

	A	B	C	D	E
1	PILs TAXES - EB-2011-0178				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Kingston Hydro Corporation			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	Y	
20	shared among the corporate group?	LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
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)			24,210,042	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,073,590	
42					
43	1999 return from RUD Sheet #7			1,547,868	1,547,868
44					
45	Total Incremental revenue			525,722	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			175,241	175,241
48	Amount allowed in 2002			175,241	0
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				1,723,109
55					
56	Equity			12,105,021	
57					
58	Return at target ROE			1,195,976	
59					
60	Debt			12,105,021	
61					
62	Deemed interest amount in 100% of MARR			877,614	
63					
64	Phase-in of interest - Year 1 (2001)			729,278	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			803,446	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			803,446	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			877,614	
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0178	ITEM	Initial Estimate		M of F Filing Variance G-C	M of F Filing Variance Explanation	Tax Returns	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS							
3	TAX CALCULATIONS (TAXCALC)							
4	("Wires-only" business - see Tab TAXREC)							
5		0					Version 2009.1	
6	Utility Name: Kingston Hydro Corporation							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days				Column Brought From	
10	Total days in the calendar year:	365	days				TAXREC	
11								
12			\$		\$		\$	
13								
14	II CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	434,318		-151,927		282,391	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	383,122		-56,336		326,786	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
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			598		598	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			29,973		29,973	
30	Items on which true-up does not apply "TAXREC 3"				0		0	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	252,275		-76,089		176,186	
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		0	
37	Interest Expense Deemed/ Incurred	11	183,818		47,371		231,189	
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			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				15,865		15,865	
49								
50	TAXABLE INCOME/ (LOSS)		381,347		-164,838		216,509	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-1.2000%		39.42%	
54								
55	REGULATORY INCOME TAX		154,903		-76,031	Actual	78,872	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		154,903		-76,031	Actual	78,872	
61								
62								
63	III CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	24,210,042		-356,013		23,854,029	
67	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		19,210,042		-356,013		18,854,029	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		14,526		-269		14,257	
73								
74	Federal Large Corporations Tax							
75	Base	18	24,210,042		-1,283,399		22,926,643	
76	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		14,210,042		-1,283,399		12,926,643	
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)		8,059		-728		7,331	
82	Less: Federal Surtax 1.12% x Taxable Income	21	4,271		-1,846		2,425	
83								
84	Net LCT		3,788		1,118		4,906	
85								
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	256,038			Actual 2001	78,872	
91	LCT (proxy tax is grossed-up)	23	6,261			Actual 2001	8,762	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	14,526			Actual 2001	15,033	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2001 RAM DECISION	25	276,825			Actual 2001	102,667	
96								
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			0			
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			0			
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 E206)	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			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26	=		0			

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0178	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: Kingston Hydro Corporation							
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								
121								
122	Income Tax Rate (excluding surtax) from 2001 Utility's tax return			x	39.42%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				39.30%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				0			
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)			=	381,347			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	39.42%			
139								
140	REVISED REGULATORY INCOME TAX			=	150,327			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	150,327			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	154,903			
147								
148	Regulatory Income Tax Variance			=	-4,576			
149								
150	Ontario Capital Tax							
151	Base			=	24,210,042			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	19,210,042			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	14,526			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	14,526			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				24,210,042			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	14,210,042			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				8,059			
169	Less: Federal surtax			-	4,271			
170	Revised Net LCT			=	3,788			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	3,788			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				38.30%			
176								
177	Income Tax (grossed-up)			+	-7,417			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-7,417			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	0			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-7,417			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	VI INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				877,614			
194	Interest phased-in (Cell C37)				183,818			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				693,796			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200								
201	Interest deducted on MoF filing (Cell G37+G42)				231,189			
202	Total deemed interest (REGINFO CELL D62)				877,614			
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				693,796			
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0178	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: Kingston Hydro Corporation					
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 :	30,263	< - enter materiality level			
14	(0.25% x Rate Base x CER)	Y/N	Y			
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	+	14,628,768		14,628,768	
32	Distribution Revenue	+	0		0	
33	Other Income	+			0	
34	Miscellaneous income	+	0		0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	12,821,247		12,821,247	
40	Administration	-	348,146		348,146	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	850,198		850,198	
43	Amortization	-	326,786		326,786	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	282,391	0	282,391	
51	Less: Interest expense for accounting purposes	-	231,189		231,189	
52	Provision for payments in lieu of income taxes	-			0	
53	Net Income (loss)	=	51,202	0	51,202	
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	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	326,786	0	326,786	
62	Employee benefit plans-accrued, not paid	+		0	0	
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"		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	29,973	0	29,973	
69						
70	Subtotal		356,759	0	356,759	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+	599		599	
75		+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	599	0	599	
81						
82	Total Additions	=	357,358	0	357,358	
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-2011-0178	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)		599	0	599	
94	Total Other Additions		599	0	599	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	175,963		175,963	
98	Cumulative eligible capital deduction	-	223		223	
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"		15,865	0	15,865	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	192,051	0	192,051	
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	=	192,051	0	192,051	
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	=	216,509	0	216,509	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	216,509	0	216,509	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	51,808		51,808	
143	Net Ontario Income Tax (Must agree with tax return)	+	27,064		27,064	
144	Subtotal	=	78,872	0	78,872	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	78,872	0	78,872	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		28.12%		28.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		40.62%		40.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP FROM ABOVE:					
156	Total Income Taxes	+	78,872	0	78,872	
157	Ontario Capital Tax	+	15,033		15,033	
158	Federal Large Corporations Tax	+	8,762		8,762	
159						
160	Total income and capital taxes	=	102,667	0	102,667	
161						