

	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: 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	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
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%	
24	Accounting Year End		Date	12-31-2004	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
31	Rate Base (wires-only)			24,210,042	
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			2,073,590	
43	1999 return from RUD Sheet #7			1,547,868	1,547,868
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	175,241
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				1,898,349
56	Equity			12,105,021	
58	Return at target ROE			1,195,976	
60	Debt			12,105,021	
62	Deemed interest amount in 100% of MARR			877,614	
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 K-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: 2004							
8							
9 Days in reporting period:	366 days					Column Brought From TAXREC	
10 Total days in the calendar year:	366 days						
11							
12		\$		\$		\$	
13							
14 II CORPORATE INCOME TAXES							
15							
16 Regulatory Net Income - REGINFO E53	1	1,898,349		-543,296		1,355,053	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 Additions:							
20 Depreciation & Amortization	2	1,519,994		-60,272		1,459,722	
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			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"				1,738,677		1,738,677	
31							
32 Deductions: input positive numbers							
33 Capital Cost Allowance and CEC	7	1,000,872		225,704		1,226,576	
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	803,446		197,393		1,000,839	
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"				1,517,995		1,517,995	
49							
50 TAXABLE INCOME/ (LOSS)		1,614,025		-805,983	Before loss C/F	808,042	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1, Actual from Table 3	13	38.62%		-4.7700%		33.85%	
54							
55 REGULATORY INCOME TAX		623,337		-367,396	Actual	255,941	
56							
57							
58 Miscellaneous Tax Credits	14			0	Actual	0	
59							
60 Total Regulatory Income Tax		623,337		-367,396	Actual	255,941	
61							
62 III CAPITAL TAXES							
63							
64 Ontario							
65 Base	15	24,210,042		9,058,908		33,268,950	
66 Less: Exemption -Tax Rates - Regulatory, Table 1, Actual, Table 3	16	5,000,000		0		5,000,000	
67 Taxable Capital		19,210,042		9,058,908		28,268,950	
68							
69 Rate - Tax Rates - Regulatory, Table 1, Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
70							
71 Ontario Capital Tax		57,630		27,177		84,807	
72							
73 Federal Large Corporations Tax							
74 Base	18	24,210,042		10,306,896		34,516,938	
75 Less: Exemption -Tax Rates - Regulatory, Table 1, Actual, Table 3	19	10,000,000		24,550,000		34,550,000	
76 Taxable Capital		14,210,042		34,856,896		0	
77							
78 Rate - Tax Rates - Regulatory, Table 1, Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
79							
80 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		31,973		-31,973		0	
81 Less: Federal Surtax 1.12% x Taxable Income	21	18,077		-18,077		0	
82							
83 Net LCT		13,896		-13,896		0	
84							
85 III INCLUSION IN RATES							
86							
87 Income Tax Rate used for gross-up (exclude surtax)		37.50%					
88							
89 Income Tax (proxy tax is grossed-up)	22	997,338			Actual 2004	255,941	
90 LCT (proxy tax is grossed-up)	23	22,233			Actual 2004	0	
91 Ontario Capital Tax (no gross-up since it is deductible)	24	57,630			Actual 2004	84,807	
92							
93							
94							
95 Total PILs for Rate Adjustment - MUST AGREE WITH 2002 RAM DECISION	25	1,077,201			Actual 2004	340,748	
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			77,064			
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			-77,064			
121							
122 Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x	33.85%			
123							

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0178	ITEM	Initial Estimate		M of F Filing Variance K-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: 2004							
8								
9	Days in reporting period:	366	days				Column Brought From TAXREC	
10	Total days in the calendar year:	366	days					
11								
12			\$		\$		\$	
13								
124	Income Tax Effect on True-up adjustments		=		-26,086			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-26,086			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				32.73%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				-38,778			
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)		=		1,614,025			
137								
138	REVISED CORPORATE INCOME TAX RATE		x		35.80%			
139								
140	REVISED REGULATORY INCOME TAX		=		546,348			
141								
142	Less: Revised Miscellaneous Tax Credits		-		0			
143								
144	Total Revised Regulatory Income Tax		=		546,348			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)		-		623,337			
147								
148	Regulatory Income Tax Variance		=		-76,989			
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		=		57,630			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)		-		57,630			
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		-		50,000,000			
164	Revised Federal LCT		=		-25,789,958			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax		-		0			
170	Revised Net LCT		=		0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)		-		13,896			
173	Regulatory Federal LCT Variance		=		-13,896			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				32.73%			
176								
177	Income Tax (grossed-up)		+		-114,448			
178	LCT (grossed-up)		+		-22,233			
179	Ontario Capital Tax		+		0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT		=		-136,681			
182								
183	TRUE-UP VARIANCE (from cell I132)		+		-38,778			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)		=		-175,459			
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)				877,614			
194	Interest phased-in (Cell C37)				803,446			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				74,168			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200	Interest deducted on MoF filing (Cell G37+G42)				154,210,000 KHS Deducted			
201								
202	Total deemed interest (REGINFO CELL D62)				877,614			
203								
204	Variance caused by excess debt				77,064			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell E112)				77,064			
207								
208	Total Interest Variance				-2,896			
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: 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 :		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	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	+			0	
32	Distribution Revenue	+	49,048,057		49,048,057	
33	Other Income	+	8,264,218		8,264,218	
34	Miscellaneous income	+	764,151		764,151	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	49,048,057		49,048,057	
40	Administration	-	1,848,468		1,848,468	
41	Customer billing and collecting	-	1,230,573		1,230,573	
42	Operations and maintenance	-	2,371,624		2,371,624	
43	Amortization	-	1,459,722		1,459,722	
44	Loss from discontinued operations	-	762,929		762,929	
45	Recovery of regulatory assets - expense	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	1,355,053	0	1,355,053	
51	Less: Interest expense for accounting purposes	-	1,000,839		1,000,839	
52	Provision for payments in lieu of income taxes	-	340,750		340,750	
53	Net Income (loss)	=	13,464	0	13,464	
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	+	287,352	0	287,352	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	1,459,722	0	1,459,722	
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"		1,738,677	0	1,738,677	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		3,485,751	0	3,485,751	
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 - Computer equipment expensed for book	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	3,485,751	0	3,485,751	
83						
84	Recap Material Additions:					
85			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	
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	-	1,225,826		1,225,826	
98	Cumulative eligible capital deduction	-	750		750	
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"		1,517,995	0	1,517,995	
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	=	2,744,571	0	2,744,571	
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	=	2,744,571	0	2,744,571	
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	=	754,644	0	754,644	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138	Charitable donations				0	
139	NET TAXABLE INCOME	=	754,644	0	754,644	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	166,928	0	166,928	
143	Net Ontario Income Tax (Must agree with tax return)	+	89,013	0	89,013	
144	Subtotal	=	255,941	0	255,941	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	Total Income Tax	=	255,941	0	255,941	
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	+	255,941	0	255,941	
157	Ontario Capital Tax	+	84,807		84,807	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	340,748	0	340,748	
161						