequently reassessed to $300,000)

4. The true-up differences resulting from filing an annual PILS reconciliation with the OEB. Completing the annual reconciliation which utilizes an OEB developed methodology may result in tax true ups either due to or due from customers

Accounting Options

The Board has provided LDCs 3 options for how to account for the 1562 balances. Two of the options yield the same end result so in fact there are really 2 options.

- **Option 1** - Treats the offset to the 1562 account as distribution revenue. In essence this accrues any annual variance directly to profit and loss with a flow through to equity.

- **Option 2** - Defers any financial impact (no impact to profit and loss) by utilizing account 1563 (Deferred PILS Contra account) as the offset to the 1562 account. These are both regulatory asset accounts that net to a zero balance on the Balance Sheet.

WNP utilizes Option 2 above.

Financial Impact of PILS

As of December 31, 2010, WNP has a $123,172 debit balance (owed from customers) in the General Ledger (GL) including both principal and interest. The IMBSI determination of the 1562 – Deferred PILS account, done in compliance with the combined proceeding decision, has a total debit balance of $7,864, as of December 31, 2010 (see full continuity schedule in Appendix A).

This results in a decreased profit impact and cash flow expectation of $115,308, exclusive of tax.

Once approval of these values are received (from the OEB), WNP will need to adjust the 1562 value to the approved Deferred PILS value. WNP will need to book interest improvement for 2011 to complete its financial year-end using OEB prescribed interest rates and the December 31, 2010 approved principal balance. For rate setting purposes interest improvement is required up to the implementation date of new rates (projected to be May 1, 2012).

Regulatory Risk

WNP is subject to an interest claw-back adjustment determined in the SIMPILS models which reflects the income tax impact of actual interest expenses in excess of deemed debt return included in rates, over the 2002 to 2005 period. IMBSI has developed a rationale to exempt a portion of actual interest expenses (interest on variance and deferral accounts and letter of credit charges relating to IMO / IESO prudential requirements). This issue was not raised as part of the combined proceeding. As a result, no precedent exists on this issue.

IMBSI has reduced interest expense for claw-back purposes by $28,067. The potential worst-case scenario (denial of excess interest exemptions) would result in an unfavourable impact of $7,707 (Principal difference of $6,381 and Interest difference of $1,326). The end result would be a receivable owed from customers of $114 (as of 2012).

Appendix A

Wellington North Power Inc.
1562 Deferred PILS - Continuity Schedule

Year: Q4 2001

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable) Monthly	Variance (neg. = payable) Cumulative	Interest Improvement (neg = payable) Approved Interest Rate	Interest Improvement (neg = payable) Monthly	Interest Improvement (neg = payable) Cumulative	Total Variance
October	$ 5,051.88	$ -		$ 5,051.88	$ 5,051.88	7.25%	$ -	$ -	$ 5,051.88
November	$ 5,051.88	$ -		$ 5,051.88	$ 10,103.77	7.25%	$ 30.52	$ 30.52	$ 10,134.29
December	$ 5,051.88	$ -		$ 5,051.88	$ 15,155.65	7.25%	$ 61.04	$ 91.57	$ 15,247.22
Total	$ 15,155.65	$ -	$ -	$ 15,155.65			$ 91.57		

Year: 2002

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable) Monthly	Variance (neg. = payable) Cumulative	Interest Improvement (neg = payable) Approved Interest Rate	Interest Improvement (neg = payable) Monthly	Interest Improvement (neg = payable) Cumulative	Total Variance
January	$ 3,690.13	$ -		$ 3,690.13	$ 18,845.78	7.25%	$ 91.57	$ 183.13	$ 19,028.91
February	$ 3,690.13	$ -		$ 3,690.13	$ 22,535.91	7.25%	$ 113.86	$ 296.99	$ 22,832.90
March	$ 3,690.13	$ 2,784.07		$ 906.06	$ 23,441.96	7.25%	$ 136.15	$ 433.15	$ 23,875.11
April	$ 3,690.13	$ 5,544.46		-$ 1,854.33	$ 21,587.63	7.25%	$ 141.63	$ 574.77	$ 22,162.40
May	$ 3,690.13	$ 3,695.81		-$ 5.69	$ 21,581.94	7.25%	$ 130.43	$ 705.20	$ 22,287.14
June	$ 3,690.13	$ 5,990.49		-$ 2,300.36	$ 19,281.58	7.25%	$ 130.39	$ 835.59	$ 20,117.17
July	$ 3,690.13	$ 5,601.22	$ -	-$ 1,911.09	$ 17,370.49	7.25%	$ 116.49	$ 952.08	$ 18,322.57
August	$ 3,690.13	$ 4,929.52		-$ 1,239.39	$ 16,131.10	7.25%	$ 104.95	$ 1,057.03	$ 17,188.13
September	$ 3,690.13	$ 5,911.63		-$ 2,221.50	$ 13,909.60	7.25%	$ 97.46	$ 1,154.49	$ 15,064.08
October	$ 3,690.13	$ 4,983.90		-$ 1,293.77	$ 12,615.82	7.25%	$ 84.04	$ 1,238.53	$ 13,854.35
November	$ 3,690.13	$ 6,462.35		-$ 2,772.22	$ 9,843.60	7.25%	$ 76.22	$ 1,314.75	$ 11,158.34
December	$ 3,690.13	$ 5,809.55		-$ 2,119.42	$ 7,724.18	7.25%	$ 59.47	$ 1,374.22	$ 9,098.40
Total	$ 44,281.53	$ 51,713.00	$ -	-$ 7,431.47			$ 1,282.65		

Year: 2003

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable) Monthly	Variance (neg. = payable) Cumulative	Interest Improvement (neg = payable) Approved Interest Rate	Interest Improvement (neg = payable) Monthly	Interest Improvement (neg = payable) Cumulative	Total Variance
January	$ 4,953.10	$ 6,535.14		-$ 1,582.04	$ 6,142.13	7.25%	$ 46.67	$ 1,420.88	$ 7,563.02
February	$ 4,953.10	$ 5,379.14		-$ 426.04	$ 5,716.09	7.25%	$ 37.11	$ 1,457.99	$ 7,174.08
March	$ 4,953.10	$ 4,986.86		-$ 33.76	$ 5,682.33	7.25%	$ 34.53	$ 1,492.53	$ 7,174.86
April	$ 4,953.10	$ 5,442.42		-$ 489.32	$ 5,193.01	7.25%	$ 34.33	$ 1,526.86	$ 6,719.87
May	$ 4,953.10	$ 6,320.19		-$ 1,367.10	$ 3,825.92	7.25%	$ 31.37	$ 1,558.23	$ 5,384.15
June	$ 4,953.10	$ 5,334.81		-$ 381.71	$ 3,444.21	7.25%	$ 23.11	$ 1,581.35	$ 5,025.56
July	$ 4,953.10	$ 5,794.54	$ 5,535.00	$ 4,693.56	$ 8,137.77	7.25%	$ 20.81	$ 1,602.16	$ 9,739.93
August	$ 4,953.10	$ 5,103.70		-$ 150.60	$ 7,987.17	7.25%	$ 49.17	$ 1,651.32	$ 9,638.49
September	$ 4,953.10	$ 5,552.49		-$ 599.39	$ 7,387.78	7.25%	$ 48.26	$ 1,699.58	$ 9,087.36
October	$ 4,953.10	$ 5,514.84		-$ 561.74	$ 6,826.04	7.25%	$ 44.63	$ 1,744.21	$ 8,570.25
November	$ 4,953.10	$ 5,578.26		-$ 625.16	$ 6,200.87	7.25%	$ 41.24	$ 1,785.45	$ 7,986.33
December	$ 4,953.10	$ 5,750.90		-$ 797.80	$ 5,403.07	7.25%	$ 37.46	$ 1,822.92	$ 7,225.99
Total	$ 59,437.18	$ 67,293.28	$ 5,535.00	-$ 2,321.10			$ 448.70		

Year: 2004									
			SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Approved PILS Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	$ 4,953.10	$ 6,331.95		-$ 1,378.85	$ 4,024.22	7.25%	$ 32.64	$ 1,855.56	$ 5,879.79
February	$ 4,953.10	$ 6,605.39		-$ 1,652.29	$ 2,371.93	7.25%	$ 24.31	$ 1,879.87	$ 4,251.80
March	$ 4,953.10	$ 5,024.54		-$ 71.44	$ 2,300.49	7.25%	$ 14.33	$ 1,894.20	$ 4,194.69
April	$ 3,690.13	$ 4,046.70		-$ 356.57	$ 1,943.91	7.25%	$ 13.90	$ 1,908.10	$ 3,852.02
May	$ 3,690.13	$ 3,554.60		$ 135.53	$ 2,079.44	7.25%	$ 11.74	$ 1,919.85	$ 3,999.29
June	$ 3,690.13	$ 3,265.89		$ 424.24	$ 2,503.68	7.25%	$ 12.56	$ 1,932.41	$ 4,436.09
July	$ 3,690.13	$ 3,106.06	$ 3,959.00	$ 4,543.07	$ 7,046.75	7.25%	$ 15.13	$ 1,947.54	$ 8,994.29
August	$ 3,690.13	$ 2,951.79		$ 738.34	$ 7,785.09	7.25%	$ 42.57	$ 1,990.11	$ 9,775.20
September	$ 3,690.13	$ 3,223.10		$ 467.03	$ 8,252.12	7.25%	$ 47.03	$ 2,037.15	$ 10,289.27
October	$ 3,690.13	$ 3,109.07		$ 581.05	$ 8,833.18	7.25%	$ 49.86	$ 2,087.00	$ 10,920.18
November	$ 3,690.13	$ 2,934.54		$ 755.59	$ 9,588.77	7.25%	$ 53.37	$ 2,140.37	$ 11,729.14
December	$ 3,690.13	$ 3,407.86		$ 282.27	$ 9,871.04	7.25%	$ 57.93	$ 2,198.30	$ 12,069.34
Total	$ 48,070.44	$ 47,561.48	$ 3,959.00	$ 4,467.96			$ 375.38		

Year: 2005									
			SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Approved PILS Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	$ 3,690.13	$ 4,373.28		-$ 683.15	$ 9,187.89	7.25%	$ 59.64	$ 2,257.94	$ 11,445.83
February	$ 3,690.13	$ 4,464.33		-$ 774.20	$ 8,413.68	7.25%	$ 55.51	$ 2,313.45	$ 10,727.13
March	$ 3,690.13	$ 5,060.94		-$ 1,370.82	$ 7,042.87	7.25%	$ 50.83	$ 2,364.28	$ 9,407.15
April	$ 4,585.39	$ 5,227.77		-$ 642.38	$ 6,400.49	7.25%	$ 42.55	$ 2,406.83	$ 8,807.32
May	$ 4,585.39	$ 4,330.47		$ 254.92	$ 6,655.42	7.25%	$ 38.67	$ 2,445.50	$ 9,100.92
June	$ 4,585.39	$ 4,413.72		$ 171.68	$ 6,827.09	7.25%	$ 40.21	$ 2,485.71	$ 9,312.80
July	$ 4,585.39	$ 4,711.35	$ 3,924.00	$ 3,798.04	$ 10,625.13	7.25%	$ 41.25	$ 2,526.96	$ 13,152.09
August	$ 4,585.39	$ 4,401.10		$ 184.29	$ 10,809.42	7.25%	$ 64.19	$ 2,591.15	$ 13,400.58
September	$ 4,585.39	$ 4,724.23		-$ 138.84	$ 10,670.58	7.25%	$ 65.31	$ 2,656.46	$ 13,327.04
October	$ 4,585.39	$ 4,258.50		$ 326.90	$ 10,997.48	7.25%	$ 64.47	$ 2,720.93	$ 13,718.41
November	$ 4,585.39	$ 5,063.67		-$ 478.27	$ 10,519.20	7.25%	$ 66.44	$ 2,787.37	$ 13,306.58
December	$ 4,585.39	$ 3,726.64		$ 858.75	$ 11,377.96	7.25%	$ 63.55	$ 2,850.92	$ 14,228.88
Total	$ 52,338.91	$ 54,755.99	$ 3,924.00	$ 1,506.92			$ 652.62		

Year: 2006									
			SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Approved PILS Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	$ 4,585.39	$ 5,851.89		-$ 1,266.50	$ 10,111.46	7.25%	$ 68.74	$ 2,919.67	$ 13,031.12
February	$ 4,585.39	$ 5,663.43		-$ 1,078.03	$ 9,033.42	7.25%	$ 61.09	$ 2,980.76	$ 12,014.18
March	$ 4,585.39	$ 6,360.56		-$ 1,775.17	$ 7,258.25	7.25%	$ 54.58	$ 3,035.33	$ 10,293.59
April	$ 4,585.39	$ 4,394.70		$ 190.69	$ 7,448.94	7.25%	$ 43.85	$ 3,079.19	$ 10,528.13
May		$ 2,371.35		-$ 2,371.35	$ 5,077.59	4.14%	$ 25.70	$ 3,104.88	$ 8,182.47
June				$ -	$ 5,077.59	4.14%	$ 17.52	$ 3,122.40	$ 8,199.99
July			-$ 882.00	-$ 882.00	$ 4,195.59	4.59%	$ 19.42	$ 3,141.82	$ 7,337.41
August				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,157.87	$ 7,353.46
September				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,173.92	$ 7,369.51
October				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,189.97	$ 7,385.56
November				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,206.02	$ 7,401.61
December				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,222.06	$ 7,417.65
Total	$ 18,341.57	$ 24,641.93	-$ 882.00	-$ 7,182.37			$ 371.14		

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

Year:	2007								
			SIMPILS True-Up	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Approved PILS Entitlement	PILS Revenue	Adjustments (neg = CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,238.11	$ 7,433.70
February				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,254.16	$ 7,449.75
March				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,270.21	$ 7,465.80
April				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,286.26	$ 7,481.85
May				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,302.30	$ 7,497.89
June				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,318.35	$ 7,513.94
July				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,334.40	$ 7,529.99
August				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,350.45	$ 7,546.04
September				$ -	$ 4,195.59	4.59%	$ 16.05	$ 3,366.50	$ 7,562.09
October				$ -	$ 4,195.59	5.14%	$ 17.97	$ 3,384.47	$ 7,580.06
November				$ -	$ 4,195.59	5.14%	$ 17.97	$ 3,402.44	$ 7,598.03
December				$ -	$ 4,195.59	5.14%	$ 17.97	$ 3,420.41	$ 7,616.00
Total	$ -	$ -	$ -	$ -			$ 198.35		

Year:	2008								
			SIMPILS True-Up	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Approved PILS Entitlement	PILS Revenue	Adjustments (neg = CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January				$ -	$ 4,195.59	5.14%	$ 17.97	$ 3,438.38	$ 7,633.97
February				$ -	$ 4,195.59	5.14%	$ 17.97	$ 3,456.35	$ 7,651.94
March				$ -	$ 4,195.59	5.14%	$ 17.97	$ 3,474.32	$ 7,669.91
April				$ -	$ 4,195.59	4.08%	$ 14.27	$ 3,488.59	$ 7,684.18
May				$ -	$ 4,195.59	4.08%	$ 14.27	$ 3,502.85	$ 7,698.44
June				$ -	$ 4,195.59	4.08%	$ 14.27	$ 3,517.12	$ 7,712.71
July				$ -	$ 4,195.59	3.35%	$ 11.71	$ 3,528.83	$ 7,724.42
August				$ -	$ 4,195.59	3.35%	$ 11.71	$ 3,540.54	$ 7,736.13
September				$ -	$ 4,195.59	3.35%	$ 11.71	$ 3,552.26	$ 7,747.85
October				$ -	$ 4,195.59	3.35%	$ 11.71	$ 3,563.97	$ 7,759.56
November				$ -	$ 4,195.59	3.35%	$ 11.71	$ 3,575.68	$ 7,771.27
December				$ -	$ 4,195.59	3.35%	$ 11.71	$ 3,587.40	$ 7,782.98
Total	$ -	$ -	$ -	$ -			$ 166.98		

Year:	2009								
			SIMPILS True-Up	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Approved PILS Entitlement	PILS Revenue	Adjustments (neg = CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January				$ -	$ 4,195.59	2.45%	$ 8.57	$ 3,595.96	$ 7,791.55
February				$ -	$ 4,195.59	2.45%	$ 8.57	$ 3,604.53	$ 7,800.12
March				$ -	$ 4,195.59	2.45%	$ 8.57	$ 3,613.09	$ 7,808.68
April				$ -	$ 4,195.59	1.00%	$ 3.50	$ 3,616.59	$ 7,812.18
May				$ -	$ 4,195.59	1.00%	$ 3.50	$ 3,620.09	$ 7,815.68
June				$ -	$ 4,195.59	1.00%	$ 3.50	$ 3,623.58	$ 7,819.17
July				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,625.51	$ 7,821.09
August				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,627.43	$ 7,823.02
September				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,629.35	$ 7,824.94
October				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,631.27	$ 7,826.86
November				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,633.20	$ 7,828.79
December				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,635.12	$ 7,830.71
Total	$ -	$ -	$ -	$ -			$ 47.72		

Year: 2010

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable) Monthly	Variance (neg. = payable) Cumulative	Interest Improvement (neg = payable) Approved Interest Rate	Interest Improvement (neg = payable) Monthly	Interest Improvement (neg = payable) Cumulative	Total Variance
January				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,637.04	$ 7,832.63
February				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,638.97	$ 7,834.56
March				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,640.89	$ 7,836.48
April				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,642.81	$ 7,838.40
May				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,644.73	$ 7,840.32
June				$ -	$ 4,195.59	0.55%	$ 1.92	$ 3,646.66	$ 7,842.25
July				$ -	$ 4,195.59	0.89%	$ 3.11	$ 3,649.77	$ 7,845.36
August				$ -	$ 4,195.59	0.89%	$ 3.11	$ 3,652.88	$ 7,848.47
September				$ -	$ 4,195.59	0.89%	$ 3.11	$ 3,655.99	$ 7,851.58
October				$ -	$ 4,195.59	1.20%	$ 4.20	$ 3,660.19	$ 7,855.78
November				$ -	$ 4,195.59	1.20%	$ 4.20	$ 3,664.38	$ 7,859.97
December				$ -	$ 4,195.59	1.20%	$ 4.20	$ 3,668.58	$ 7,864.17
Total	$ -	$ -	$ -	$ -			$ 33.46		

Year: 2011

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable) Monthly	Variance (neg. = payable) Cumulative	Interest Improvement (neg = payable) Approved Interest Rate	Interest Improvement (neg = payable) Monthly	Interest Improvement (neg = payable) Cumulative	Total Variance
January				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,673.72	$ 7,869.31
February				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,678.86	$ 7,874.45
March				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,684.00	$ 7,879.59
April				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,689.14	$ 7,884.73
May				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,694.28	$ 7,889.87
June				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,699.42	$ 7,895.01
July				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,704.56	$ 7,900.15
August				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,709.70	$ 7,905.29
September				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,714.84	$ 7,910.43
October				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,719.98	$ 7,915.57
November				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,725.12	$ 7,920.70
December				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,730.26	$ 7,925.84
Total	$ -	$ -	$ -	$ -			$ 61.68		

Year: 2012

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable) Monthly	Variance (neg. = payable) Cumulative	Interest Improvement (neg = payable) Approved Interest Rate	Interest Improvement (neg = payable) Monthly	Interest Improvement (neg = payable) Cumulative	Total Variance
January				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,735.39	$ 7,930.98
February				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,740.53	$ 7,936.12
March				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,745.67	$ 7,941.26
April				$ -	$ 4,195.59	1.47%	$ 5.14	$ 3,750.81	$ 7,946.40
Total	$ -	$ -	$ -	$ -			$ 20.56		