	I A I	В	С	D	I E I	F
1	PILs TAXES - EB-2011-0178	LINE	M of F	Non-wires	Wires-only	
2			Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		Notain	
5	0		rtotani		Version 2009.1	
6					VC131011 2000.1	
7	Utility Name: Kingston Hydro Corporation					
8	Reporting period: 2004					
9	Inceporting period. 2004					
10	TAX RESERVES					
11	TAX RESERVES					
	Beginning of Year:					
13	Beginning of Year.					
	December deviated assessment as 20(4)(1)				0	
	Reserve for doubtful accounts ss. 20(1)(I)			-	0	
	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
_	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)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31					0	
32	Cities 1 leade describe				0	
33						
	Insert line above this line				0	
35						
36	Total (carry forward to the TAXREC worksheet)		0	. 0	0	
37				A CONTRACTOR OF THE CONTRACTOR		
	CINIA NOIAL OTA TENENT DECEDICO					
39	FINANCIAL STATEMENT RESERVES					
	D · · · · · · · · · · · · · · · · · · ·					
	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51					J	
52	End of Year:					
53					0	
	Legal Claim				0	
55	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
0,	Property taxes					
	i iopoity taxes				0	
58				the state of the state of the state of	0	***************************************
58 59	Other - Please describe					
58 59 60					0	
58 59 60 61	Other - Please describe Other - Please describe				0	
58 59 60 61 62	Other - Please describe Other - Please describe Insert line above this line					
58 59 60 61 62	Other - Please describe Other - Please describe		. 0	0		

	A	В	С	D	E	F
1	DU TAMES ED SAMASES					
	PILS TAXES - EB-2011-0178	LINE	M of F	Non-wires	Wires-only	
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY		Tax Return		Return	
6	Shareholder-only Items should be shown on TAXREC 3		Return		Version 2009.1	
7	Charlette on the chief the chief of the chie				VC151011 2009.1	
8	Utility Name: Kingston Hydro Corporation				+	
9	Reporting period: 2004			A A MA		
10	Number of days in taxation year:		366			
	Materiality Level:		30,263			
12						
13						
14	Cookies C. Bernetiistiss for a file in the second in the s					
	Section C: Reconciliation of accounting income to taxable income Add:					
17	Auu.	+			0	
	Gain on sale of eligible capital property	+			0	
19	Loss in equity of subsidiaries and affiliates	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	L
	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	CATALOGRAPHIC
34	Write down of capital property	+			0	
36	Amounts received in respect of qualifying environment trust Provision for bad debts	+			0	
37	Provision for bad depts	+			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	
46	Total Additions	+	0	0	0	
47	Total Additions		U	U	U	
	Recap of Material Additions:					
49			0	0	0	-
50			0	0	0	
51	(1) 1/2 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	A STATE	0	0		
52			0	0		
53 54		The state of	0	0		
55		-	0	0		
56			0	0		
57			0	0		
58			0	0		
59		-	0	0		
60			0	0		
61			0	0		
62		- 777	0	0		
63 64			0	0		
65			0	0		
66			0	0		
67			0	0		
68			0	0		-
69		9	0	0		
70			0	0		
71			0	0	0	
72			0	0		
73 74			. 0	0		
75			0	0		
13			0	0	0	

	A	ТВТ	С	D	E	F
1						
2	PILs TAXES - EB-2011-0178	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						
	3					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
	Materiality Level:		30,263			
12						
13			_		_	
76	T. CLASS C. L. LEW		0	0	0	
77	Total Material additions		0	0	0	
78 79	Other additions less than materiality level		0	0	0	
80	Total Additions		0	0	0	
	Deduct:					
	Gain on disposal of assets per f/s	- 1			0	
83	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8				0	
	Depreciation in inventory, end of prior year	-			0	
	Scientific research expenses claimed in year from Form T661				0	
	Bad debts				0	
	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	
	Other income from financial statements	-			0	
92		-				
93					0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	-	0		0	
	OPEB Amounts Capitalized	-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
	Recap of Material Deductions:					
102	22 1 2 2 4 1 1 1 1 1 1 1 2 1 2 1 2 1 2 1		0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			.0	0	0	
109			0	0	0	
110			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	
	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
4- 1			0	U	· ·	

	Α	В	С	D	E	F
1						
	PILs TAXES - EB-2011-0178					
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	
_	(for theirs and the princes are a 70 OFF And					
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
	Utility Name: Kingston Hydro Corporation				Version 2009.1	
9						
10						
11	Reporting period: 2004			*		
	Number of days in taxation year:		366			
13	Tunibor or dayo in dixacion your.		300			
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
	CCA adjustments	+	22,436		22,436	
	CEC adjustments	+	22,400		0	
	Gain on sale of non-utility eligible capital property	+			0	
22	Gain on sale of non-utility eligible capital property Gain on sale of utility eligible capital property				A STATE OF THE PARTY OF THE PAR	
		+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+	762,929		762,929	
	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			o	
29	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
_	Non-deductible meals					
		+			0	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+			0	
	Donations - amount per books		4		0	
36	Interest and penalties on unpaid taxes				0	
37	Recovery of transition costs previously expensed		9,724		9,724	
38	Ontario capital tax adjustments		53,398		53,398	
39		+			0	
40	Changes in Regulatory Asset balances	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42	impated interest expense on Regulatory Assets	+				
	Other Additions (places symbols in detail the section of the 11	_			0	
	Other Additions: (please explain in detail the nature of the item,	+			0	
	Depreciation expensed via OM&A	+			0	
	Employee future benefits	+	890,190		890,190	
	Bill 4 deferred revenue					
	Partnership income					
48	Ontario specified tax credits	+				
49	Total Additions on which true-up does not apply	= [1,738,677	C	1,738,677	
50						
51	Deduct:					
52						
	CCA adjustments				0	
	CEC adjustments	- 1			1	
55	Depreciation and amortization adjustments	-			0	
		-			0	
	Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs	-	11,046		11,046	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	Q.
	Employee future benefits	-	871,102		871,102	
62	Ontario capital tax adjustments to current or prior year	- 1	83,591		83,591	- 10000000
63		-			0	
	Changes in Regulatory Asset balances	- 1			0	
65		-		***************************************	0	
	Assessment Notice	-			0	
67	, toodoomonk itolioo					
68		-			0	
	TABLE TO THE TABLE	-			0	
69	011 11 11 11 11 11 11 11 11 11 11 11 11	-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	CCA taken on reg assets	-	552,256		552,256	
	RSVA	-			0	
	Income not earned on movement of Regulatory A/Cs	-			0	
	Regulatory assets contra	- 1			0	
	Total Deductions on which true-up does not apply	=	1,517,995	0		
76	. The state of the	- 1	1,517,995		1,517,995	
77				MU W		
1.1	AND THE RESIDENCE OF THE PROPERTY OF THE PROPE					

	Α	В	ГС	D	ΙE	F	G	Н	
1	PILs TAXES - EB-2011-0178		<u>-</u>						
2	Corporate Tax Rates				1	/ersion 2009.1			
3	Exemptions, Deductions, o								
4	Utility Name: Kingston Hyd	ro Corpora	tion						
5	Reporting period: 2004								
6	-								
7	Rates Head in 2002 DAM D	le Annlis	ione for coco			Table 1			
9	Rates Used in 2002 RAM PI Income Range	Ls Applicat	1		200.004				
	RAM 2002		to		200,001 to	>700000			
11		Year	200,000		700.000	-700000			
12	Income Tax Rate	Tear	200,000		700,000				
	Proxy Tax Year	2002			1				
	Federal (Includes surtax)		13.12%		26.12%	26.12%			
	and Ontario blended		6.00%		6.00%	12.50%			
6			19.12%		34.12%	38.62%			
7					11.12.70	23.0270			
8	Capital Tax Rate		0.300%	18 MISSELVE	Contract I	ALL PARTY			
9	LCT rate		0.225%	10-11-20-51-51-51					
	Surtax		1.12%		78.30	1 2 1 2 1 1 1 1 1			
_	Ontario Capital Tax	MAX			128 128	V. Harry			
1	Exemption **	\$5MM	5,000,000						
	Federal Large			GORAL LA	3 3 2				
	Corporations Tax	MAX \$10MM	10,000,000						
2	Exemption **								
	**Exemption amounts	must agre	e with the l	Board-appr	oved 2002	2 RAM			
	PILs filing				e or read manage	-			
3									
4									
5		A Profession Contract				Table 2			
0	Expected Income Tax Rates	for 2004 a							
7	Income Range		0	250,001	400,001				
9	Expected Rates	V	to	to	to	>1,128,000			
	Income Tax Rate	Year	250,000	400,000	1,128,000				
1	Current year	2004							
2	Federal (Includes surtax)	2004	12 100/	20.400/	20.400/	22.400/			
3	Ontario	2004	13.12%	22.12%	22.12%	22.12%			
1	Blended rate	2004	5.50%	5.50%	9.75%	14.00%			
5	Dictinged late	2004	18.62%	27.62%	31.87%	36.12%			
	Capital Tax Rate	2004	0.300%						
7	LCT rate	2004	0.300%						
8	Surtax	2004	1.12%						
_	Ontario Capital Tax	MAX							
9	Exemption *** 2004	\$5MM	5,000,000						
	Federal Large								
	Corporations Tax	MAX	50,000,000						
0	Exemption *** 2004	\$50MM	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
1	***Allocation of exemp	ions mus	t comply w	ith the Boa	rd's instri	uctions			
	regarding regulated ac		- compiy w	the boa	5 1115111	2000110			
2	garanig regulated at	avides.							
3	Innut Information Control	-1- A				Table 3			
+ F	Input Information from Utili	y's Actual			400.000				
	Income Range		0	250,001	400,001	×4.400.000			
6		Verr	to	to	to	>1,128,000			
_	Income Tax Rate	Year	250,000	400,000	1,128,000				
	Current year	2004							
		2004	12 100/	22 420/	20.000/	00.400/			
1	Federal (Includes surtax) Ontario		13.12%	22.12%	22.29%	22.12%			
2	The second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section of the second section is a second section of the section of the second section of the sectio		5.50%	5.50%	13.77%	14.00%			
3	Blended rate		18.62%	27.62%	36.06%	36.12%			
	Capital Tax Rate		0.2000/						
	LCT rate		0.300%						
			0.200%						
U	Surtax	BAAN	1.12%						
7	Ontario Capital Tax Exemption *	MAX	5,000,000						
- 1	Federal Large	\$5MM							
	Corporations Tax	MAX	0						
58	Exemption *	\$50MM	0						
ā	* Include copies of the	optuel ter	modulus alla						
J	* Include copies of the					n your			
	submission: Ontario C	T23 page	11; federal	T2 Schedu	ıle 36				
0									

	A	В	С	D E	F	G	Н		J	K	L	М	Ν	0
1	PILs TAXES - EB-2011-0178							I.						
2	Analysis of PILs Tax Account	1562:												
3	Utility Name: Kingston Hydro	Corpo	ration											Version 2009.1
4	Reporting period: 2004			Sign Conventi	on:	for increase;	- for	decrease						0
5														
6														
7		A BEST OF THE SECOND												
8	Year start:		01/10/2001	01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001	31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10														
11	Opening balance:	=	0	354,796		282,764		155,547		-88,621		-320,281		0
	Board-approved PILs tax	+/-												
12	proxy from Decisions (1)		354,796	1,077,201		1,431,997		1,165,900		269,300		333,844		4,633,038
42	PILs proxy from April 1, 2005 - input 9/12 of amount													
13			THE RESIDENCE OF THE PARTY OF T						_	751,148				751,148
11	True-up Variance Adjustment Q4, 2001 (2)	+/-												
14	Adjustment Q4, 2001 (2) True-up Variance	+/-					_				_			. 0
15	Adjustment (3)	+/-				-62,204		-140,918		00.770		07.700		000 000
13	Deferral Account Variance					-62,204	_	-140,918		-38,778		-27,760		-269,660
16	Adjustment Q4, 2001 (4)													
10	Deferral Account Variance	+/-												
17	Adjustment (5)	Τ/-		-7,417		-30,405		-72.041		-136,681		-10,802		-257,346
	Adjustments to reported	+/-												
18	prior years' variances (6)													0
	Carrying charges (7)	+/-												0
	PILs billed to (collected	-							-1					
20	from) customers (8)		0_	-1,141,816		-1,466,605		-1,197,109		-1,076,649		-474,527		-5,356,706
21							1							
22	Ending balance: # 1562		354,796	282,764		155,547		-88,621		-320,281		-499,526		-499,526
23														
24														

26 Uncollected PILs

40 41

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.

31 Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

- 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.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- (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 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 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 50 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 51 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. 52 53 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 54 55 (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.
- 56 57 58 59 60 (7) Carrying charges are calculated on a simple interest basis.
 - (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.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, 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.
 - 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.
 - 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.
- 61 62 63 64 65 67 68 70 71 72 73 74 75 76 (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.