Centre Wellington Hydro Ltd. ("CWHL") EB-2012-0052 Disposition of Account 1562 – Deferred PILs Board Staff Interrogatories

1) PILs Recoveries

Ref: CWH_PILs Amounts Billed to Customers

The 2002 application rate adjustment model ("RAM") provided two sheets (sheet 6 and 8) that calculated the rate slivers associated with the 2001 and 2002 PILs proxy amounts approved by the Board for recovery from customers. These rate slivers had both fixed customer charge and volumetric charge elements. In order to correctly determine the amounts recovered from customers, the Applicant must multiply the rate slivers by the appropriate billing determinants.

In its rate application for 2002 rates, Centre Wellington Hydro Ltd. (CWHL) chose to forgo recovering a fixed charge from its customers. The 2002 Board decision stated that:

"In order to reduce bill impacts on small use customers, the Applicant allocated a portion of the class distribution revenue increases that are attributable to PILs only to the variable component of the distribution rate, instead of both the fixed and variable components".

Board staff was unable to verify the volumetric rate slivers used for the General Service > 3,000 kW (Intermediate) rate class with the corresponding variable rate sliver in the Board-approved 2002 RAM as seen in the table below.

2002 Volumetric PILs rates

Rate Class	CWHL PILs Billed Worksheet	Approved 2002 RAM sheet 8	
GS > 3,000 kW	\$0.099015	\$0.140801	kW

a) Please explain why CWHL did not use the 2002 proxy Board-approved volumetric rate sliver from the 2002 RAM for General Service > 3,000 kW (Intermediate) rate class for the time period from March 1, 2002 to March 31, 2004?

The rate of \$0.140801 was used to calculate the amount billed to customers for the intermediate class for the period March1, 2001 to March 31, 2004.

					PILS	
			PILs Volumetric	PILs Fixed	Volumetric	
Description	Actual Volume	Customer Count	Proxy Rate	Charge Rate	Proxy Rate	Total
Mar-02 Post Mar1/02 cons only @ new rate	17,770	-	0.140810	-		2,502.25
Apr-02 Post Mar1/02 cons only @ new rate	9,863	-	0.140810	-		1,388.78
May-02 Post Mar1/02 cons only @ new rate	8,309	-	0.140810	-		1,169.92
Jun-02 Post Mar1/02 cons only @ new rate	5,189	-	0.140810	-		730.62
Jul-02 Post Mar1/02 cons only @ new rate	4,707	-	0.140810	-		662.74
Aug-02 All consumption from Stats	4,451	-	0.140810	-		626.73
Sep-02 Post Mar1/02 cons only @ new rate	4,442	-	0.140810	-		625.44
Oct-02 Post Mar1/02 cons only @ new rate	3,980	-	0.140810	-		560.37
Nov-02 All consumption from Stats	5,670	-	0.140810	_		798.41
Dec-02 All consumption from Stats	9,404	-	0.140810	_		1,324.16
Total						10,389.42
Jan-03 All consumption from Stats	0	-	0.140810	-		0.01
Feb-03 All consumption from Stats	4,684	-	0.140810	-		659.61
Mar-03 All consumption from Stats	4,511	-	0.140810	-		635.25
Apr-03 All consumption from Stats	4,265	-	0.140810	-		600.55
May-03 All consumption from Stats	4,231	-	0.140810	-		595.82
Jun-03 All consumption from Stats	4,287	-	0.140810	-		603.70
Jul-03 All consumption from Stats	4,207	-	0.140810	-		592.40
Aug-03 All consumption from Stats	4,284	-	0.140810	-		603.25
Sep-03 All consumption from Stats	4,137	-	0.140810	-		582.57
Oct-03 All consumption from Stats	4,316	-	0.140810	-		607.72
Nov-03 All consumption from Stats	4,777	-	0.140810	-		672.71
Dec-03 All consumption from Stats	8,836	-	0.140810	-		1,244.21
Total						7,397.79
Jan-04 All consumption from Stats	-	-	0.140810	-		-
Feb-04 All consumption from Stats	4,673	-	0.140810	-		658.03
Mar-04 All consumption from Stats	4,534	-	0.140810	-		638.49
Apr-04 Pre Apr 1/04 cons only @ old rate	4,629	-	0.140810	-		651.84
Apr-04 Post Apr 1/04 cons only @ new rate	-	-			0.0867000	-
May-04 Pre Apr 1/04 cons only @ old rate	-	-	0.140810	-		-
May-04 Post Apr 1/04 cons only @ new rate	4,543	-			0.0867000	393.88
Jun-04 Pre Apr 1/04 cons only @ old rate	-	-	0.140810	-		-
Jun-04 Post Apr 1/04 cons only @ new rate	4,452	-			0.0867000	386.00
Jul-04 All consumption from Stats	4,309	-			0.0867000	373.61

b) If CWHL agrees that the Board-approved volumetric rate sliver should be used, please provide the PILs Amounts Billed to Customers worksheet and updated PILs continuity schedule in Excel format that uses the variable rate sliver for the General Service > 3,000 kW (Intermediate) rate class from the 2002 RAM.

N/A

2) Interest Expense Ref: 2001 through 2005 SIMPIL Models

When the actual interest expense, as reflected in the financial statements and tax returns, exceeds the maximum deemed interest amount approved by the Board, the excess amount is subject to a claw-back penalty and is shown in sheet TAXCALC as an extra deduction in the true-up calculations.

For the tax years 2001 to 2005:

a) Please provide a table for the years 2001 to 2005 that shows all of the components of CWHL's interest expense for the purposes of the interest true-up calculation and the amount associated with each type of interest. Please ensure that the table balances back to all of the interest expense listed in the audited financial statements.

		Centre Wellingto	n Hydro Ltd.				
	Composition	on of Interest Exp	ense for 2001	to 2005			
USofA	Account Description	2001	2002	2003	2004	2005	2006
6005	Interest on Long Term Debt	101,636.00	223,599.20	345,562.40	365,889.60	365,889.60	365,889.60
6035	Cust Deposits	511.10	561.47	561.47	1,206.12	3,976.20	7,926.28
6035	Other Int:Retailers Dep			7,332.53	-	-	-
6035	Other Int:Misc	140.07				716.83	6,129.97
6035	Other Int:IESO Letter of Credit				7,312.50	7,312.50	7,312.50
6035	Other Int:Variance Accounts						2,235.66
	Total Interest	102,287.17	224,160.67	353,456.40	374,408.22	377,895.13	389,494.01

- b) Did CWHL have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?
 - Interest expense as reported in the audited F/S, is comprised of interest on the note payable to the Township of Centre Wellington, interest on customer deposits, fee for IESO letter of credit, and carrying charges on regulatory liabilities (2006).
- c) Did CWHL net interest income against interest expense in deriving the amount it shows as interest expense in its financial statements and tax returns? If yes, please provide details to what the interest income relates.

Interest income was not netted against interest expense.

d) Did CWHL include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?

Yes

e) Did CWHL include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?

No

f) Did CWHL include interest expense on IESO prudentials in interest expense?

Yes

g) Did CWHL include interest carrying charges on regulatory assets or liabilities in interest expense?

Carrying charges on regulatory liabilities was included in interest expense for the year 2006.

h) Did CWHL include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did CWHL also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.

No

i) Did CWHL deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did CWHL add back the capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.

No

j) Please provide a table for the years 2001 to 2005 that shows all of the components of CWHL's interest expense for the purposes of the interest true-up calculation and the amount associated with each type of interest. Please ensure that the table balances back to all of the interest expense listed in the audited financial statements.

		Centre Wellingto	n Hydro Ltd.				
	Composition	on of Interest Exp	ense for 2001	to 2005			
USofA	Account Description	2001	2002	2003	2004	2005	2006
6005	Interest on Long Term Debt	101,636.00	223,599.20	345,562.40	365,889.60	365,889.60	365,889.60
6035	Cust Deposits	511.10	561.47	561.47	1,206.12	3,976.20	7,926.28
6035	Other Int:Retailers Dep			7,332.53	-	-	-
6035	Other Int:Misc	140.07				716.83	6,129.97
6035	Other Int:IESO Letter of Credit				7,312.50	7,312.50	7,312.50
6035	Other Int:Variance Accounts						2,235.66
	Total Interest	102,287.17	224,160.67	353,456.40	374,408.22	377,895.13	389,494.01
					,	211,300.20	223,10

k) If a revision has been made to the SIMPIL claw-back calculations, please file the revised SIMPIL models and update the PILs continuity schedule in Excel format.

N/A

3) Ontario Ministry of Finance Notices of Assessment

a) CWHL filed copies of the notices of assessment from CRA. Please provide all of the notices of assessment, reassessment and any statements of adjustment from the Ontario Ministry of Finance Corporations Tax Branch for the tax years 2001 through 2006. If CWHL did not file the tax returns for 2001-2005 with the Ontario Ministry of Finance Corporations Tax Branch please explain why.

Tax returns were filed with the Ontario Ministry of Finance Corporations Tax Branch.

CWHL is attaching copies of the Notice of Assessments for 2003, 2004 and 2005, but has not been able to locate the assessment notices for 2001 and 2002. CWHL did phone the Ontario Ministry of Finance and requested copies; however, due to the change in the computer system at the Ministry office they were not able to provide copies. The below table was completed as per verbal information provided by the Ministry of Finance showing the total assessment and breakdown of amount paid.

Assessments and Pa 005 Duster of the Ontario	·	ce Office)
ouster of the Ontario	o Ministry of Finan	ce Office)
	o Ministry of Finan	ce Office)
	o Ministry of Finan	ce Office)
2003	2004	2005
00 65,664.00	107,565.00	275,912.00
.00 6,209.00	-	-
.00 25,306.00	22,508.00	29,046.00
8,986.00	17,755.00	77,038.00
00 25,163.00	67,302.00	169,828.00
.00 65,664.00	107,565.00	275,912.00
	5.00 65,664.00	

b) Has CWHL been audited by the Ontario Ministry of Finance Corporations Tax Branch? Please list the years for which the audits have been completed. Please list the years where there are disputes that are ongoing and not yet resolved. Please provide the Ontario Ministry of Finance Corporations Tax Branch's documentation related to any outstanding tax issues.

No, CWHL has not been audited by the Ontario Ministry of Finance Corporations Tax Branch.

c) Please confirm that all tax years from 2001 to 2005 are now statute-barred with the Ontario Ministry of Finance Corporations Tax Branch.

2001 to 2005 are now statute-barred.

4) Tax Returns and Business Limit Reduction

a) Did CWHL actually file the 2003 T2 Return submitted to the Board in its 2012 IRM rate application on September 28, 2011 with the Ministry of Finance? Did CWHL actually file the 2003 T2 Return labeled 'Proforma Return for Payment in Lieu of Taxes' submitted to the Board in CWHL's deferred PILs standalone application on March 31, 2012 with the Ministry of Finance? Please clarify which version of this 2003 T2 return should be used as evidence in this deferred PILs application?

CWHL had filed both copies with the Ontario Ministry of Finance, however, the copy submitted with the 2012 IRM Application on

September 28, 2011 was later returned to CWH by the Ministry of Finance Department on August 17, 2004.

The return that was filed with PILs application on March 31, 2012 was the correct return that was filed and accepted by the Ministry of Finance.

- b) CWHL's rate base was \$8,553,726 for the years 2001-2005 in applications. On a regulatory basis, this would have allowed CWHL to take the full federal small business deduction. In calculating the income tax rates CWHL has reduced the business limit which results in an increase in the effective income tax rate.
 - i. Please explain why CWHL reduced the business limit.

For income tax purposes, CWHL's taxable capital was between \$11,500,000 and \$12,500,000 for the years 2002 to 2004. For income tax purposes, CWHL's small business deduction was reduced because their actual taxable capital exceeded the \$10,000,000 threshold. CWHL's actual tax rates were higher than the small business tax rates as a result. Using rate base to estimate the tax rates would not mirror the actual result in CWHL's case

ii. Please provide a list by tax year 2001-2005 of the taxable capital that was used to calculate the reduction in the business limit and provide the calculations.

See below table:

- 7 -

¹ Excel worksheet "CWH tax rate calcn.xls" filed on March 31, 2012.

	Tax	rate calculation			
		ate calculation			
	2001	2002	2003	2004	200
Calculation of federal small					
business deduction impact					
Regulatory taxable income	149,052	498,878	498,878	498,879	518,012
Business limit	50,411	200,000	225,000	250,000	300,000
Gross LCT	-	2,372	3,528	4,640	5,631
	11,250	11,250	11,250	11,250	11,250
Business limit reduction	-	42,169	70,552	103,111	150,160
Reduced business limit	50,411	157,831	154,448	146,889	149,840
Small business deduction @ 16% of least of regulatory taxable income and reduced business limit	8,066	25,253	24,712	23,502	23,974
Federal small business deduction as percent of regulatory taxable income	(5.41%)	(5.06%)	(4.95%)	(4.71%)	(4.63%
Calculation of Ontario small business deduction impact					
Ontario business limit	70,575	280,000	320,000	400,000	400,000
Small business deduction rate	6.50%	6.50%	7.00%	8.50%	8.50%
Small business deduction	4,587	18,200	22,400	34,000	34,000
Ontario small business deduction as percent of regulatory taxable income	3.08%	3.65%	4.49%	6.82%	6.56%
Tax rates					
Regular federal tax rate	28.12%	26.12%	24.12%	22.12%	22.12%
Regular provincial tax rate	12.50%	12.50%	12.50%	14.00%	14.00%
Federal small business deduction	(5.41%)	(5.06%)	(4.95%)	(4.71%)	(4.63%
Ontario small buisness deduction	(3.08%)	(3.65%)	(4.49%)	(6.82%)	(6.56%
Total tax rate net of SBD	32.13%	29.91%	27.18%	24.59%	24.93%
Federal surtax	1.12%	1.12%	1.12%	1.12%	1.12%
Gross up rate	31.01%	28.79%	26.06%	23.47%	23.81%
	0.225%	0.225%	0.225%	0.225%	
Taxable capital	11,054,068	11,567,833	12,062,217	12,502,508	12,923,063
. a.	±,00 +,000	10,000,000	10,000,000	10,000,000	50,000,000
		1,567,833	2,062,217	2,502,508	30,000,000
		3,528	4,640	5,631	

iii. Please explain why CWHL did not base the regulatory tax calculations on rate base and instead used actual taxable capital from the tax returns.

The purpose of determining the tax rates was for the purposes of true-up of the estimate of taxes with the actual taxes as filed with the Ministry. Taxes payable are based upon information filed in the tax returns including taxable capital not rate base. Board staff originally provided an example of how the tax rate could be determined (EB-2008-0381 Issue # 9 page 13) by "dividing the income tax actually payable by the taxable income for each tax year". This methodology would have been based upon actual taxes payable and actual taxable capital and would not have used rate base.

c) In 2003 on the T2 return actual taxable income was \$163,394. In 2004 on the T2 return actual taxable income was \$362,519. In 2005 on the T2 return actual taxable income was \$828,245. CWHL has used regulatory taxable income of \$498,878 from the 2002 rate application to calculate the income tax rates for 2002, 2003 and 2004. CWHL has used regulatory taxable income of \$518,012 from the 2005 rate application to calculate the 2005 income tax rate.

Please explain why CWHL did not use the actual taxable income to calculate the income tax rate in each year.

Actual taxable income was not used since CWHL had tax losses in 2001 and 2002 and applied a loss carry forward to reduce taxable income in 2003. Actual taxable income could not be used in these years since it was negative (2001, 2002) or distorted (2003). For consistency the same approach was applied to each year.

d) CWHL seems to have used a hybrid method to calculate the income tax rates. A regulatory approach would use rate base as the proxy for taxable capital, regulatory taxable income and the tax return forms to calculate the blended income tax rates. Following this method there would be no business limit reduction since rate base as the proxy for taxable capital is less than \$10 million. Using actual taxable capital which results in the business limit reduction would also require the use of actual taxable income to be internally consistent.

It is correct that there is no business limit reduction under this method but there is a reduction in the amount of the small business deduction, due to the fact that regulatory income exceeds the business limit and therefore minimum tax rate set out in the chart in the decision are not appropriate. While it does appear that the approach is a hybrid approach. CWHL is of the opinion that the approach is appropriate. The goal of the approach is to determine a tax rate that approaches the actual tax rate that would have been used had CWHL had taxable income in 2001, 2002 and 2003. In order to do this, an estimate of actual taxable income is required. Regulatory net income was used as a proxy for the actual taxable income to indicate the level of income expected to be achieved by the utility in the years.

 Please provide calculations of the income tax rates using the regulatory approach of rate base as the proxy for taxable capital and regulatory taxable income for the tax years 2001 through 2005.

The below table provides the calculations of the income tax rates using the regulatory approach of rate base as the proxy for taxable capital and regulatory taxable income for the tax years 2001 through 2005.

	Centre-W	ellington Hyd	ro Ltd.		
	Tax	rate calculatio	n		
	2001	2002	2003	2004	2005
Calculation of federal small					
business deduction impact					
Regulatory taxable income	149,052	498,878	498,878	498,879	518,012
Business limit	50,411	200,000	225,000	250,000	300,000
Gross LCT	-	2,372	3,528	4,640	5,631
	11,250	11,250	11,250	11,250	11,250
Business limit reduction	-	42,169	70,552	103,111	150,160
Reduced business limit	50,411	157,831	154,448	146,889	149,840
Small business deduction @ 16% of	8,066	25,253	24,712	23,502	23,974
least of regulatory taxable income					
and reduced business limit					
Federal small business deduction as	(5.41%)	(5.06%)	(4.95%)	(4.71%)	(4.63%)
percent of regulatory taxable	, ,	, í	, ,	, ,	` '
income					
Calculation of Ontario small					
business deduction impact					
Ontario business limit	70,575	280,000	320,000	400,000	400,000
Small business deduction rate	6.50%	6.50%	7.00%	8.50%	8.50%
Small business deduction	4,587	18,200	22,400	34,000	34,000
Sman sasmess acaaction	1,567	10,200	22,100	3 1,000	3 1,000
Ontario small business deduction as	3.08%	3.65%	4.49%	6.82%	6.56%
percent of regulatory taxable	3.3373	3.3373	5,6	0.0270	0.007
income					
meome					
Tax rates					
Regular federal tax rate	28.12%	26.12%	24.12%	22.12%	22.12%
Regular provincial tax rate	12.50%	12.50%	12.50%	14.00%	14.00%
Federal small business deduction	(5.41%)	(5.06%)	(4.95%)	(4.71%)	(4.63%)
Ontario small buisness deduction	(3.08%)	(3.65%)	(4.49%)	(6.82%)	(6.56%)
Total tax rate net of SBD	32.13%	29.91%	27.18%	24.59%	24.93%
Federal surtax	1.12%	1.12%	1.12%	1.12%	1.12%
Gross up rate			26.06%	23.47%	
Oross uprate	31.01%	28.79%	20.00%	23.4/%	23.81%
	0.225%	0.225%	0.225%	0.225%	
Taxable capital	11,054,068	11,567,833	12,062,217	12,502,508	12,923,063
Taxable Capital	11,054,000	10,000,000			
			10,000,000	10,000,000	50,000,000
		1,567,833	2,062,217	2,502,508	
		3,528	4,640	5,631	

ii. Please provide the calculations based on the actual tax return approach which uses actual taxable capital and actual taxable income to calculate the income tax rates for each year 2001 through 2005.

This cannot be done as the actual tax return approach does not yield any tax rates for 2001 and 2002.

iii. Please provide the active Excel versions of the five SIMPIL models for 2001-2005 and related continuity schedule using the income tax rates for the regulatory approach.

Attached are the excel spreadsheets for 2001-2005 PILs SIMPIL Models using the regulatory approach, and CWH PILs Model Summary 2001-2005 regulatory approach as requested.

The attached files are as listed:

- 1. CWH tax rate calc
- 2. CWH_PILs_Model Summary_2001-2005_Regulatory Approach
- 3. CWH_SUBrevised_2001_PILs-Model_SIMPIL_Regulatory Approach
- 4. CWH_SUBrevised_2002_PILs-Model_SIMPIL_Regulatory Approach
- 5. CWH_SUBrevised_2003_PILs-Model_SIMPIL_Regulatory Approach
- 6. CWH_SUBrevised_2004_PILs-Model_SIMPIL_Regulatory Approach
- 7. CWH_SUBrevised_2005_PILs-Model_SIMPIL_Regulatory Approach
- iv. Please provide the active Excel versions of the five SIMPIL models for 2001-2005 and related continuity schedule using the income tax rates for the actual tax return approach.

This cannot be done as the actual tax return approach does not yield any tax rates for 2001 and 2002.

v. Please choose which approach CWHL would prefer to have the Board consider. That is, the hybrid, the regulatory or the actual tax return version of the evidence.

CWHL would prefer to have the Board consider the hybrid version.

vi. Please provide a discussion of pros and cons to support the approach CWHL prefers, and explain why the other two approaches would not be acceptable for ratemaking purposes in this application.

The "actual" approach is inappropriate because it cannot calculate a tax rate for the years 2001 and 2002. The rate in 2003 is understated due to the tax loss carry forward. This approach has some appeal because it is based upon actual taxes and actual taxable capital. For years when there is taxable income that is not reduced by losses, this would produce the most accurate tax rate.

The regulatory approach has appeal since both the taxable income and the taxable capital are determined on the same basis and the approach would be internally consistent. The downside to this approach is that it has no basis in what is actually happening in the actual taxes. Tax returns are not filed using rate base.

The benefit of the hybrid approach is that it uses actual taxable capital to determine if there is an actual reduction in the small business deduction. It uses regulatory taxable income to avoid a true-up of actual income.

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance Corporations Tax Branch - Hydro PIL PO Box 620 33 King Street West Oshawa ON L1H 8E9

> Account No. 1800241

35 PX5003

CENTRE WELLINGTON HYDRO LTD. FLORENCE THIESSEN 201-660 SPEEDVALE AVE W

GUELPH N1K 1E5

ON

Taxation Year End: (YYYYMMDD) Payment Amount: \$ 2 0 0 3 2 3 Taxation Year End: (YYYYMMDD)

Electricity Act. 1998

Corporations Tax Act, R.S.O. 1990

Remittance Advice - Payment-in-Lieu (PIL)

Payment Amount: \$ **Total Payment** Enclosed:



Ministry of Finance Corporations Tax Branch - Hydro PIL PO Box 620 33 King Street West

AUG 2 4 2004

Keep this portion for your records. Notice of Assessment

Electricity Act, 1998 . Corporations Tax Act, R.S.O. 1990 from 2003/01/01 to 2003/12/31

Account No. Assessment Date (year, month, day) 1800241 2004/08/18

Page 1 of 1

CENTRE WELLINGTON HYDRO LTD.

ASSESSMENT NO. 30

Tax: Federal and Provincial PIL Assessment Interest

Total Assessment Liability

65,664.00 1,047.94 66,711.94

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Oshawa ON L1H 8E9

Payments/Transfers

Sub-Total

TAXATION YEAR BALANCE DUE **

65,664.00CR

65,664.00CR 1,047.94

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Toronto (416) 730-5585 • FAX (416) 730-5593

Toronto (416) 920-9048 ext. 3036

■ Toll-Free 1-800-262-0784 ext. 3036

• FAX (905) 433-5197

Detach and return this REMI	TTANCE FORM with your payme Ministry of Finance Corporations Tax Branch - Hy PO Box 620 33 King Street West Oshawa ON L1H 8E9		Remittanc Electricity Act, Corporations T	1998 ax Act, R.S	_					
		ccount No. 800241	Taxation Year End: Payment Amount:	(YYYYMMDD)						
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	GTON HYDRO LTD.	PX5003	Taxation Year End:	: (YYYYMMDD)	2 0 0	4 1	2	3 1		
C/O FLORENCE 730 GARTSHORE			Payment Amount:	\$						
PO BOX 217 FERGUS	ON		Total Baymont			9	<u> </u>			
N1M 2W8			Total Payment Enclosed:	\$,				
♥ Ontario	Ministry of Finance Corporations Tax Branch - Hydr PO Box 620 33 King Street West Oshawa ON L1H 8E9	ro PIL	Notic Electricity from 20 Account		rporations Tax to 2	Act, R.S. 004/12 Date ay)	!/31	0 Page		
ASSESSMENT NO. 48			180024	41 	2005/07/2	 	1	of 1		
Tax: Federal a Assessment Ir	and Provincial PIL	-				07,56 <u>1,30</u> 08,86	3.24	4 +95		
	2/31 TAXATION YEAR I	RANSACTIONS	101 7							
Payments/Transfers TAXATION YEAR BAL	Sub-Total		101,7	43.00CR	1	01,74 7,12				
In accordance with s. by s.95 of the Electric	s.80(8) of the Corporatic ity Act, 1998, notice is h est for which you are as	nereby given of the	amount of		,		7/3	<u>:</u> 4.81		
Total tax assessed as	per company estimate	:		July 1412						
the balance is compo payment is received I The current interest r		ate of this Notice/S y Financial Corpora	tatement until ation (OEFC)	розл	on 2004 payments ted Jun 13.2005 agains					
Mugio. 2005 - Life missing instal	t missage for Audr Ument 905-433.6 Ige	rey Wise about	LL.	,	2005 ins			-		
-Lift 2nd Mesoc	rge			In	berest C	harge	se 1	^{[3}]2·8]		

Account Billing Enquiries & Change of Address Information:

Oshawa and Local (905) 433-6708
Toronto (416) 920-9048 ext. 3036

FAX (905) 433-5197

Remittance Advice - Payment-in-Lieu (PIL) Detach and return this REMITTANCE FORM with your payment. Electricity Act, 1998 Ministry of Finance Corporations Tax Act, R.S.O. 1990 Ontario Corporations Tax Branch - Hydro PIL 33 King Street West Oshawa ON L1H 8E9 Taxation Year End: (YYYYMMDD) Account No. 1800241

> 35 A PX5000

ON

Payment Amount: \$ 2 0 0 2 3 Taxation Year End: (YYYYMMDD) Payment Amount: \$ **Total Payment** \$ Enclosed:

Ontario

PO BOX 217 **FERGUS**

N1M 2W8

Ministry of Finance Corporations Tax Branch - Hydro PIL PO Box 620 33 King Street West Oshawa ON L1H 8E9

Keep this portion for your records. Notice of Assessment

Electricity Act, 1998 . Corporations Tax Act, R.S.O. 1990 from 2005/01/01 to 2005/12/31

Assessment Date (year, month, day) Account No. Page 1800241 2006/07/24 1 of 1

CENTRE WELLINGTON HYDRO LTD.

CENTRE WELLINGTON HYDRO LTD.

C/O FLORENCE THIESSEN 730 GARTSHORE ST

ASSESSMENT NO. 78

Tax: Federal and Provincial PIL Assessment Interest Total Assessment Liability 275,912.00 6,129.97 282,041.97

SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

TAXATION YEAR BALANCE DUE **

275,912.00CR

275,912.00CR 6,129.97

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0246575%.

Centre-Wellington Hydro Tax rate calculation

	2001	2002	2003	2004	2005
Calculation of federal small					
business deduction impact					
Regulatory taxable income	149,052	498,878	498,878	498,879	518,012
Business limit	50,411	200,000	225,000	250,000	300,000
Gross LCT	-	2,372	3,528	4,640	5,631
	11,250	11,250	11,250	11,250	11,250
Business limit reduction	-	42,169	70,552	103,111	150,160
Reduced business limit	50,411	157,831	154,448	146,889	149,840
	8,066	25,253	24,712	23,502	23,974
Small business deduction @ 16% of					
least of regulatory taxable income					
and reduced business limit					
	(5.41%)	(5.06%)	(4.95%)	(4.71%)	(4.63%)
Federal small business deduction as					
percent of regulatory taxable income					
Calculation of Ontario small					
business deduction impact					
Ontario business limit	70,575	280,000	320,000	400,000	400,000
Small business deduction rate	6.50%	6.50%	7.00%	8.50%	8.50%
Small business deduction	4,587	18,200	22,400	34,000	34,000
	3.08%	3.65%	4.49%	6.82%	6.56%
Ontario small business deduction as					
percent of regulatory taxable income					
Tax rates					
Regular federal tax rate	28.12%	26.12%	24.12%	22.12%	22.12%
Regular provincial tax rate	12.50%	12.50%	12.50%	14.00%	14.00%
Federal small business deduction	(5.41%)	(5.06%)	(4.95%)	(4.71%)	(4.63%)
Ontario small buisness deduction	(3.08%)	(3.65%)	(4.49%)	(6.82%)	(6.56%)
Total tax rate net of SBD	32.13%	29.91%	27.18%	24.59%	24.93%
Federal surtax	1.12%	1.12%	1.12%	1.12%	1.12%
Gross up rate	31.01%	28.79%	26.06%	23.47%	23.81%
	0.225%	0.225%	0.225%	0.225%	
Taxable capital	11,054,068	11,567,833	12,062,217	12,502,508	12,923,063
		10,000,000	10,000,000	10,000,000	50,000,000
		1,567,833	2,062,217	2,502,508	
		3,528	4,640	5,631	

	A	В	С	D	I E	F	G	Н	1	J	K	ı	М	Ν	0
1	PILs Taxes EB-2008-381		Ŭ		_	Ė	Ü		·	Ť	- IX	_	101		Ü
2	Analysis of PILs Tax Account	1562:													
3	Utility Name: Centre Wellingt														
4	Reporting Period: 2001 to Ap				Sign Conventi	on: ·	+ for increase;	- fo	r decrease						
5		, _													
6															
7															
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		80,347		15,846		6,542		-22,119		-125,775		0
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)		79,861		269,036		348,897		289,001		67,259		66,549		1,120,604
	PILs proxy from April 1,														
13	2005 - input 9/12 of amount				_				_		149,736				149,736
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)				0		0		_						0
	True-up Variance	+/-													
15	Adjustment (3)				0		0		-15,964		-20,672		5,546		-31,090
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)				-4,277		_		_						-4,277
	Deferral Account Variance	+/-													
17	Adjustment (5)				0		-29,494		-46,825		-62,124		-17,473		-155,916
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-	486		5,461		1,927		-684		-6,287		-2,797		-1,894
	PILs billed to (collected	-													
20	from) customers (8)		0		-334,722		-330,634		-254,189		-231,568		-91,015		-1,242,127
21			20.5:=		1=						10=		1015		1015-
22	Ending balance: # 1562		80,347		15,846		6,542		-22,119		-125,775		-164,964		-164,964

26 Uncollected PILs

24

32

34 35

36 37

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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. 30

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

- (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.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- (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.
- 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.
- (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.
- (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.
- (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.
- 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.

	A	В	С	D	E
	PILs TAXES - ED-2002-0511	Ь	C	D	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				VC101011 2000.1
3	Centre Wellington Hydro Ltd.			Colour Code	
	Reporting period: 2001			Input Cell	
5				Formula in Cell	
	Days in reporting period:	92	days		
7 8	Total days in the calendar year:	365	days		
	BACKGROUND				
	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	Υ	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
10					
17	Is the utility a non-profit corporation? (If it is a non-profit corporation, please contact the Rates Manager at the OEB)		Y/N	N	
		OOT	N//N1	N.	
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
	shared among the corporate group? Please identify the % used to allocate the OCT and LCT exemptions in	LCT OCT	Y/N	N 100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100% 100%	
23		LUI			
24	Accounting Year End		Date	12-31-2001	
26	MARR NO TAX CALCULATIONS			1	Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30	Rate Base (wires-only)			8,553,726	
υŽ				50.00%	
	Common Equity Ratio (CER) 1-CER				
9				50.00%	
	Target Return On Equity			9.88%	
Ī	Debt rate			7.25%	
TZ	Market Adjusted Revenue Requirement			732,627	
43	1999 return from RUD Sheet #7			555,088	555,088
	Total Incremental revenue			177,539	
	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			4,932	
48	Amount allowed in 2002			113,427	
49 50	Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board)			0	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				560,020
55					
56 57	Equity			4,276,863	
	Return at target ROE			422,554	
59				722,004	
60	Debt			4,276,863	
61					
	Deemed interest amount in 100% of MARR			310,073	
63 64	Phase-in of interest - Year 1 (2001)			237,020	
65	((D43+D47)/D41)*D61			201,020	
66	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61	-			
	Phase-in of interest - Year 3 (2003) and forward			285,026	
69 70	((D43+D47+D48)/D41)*D61 (due to Bill 210)			240.070	
71	Phase-in of interest - 2005			310,073	
72					
				1	i .

Part A. C.		A	В	С	D	E	F I	G	Н
### CENTRAL AND VARIANCE SCOURTS Fill Fi	1			Initial	٦				L'''
Vincency barriers vincent Vi						Filing	Filing		
Part	4	"Wires-only" business - see Tab TAXREC)			H				
Column C	5	0					Explanation	Version 2009.1	
Column	6	Centre Wellington Hydro Ltd.			H				1
Section Sect	8							Column	
1.	9	Days in reporting period:						Brought	
1	10	otal days in the calendar year:	365	days					
1. CORPORATE INCOME TAXES	12			\$		\$			
1									
18	14) CORPORATE INCOME TAXES							
Section Continue		Regulatory Net Income REGINFO E53	1	140.005		-276.892		-136.887	
3 Additions:	17								
20									
Company Comp			2	110,693		-3,814		106,879	
28 Separcon from Internal Selements - rend year	21	Employee Benefit Plans - Accrued, Not Paid	3	0		0		0	
25 Seguidation Adelermone. Incomes all incomes 5									
25 Other Additional Sea Tile centified (TASPECT) 6									
27		Other Additions (See Tab entitled "TAXREC")							
22 Material Rent Fort TANKE C 2 enchance 6						0		v	
20 Section of the process of apply "TAMEC 2"	28	"Material Items from "TAXREC 2" worksheet	6			0		0	
Telephone Power positions on continuous 7 42 38 10 10 10 10 10 10 10 1		Other Additions (not "Material") "TAXREC 2"	6		H	0		v	
3		tems on which true-up does not apply "TAXREC 3"				4,350		4,350	
18 Enropiose Benefit Plans - Part Annaures 8 0 0 0 0 0 0 0 0 0	32								
State Separation of the People of Programmer Purposes 0 0 0 0 0 0 0 0 0				42,391					
28 Regulation Adultiments - Sequency 10 0 0 0 0 0 0 0 0				0					
20	36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
28 Response From Francisk statements - Sequinning of year				59,255					
A Combinations to inferred income pione									1
22 Instruct capitalized for accounting but deducted for tax 11	40	Contributions to deferred income plans	3			0		0	
32 Other Deutschere (Size Tak entitled TAXRECY 1									
44 Material Finnes from TANREC 12 0 0 0 0 0 0 0 0 0			- 11			0		0	
60	44	"Material" Items from "TAXREC" worksheet							
A									
48	47								
171,195 150 170,195 171,195 150 170,195 171,195 17	48					0		0	
State Stat		FAXABLE INCOME/ (LOSS)		1/0 DE2		-220 247		-171 105	
22 BLENDED INCOME TAX RATE	51			149,052		-320,247		-1/1,195	L
Section Sect	52								
55 REGULATORY INCOME TAX		ab Lax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-1.9900%		32.13%	
Total Regulatory Income Tax	55	REGULATORY INCOME TAX		50,857		-50,857	Actual	0	
58 Miscellaneous Tax Credits					H				
10 Total Regulatory Income Tax	58	Viscellaneous Tax Credits	14			0	Actual	0	
State	59							_	
Section Common		Total Regulatory Income Tax		50,857	H	-50,857	Actual	0	
Same Capital TAXES					H				
Section	63	I) CAPITAL TAXES							
15		Ontario							
67 Less Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 15 5,000,000 3,538,320 7,292,528 7,292,528 68 7,292,528 7,292	66	Base				3,738,802		12,292,528	L
Page	67	ess: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3		5,000,000		0		5,000,000	
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 17 0.300% 0.000% 0.000% 0.000% 72 73 74 74 74 74 74 74 74		axable Capital		3,553,726		3,738,802		7,292,528	
72	70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
18		Ontario Canital Tay		0.005	H	0.010		44.077	
74 Federal Large Corporations Tax	73	·		2,665		9,012		17,6//	
Total Pile Tax Rates Regulatory, Table 1; Actual, Table 3 10,000,000 0 3,738,801 2,292,527 78 78 78 78 78 78 78	74							,	
2,282,527 78				8,553,726	\vdash	3,738,801			
78 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3			19	10,000,000	L	3,738,801			L
Service Serv	78	·							
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) 21 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	-
See See Federal Surtax 1.12% x Taxable Income 21	81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		2,162		2,162	
Ball Net LCT	82		21						
State Stat		Net LCT		0		2 162		2 162	
State Stat	85					2,102		2,102	
88 Income Tax Rate used for gross- up (exclude surtax)	86 87	II) INCLUSION IN RATES							
Segulatory Adjustments Segulatory Adjustment Segulatory Segulat		ncome Tax Rate used for gross- up (exclude surtax)		34.12%					
1 LCT (proxy tax is grossed-up)	89								
Ontario Capital Tax (no gross-up since it is deductible) 24 2,665 Actual 2001 5,514					H				\vdash
93 94 95 Total PILs for Rate Adjustment MUST AGREE WITH 2001 25 79,861 Actual 2001 5,514 96 RAM DECISION 97 98 99 W. FUTURE TRUE-UPS 99 90 90 90 90 90 90 9									
Total PILs for Rate Adjustment MUST AGREE WITH 2001 5,514	93	aprilia i an (i a grand aprilia i i a doddollolo)		2,000			5.00. 2001	0,014	
98		Total Pill a fay Pata Adjustment MUST ACRES MITH 2004	05	70.001			Actual 2024		
98 99 IV) FUTURE TRUE-UPS 90 IV) A Calculation of the True-up Variance 100 IV a) Calculation of the True-up Variance 101 In Additions: 102 Employee Benefit Plans - Accrued, Not Paid 103 Tax reserves deducted in prior year 104 Reserves from financial statements-end of year 105 Regulatory Adjustments 106 Other additions "Material" Items TAXREC 107 Other additions "Material" Items TAXREC 108 In Deductions - positive numbers 109 Employee Benefit Plans - Paid Amounts 100 Items Capitalized for Regulatory Purposes 101 Items Capitalized for Regulatory Purposes 101 Items Capitalized for Regulatory Purposes 102 Interest Adjustment for tax purposes (See Below - cell E206) 113 Tax reserves claimed in current year 114 Reserves claimed in current year 115 Contributions to deferred income plans 116 Contributions to deferred income plans 117 Other deductions 'Material' Item TAXREC 118 Other deductions 'Material' Item TAXREC 119 Other deductions 'Material' Item TAXREC 110 Item Capitalized for Regulatory Adjustments 111 Other deductions 'Material' Items TAXREC 112 Other deductions 'Material' Items TAXREC 113 Other deductions 'Material' Items TAXREC 114 Other deductions 'Material' Item TAXREC 115 Other deductions 'Material' Item TAXREC 116 Other deductions 'Material' Item TAXREC 117 Other deductions 'Material' Item TAXREC 118 Other deductions 'Material' Item TAXREC 119 Other deductions 'Material' Item TAXREC			25	79,861			Actual 2001	5,514	
199 IV FUTURE TRUE-UPS	97	NAM DECISION				<u> </u>			
100	98								
101 In Additions:						DB/(CB)			
102 Employee Benefit Plans - Accrued, Not Paid 3 0 103 Tax reserves deducted in prior year 4 0 0 104 Reserves from financial statements-end of year 4 0 0 105 Regulatory Adjustments 5 0 106 Other additions "Material" Items TAXREC 6 0 0 107 Other additions "Material" Items TAXREC 2 6 0 0 108 In Deductions - positive numbers 0 108 In Deductions - positive numbers 0 108 In Deductions - positive numbers 0 109 Employee Benefit Plans - Paid Amounts 8 0 0 109 Employee Benefit Plans - Paid Amounts 8 0 0 109 Employee Benefit Plans - Paid Amounts 8 0 0 109 Employee Senefit Plans - Paid Amounts 10 0 0 109 Employee Senefit Plans - Paid Amounts 10 0 0 109 Employee Senefit Plans - Paid Amounts 10 0 0 109 Employee Senefit Plans - Paid Amounts 10 0 109 Employee Senefit Plans - Paid Amounts 10 0 109 Employee Senefit Plans - Paid Amounts 10 0 109 Employee Senefit Plans - Paid Amounts 10 0 109 Employee Senefit Plans - Paid Amounts 10 0 10	101	n Additions:				DIV(OR)			
104 Reserves from financial statements-end of year	102	Employee Benefit Plans - Accrued, Not Paid							
105 Regulatory Adjustments 5 0 0 106 Other additions "Material" Items TAXREC 6 0 0 107 Other additions "Material" Items TAXREC 2 6 0 0 108 In Deductions - positive numbers 0 Employee Benefit Plans - Paid Amounts 8 0 0 101 Items Capitalized for Regulatory Purposes 9 0 0 111 Regulatory Adjustments 10 0 0 112 Interest Adjustment for tax purposes (See Below - cell E206) 11 0 0 113 Tax reserves claimed in current year 4 0 0 114 Reserves from F/S beginning of year 4 0 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 0 119 119 119 119 115 Contributions "Material" Items TAXREC 2 12 0 119 119 119 119 110									
106 Other additions "Material" Items TAXREC 6 0 0		Regulatory Adjustments			L				L
108 Impoductions - positive numbers	106	Other additions "Material" Items TAXREC	6			0			
109 Employee Benefit Plans - Paid Amounts			6			0			
110	109		8			0			
112 Interest Adjustment for tax purposes (See Below - cell E206) 11 11 12 13 xe reserves calimad in current year 4 0 11 11 11 12 12 12 13 13	110	tems Capitalized for Regulatory Purposes	9			0			
113 Tax reserves claimed in current year 4 0 114 Reserves from F/S beginning of year 4 0 0 115 Contributions to deferred income plans 3 0 0 116 Contributions to pension plans 3 0 0 117 Other deductions "Material" Items TAXREC 12 0 118 Other deductions "Material" Item TAXREC 2 12 0 119 119 119 119 119 110						0			
114 Reserves from F/S beginning of year 4 0 115 Contributions to deferred income plans 3 0 116 Contributions to deferred income plans 3 0 117 Other deductions "Material" Items TAXREC 12 0 119 119 119 119 119 119 119 119 119 110 11	113	Tax reserves claimed in current year			L	0			L
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 11	114	Reserves from F/S beginning of year	4						
117 Other deductions "Material" Items TAXREC 12 0 118 Other deductions "Material" Item TAXREC 2 12 0 119 119 0									-
118 Other deductions "Material" Item TAXREC 2 12 0 119 0									
	118								
120 TOTAL TROP OF O DETOTE CAN EFFECT.		Fotal TRUE-LIPS before tay offect	26						
	120	OKAL TROLTOL O DEIDLE KAN BIREUL	20			0	1		

_								
1	A A A A A A A A A A A A A A A A A A A	В	C	D	E M of F	F M of F	G	Н
2	PILs TAXES - ED-2002-0511 PILs DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		_Stillidle		Variance	Variance	cuiii3	
4	("Wires-only" business - see Tab TAXREC)				G-C	Explanation		
5 6	0 Centre Wellington Hydro Ltd.						Version 2009.1	
7	Reporting period: 2001							
8							Column	
9 10	Days in reporting period: Total days in the calendar year:	92 365	days days				Brought From	
11	Total days III the calendar year.	303	uays				TAXREC	
12			\$		\$		\$	
13								
121 122	Income Tax Rate from 2001 Utility's tax return			v	32.13%			
123					02.1070			
124	Income Tax Effect on True-up adjustments			=	0			
125 126	Less: Miscellaneous Tax Credits	14			0			
127	Less. Miscellatieous Tax Credits	14			U			
128	Total Income Tax on True-ups				0			
129	Income Tay Date wood for every we (evely de every)				24.0400/			
130 131	Income Tax Rate used for gross-up (exclude surtax)				31.010%			
132	TRUE-UP VARIANCE ADJUSTMENT				0			
133								
134	IV b) Calculation of the Deferral Account Variance caused by							ı
135	changes in legislation							
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the							
136 137	initial estimate column)			=	149,052			
137	REVISED CORPORATE INCOME TAX RATE			х	32.13%			
139								_
140	REVISED REGULATORY INCOME TAX		-	=	47,890			_
141 142	Less: Revised Miscellaneous Tax Credits				0			
143	EGGS. INGVISED IVIISOCIIANEGUUS TAX OPEURS			H	0			
144	Total Revised Regulatory Income Tax			=	47,890			
145	Less: Regulatory Income Tax reported in the Initial Estimate Column							
146	(Cell C60)			-	50,857			ı
147								
148	Regulatory Income Tax Variance			=	-2,966			
149 150	Ontario Capital Tax							
151	Base			=	8,553,726			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153 154	Revised deemed taxable capital			=	3,553,726			
155	Rate - Tab Tax Rates cell C54			х	0.3000%			
156								
157	Revised Ontario Capital Tax			=	2,687			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			_	2,665			ì
159	Regulatory Ontario Capital Tax Variance			=	22			
160 161	Federal LCT							
162	Base				8,553,726			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-1,446,274			
165 166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167	Trace (as a result of registative changes) tab Tax reaces con ost				0.220070			
168	Gross Amount				0			
169 170	Less: Federal surtax Revised Net LCT			-	0			
171	INCOME NOT LOT			-	· ·			
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	0			
173 174	Regulatory Federal LCT Variance			=	0			
174	Actual Income Tax Rate used for gross-up (exclude surtax)				31.01%			
176								\equiv
177	Income Tax (grossed-up)			+	-4,299			
178 179	LCT (grossed-up) Ontario Capital Tax			+	0 22			
180				Ė				_
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT		-	=	-4,277			
182 183	TRUE-UP VARIANCE (from cell I132)			+	0			
184	THE ST THINKINGS (ITALI)				U			
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-4,277			
186 187	(Deferral Account Variance + True-up Variance)							
188				L			<u> </u>	
189								_
190	V) INTEREST PORTION OF TRUE-UP							
191 192	Variance Caused By Phase-in of Deemed Debt			H				
193	Total deemed interest (REGINFO)				310,073			\equiv
194	Interest phased-in (Cell C37)		-	H	59,255			_
195 196	Variance due to phase-in of debt component of MARR in rates				250,818			
197	according to the Board's decision			Н	200,010			
198								_
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook) Interest deducted on MoF filing (Cell G37+G42)			H	0			
202	Deemed Interest				77,518			_
203	Variance coursed by excess 4-14							
204	Variance caused by excess debt				0			
206	Interest Adjustment for Tax Purposes (carry forward to Cell E112)				0			_
207			-		0====			
208	Total Interest Variance				250,818			
210				Н				
								_

_						
_	A A	В	C	D	E	F
2	PILs TAXES - ED-2002-0511 TAX RETURN RECONCILIATION (TAXREC)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liminations	Return	
4	0		Return			
5					Version 2009.1	
-	Section A: Identification:					
8	Centre Wellington Hydro Ltd.					
9	Reporting period: 2001 Taxation Year's start date:					
_	Taxation Year's end date:					
-	Number of days in taxation year:		92	days		
12	•			,		
	Please enter the Materiality Level :		10,692	< - enter materiality	/ level	
14	(0.25% x Rate Base x CER)	Y/N				
15 16	(0.25% x Net Assets)	Y/N Y/N				
-	Or other measure (please provide the basis of the amount) Does the utility carry on non-wires related operation?	Y/N				
	(Please complete the questionnaire in the Background questionnaire		neet.)			
19	<u> </u>		,			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
	Section B: Financial statements data:					
23 24	Input unconsolidated financial statement data submitted with Tax returns. The actual categories of the income statements should be used.					
	If required please change the descriptions except for amortization, interest	expens	se and provision for	income tax		
26	,		,			
27	Please enter the non-wire operation's amount as a positive number, the pr			all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and T	AXREC	22.			
29	Incomo					
31	Income: Energy Sales	+	3,542,053		3.542.053	
32	Distribution Revenue	+	3,542,053 59,411		3,542,053 59,411	
33	Other Income	+	60,259		60,259	
34	Miscellaneous income	+	21,749		21,749	
35		+			0	
	Revenue should be entered above this line					
37	Costs and Frances.					
38	Costs and Expenses: Cost of energy purchased	_	3,241,511		3,241,511	
40	Administration	-	350,105		350,105	
41	Customer billing and collecting	-	98,380		98,380	
42	Operations and maintenance	-	130,362		130,362	
43	Amortization	-			0	
44	Ontario Capital Tax	-			0	
45 46	Distribution	-			0	
47	Distribution	-			0	
48		-			0	
49						
_	Net Income Before Interest & Income Taxes EBIT	=	-136,887	0	-136,887	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes Net Income (loss)	=	-136,887	0	-136,887	
55	(The Net Income (loss) on the MoF column should equal to the net income (loss)		-130,007	0	-130,007	
54	per financial statements on Schedule 1 of the tax return.)					
55						
_	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1 BOOK TO TAX ADDITIONS:					
	Provision for income tax	+		0	0	
60	Federal large corporation tax	+			0	
_	Depreciation & Amortization	+	106,879	0	106,879	
	Employee benefit plans-accrued, not paid	+		0	0	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66)	+	U	0	0	
_	Items on which true-up does not apply "TAXREC 3"		4,350	0	4,350	
	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		111,229	0	111,229	
71	Other Additions: (Please explain the nature of the additions)	-				
	Recapture of CCA	+			0	
-	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed - Software expensed per F/S	+			0	
76		+			0	
77		+			0	
78 79		+			0	
80	Total Other Additions	+	0	0	0	
81	, star outer radiations	_	0	0	U	
82	Total Additions	=	111,229	0	111,229	
83						
	Recap Material Additions:					
85			0	0	0	

	A	В	С	D	Е	F
1	PILs TAXES - ED-2002-0511	LINE	M of F	Non-wires	Wires-only	'
2	TAX RETURN RECONCILIATION (TAXREC)	LIIVE	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	T . 104 155 1 1		0	0	0	
	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level) Total Other Additions		0	0	0	
95	Total Other Additions		U	Ü	U	
	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	145,537		145,537	
	Cumulative eligible capital deduction	-	1 10,001		0	
	Employee benefit plans-paid amounts	-			0	
	Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102		-			0	
103		-			0	
	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-			0	
	Items on which true-up does not apply "TAXREC 3"		0	0	0	
	Interest capitalized for accounting deducted for tax	-			0	
	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
113	Subtotal	_	145,537	0	145,537	
	Other deductions (Please explain the nature of the deductions)	=	140,007	0	140,007	
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets	-			0	
117	our on angeodar or accord	- 1			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	145,537	0	145,537	
123						
	Recap Material Deductions:					
125			0	0	0	
126 127			0	0	0	
128			0	0	0	
129			0	0	0	
	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133	Total Carlot Boddonono		Ü		· ·	
	TAXABLE INCOME	=	-171,195	0	-171,195	
	DEDUCT:				,	
	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
	NET TAXABLE INCOME	=	-171,195	0	-171,195	
140	EDOM ACTUAL TAY DETUCATO					
	FROM ACTUAL TAX RETURNS Not Endoral Income Tax (Must parce with tax return)					
	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0	0	0	
	Subtotal Less: Miscellaneous tax credits (Must agree with tax returns)	-	0	0	0	
	Total Income Tax	=	0	0	0	
147	Total mounts Tun	-	0	- 0	. 0	
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%		0.00%	
152					2.2370	
-	Section F: Income and Capital Taxes					
154						
	RECAP FROM ABOVE:					
	Total Income Taxes	+	0	0	0	
	Ontario Capital Tax	+	5,514		5,514	
	Federal Large Corporations Tax	+	0		0	
159	Total income and canital taxes		F F 4 4	^	E E 4 4	
160 161	Total income and capital taxes	=	5,514	0	5,514	
101						

	A	В	С	D	E I	F
1	PILs TAXES - ED-2002-0511	LINE	M of F	Non-wires	Wires-only	'
	Tax and Accounting Reserves	LINE	Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		11010	
5	0				Version 2009.1	
6						
7	Centre Wellington Hydro Ltd.					
	Reporting period: 2001					
9						
	TAX RESERVES					
11						
	Beginning of Year:					
13					0	
	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) Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
20	Outer - Flease describe				0	
21					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23	Total (carry forward to the TAXINEO Worksheet)		U	0	O O	
-	End of Year:					
25	End of Tour.				0	
	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	
	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
	FINANCIAL STATEMENT RESERVES					
39	Designing of Veer					
41	Beginning of Year:				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	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe Other - Please describe				0	
61	Outer - Flease describe				0	
	Insert line above this line				U	
-	Total (carry forward to the TAXREC worksheet)		0	0	0	
64	Total (carry forward to the TAANEC WORKSHEEL)		U	0	U	

	A	В	С	D	Е	F
1			-			
	PILs TAXES - ED-2002-0511	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RATEPAYERS ONLY Shareholder-only Items should be shown on TAXREC 3		Return		Vanaian 2000 4	
7	Snareholder-only items should be shown on TAXREC 3				Version 2009.1	
	Centre Wellington Hydro Ltd.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
	Materiality Level:		10,692			
12						
13 14						
	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	
	Debt issue expense	+			0	
29	Financing fees deducted in books Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
36		+			0	
37 38		+			0	
39		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
41	W I	+			0	
42		+			0	
43		+			0	
44 45		+			0	
46	Total Additions	+	0	0	0	
47	Total Additions		O O		O	
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51 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 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 68			0	0		
68			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	А	В	С	D	Е	F
1						
	PILs TAXES - ED-2002-0511	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	Centre Wellington Hydro Ltd.					
	Reporting period: 2001					
	Number of days in taxation year:		92			
	Materiality Level:		10,692			
12						
13						
75			0	0	0	
76			0	0	0	
	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
	Total Additions		0	0	0	
80						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	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	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92 93		-			0	
93		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Other deductions. (Flease explain in detail the flature of the item)	-			0	
97		-			0	
98					0	
	Total Deductions	=	0	0	0	
100	Total Doddollono	_	O O	0	U	
	Recap of Material Deductions:					
102	Troop of material Boardinio.		0	0	0	
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	
	Total Deductions exceed materiality level		0	0	0	
	Other deductions less than materiality level		0	0	0	
	Total Deductions		0	0	0	
122						

	Α	В	С	D	E	F
1	, , , , , , , , , , , , , , , , , , ,		Ŭ			
	PILs TAXES - ED-2002-0511					
	TAX RETURN RECONCILIATION (TAXREC 3)					
	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
			·	2		
7	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
_	-		Return		Version 2009.1	
9	Centre Wellington Hydro Ltd.				version 2009.1	
10						
_	Reporting period: 2001					
	Number of days in taxation year:		92			
13	rumbor or days in taxation your.		02			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19 I	Recapture of capital cost allowance	+			0	
20 (CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	ļ
	Loss on disposal of utility assets	+	3,002		3,002	ļ
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
_	Dividends credited to investment account	+	4.040		0	
_	Non-deductible meals	+	1,348		1,348	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs Donations - amount per books	+			U	
	Interest and penalties on unpaid taxes	+				
	Management bonuses unpaid after 180 days of year end	+				
	Ontario Capital Tax per books	+				
39	Ontario Capital Lax per books	+			0	
	Changes in Regulatory Asset balances	+			0	
	Imputed interest expense on Regulatory Assets	+			0	
42	3	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
	Capital contributions - s.12(1)(x)	+			0	
45		+			0	
46		+				
	Total Additions on which true-up does not apply	=	4,350	0	4,350	
48						
	Deduct:				<u> </u>	
50	004	ļ.,				
	CCA adjustments	-			0	ļ
	CEC adjustments	-			0	-
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets	-			0	-
	Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59	moomo nom joint vontareo er partirerenipe	_			0	
	Ontario Capital Tax per tax return				0	1
61	Suprim ran per tun totulit	-			0	
	Changes in Regulatory Asset balances	-			0	
	Unrealized Revenue	-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Capital contributions s.13(7.4) Election	-			0	
	Prospectus & underwriting fees	-			0	
	Income not earned on movement of Regulatory A/Cs	-			0	ļ
72 [Deferred cost deductible (market ready)	-			0	
	Total Deductions on which true-up does not apply	=	0	0	0	
73 74 75	· · · · · · · · · · · · · · · · · · ·					

Ontario Capital Tax MAX 5,000,000	T	A	В	С	D	Е	F	G
Exemptions, Deductions, or Thresholds	PILs TA			Ū				
Centre Wellington Hydro Ltd.						٧	ersion 2009	.1
Rates Used in 2002 RAM PILs Applications for 2001 Q4				olds				
Table 1 Rates Used in 2002 RAM PILs Applications for 2001 Q4 Income Range			u.					
Rates Used in 2002 RAM PILs Applications for 2001 Q4 Income Range								
Income Range]						Table 1	
RAM 2002			Ls Appli		001 Q4	F0 000		7
Proxy Tax Rate				-		-	>175 000	
Income Tax Rate	TOPANI Z	502	Year				7170,000	
Federal (Includes surtax) 13.12% 28.12% 28.12% 28.12% 28.12% 28.12% 40.62% 19.12% 34.12% 40.62%						•]
And Ontario blended 6.00% 6.00% 12.50%			2002]
Blended rate								1
Capital Tax Rate								
LCT rate	Biena	cu ruic		10.1270		04.1270	40.0270	İ
Surtax	Capital	Tax Rate		0.300%				
Ontario Capital Tax		te						1
SSMM		O	MAY	1.12%				1
Federal Large				5,000,000				
Corporations Tax S10MM 10,000,000			•					t
Table 2	Corpor	ations Tax		10,000,000				
Table 2								
Table 2		•	must ag	gree with t	he Boa	rd-appro	ved 2001	
Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001	RAM	PILs filing						
Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001	1							
Income Range								
Table 3 Tabl	Expect	ed Income Tax Rate	s for 200		I Tax Ex		or 2001	
New Page South S				_		,	>175 000	
Income Tax Rate	Lxpect	eu Naies	Year				>173,000	ı
Federal (Includes surtax) 2001 13.12% 13.12% 13.12% 13.12% 0.000 0.00%				, , , , , ,		,		1
Ditario 2001 6.00% 6.00% 6.00% Blended rate 2001 19.12% 19.12% 19.12% 19.12% 19.12%	Curren	t year						I
Capital Tax Rate	Federa	l (Includes surtax)						1
Capital Tax Rate								ł
CT rate 2001 0.225%	Biellu	eu raie	2001	13.12/0		13.12/0	13.12/0	ł
CT rate 2001 0.225%	Capital	Tax Rate	2001	0.300%				İ
Ontario Capital Tax Exemption *** 2001 \$5MM 5,000,000	LCT rat	te	2001					Ţ
SMM	_			1.12%				1
Table 3 Tabl				5,000,000				
Corporations Tax Sample 10,000,000								ł
#**Allocation of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Table 3 Table 3				10,000,000				
Table 3 Table 3 Table 3 Input Information from Utility's Actual 2001 Tax Returns Table 3 Table			•					
Table 3 Input Information from Utility's Actual 2001 Tax Returns Income Range		•			-	the Board	d's	
Input Information from Utility's Actual 2001 Tax Returns	instru	ctions regarding	regulat	ed activiti	es.			
Income Range							Table 3	
to to 175,000 Year 50,000 175,000 Income Tax Rate 2001 Federal (Includes surtax) 0.00% 0.00% Ontario 0 0.00% 0.00% Blended rate 0.300% 0.00% Capital Tax Rate 0.225% Surtax 0.12% Ontario Capital Tax MAX 5,000,000	Input Ir	nformation from Util	ty's Actu		Returns			T
Year 50,000 175,000 Income Tax Rate	Income	: range		_		-	>175 000	
Income Tax Rate	'		Year				2.10,000	١
Current year 2001 Federal (Includes surtax) 0.00% Ontario 0.00% Blended rate 0.00% Capital Tax Rate 0.300% LCT rate 0.225% Surtax 1.12% Ontario Capital Tax MAX	Income	Tax Rate		,				1
Ontario 0.00% 0.00% 0.00% Blended rate 0.00% 0.00% 0.00% Capital Tax Rate 0.300% 0.225% 0.225% Surtax 1.12% 0.000,000 0.000,000	Curren	t year	2001					ļ
Discrete 0.00% 0.00% 0.00%	_							ļ
Capital Tax Rate						0.00%	0.00%	
LCT rate 0.225% Surtax 1.12% Ontario Capital Tax MAX	Bieria	eu rate		0.00%		0.00%	0.00%	ł
LCT rate 0.225% Surtax 1.12% Ontario Capital Tax MAX		Tax Rate		0.300%				t
Ontario Capital Tax MAX 5 000 000	LCT rat							İ
	Surtax			1.12%				ĺ
IEVENING * I \$5MM '				5,000,000				
			\$5MM	, ,,,,,,				ł
Federal Large Corporations Tax MAX 10,000,000				10,000,000				1
Exemption * \$10MM			\$10MM	70,000,000				1
* Include copies of the actual tax return allocation calculations in	* Inclu	ide copies of the	actual	tax return	allocat	ion calcu	lations in	4
your submission: Ontario CT23 page 11; federal T2 Schedule 36	VOLIT S							
y	your s				,	001		
	1							_

	Α	В	С	D	Е	F	G	Н	I	J	K	L	M	Ν	0
1	PILs TAXES - ED-2002-0511														
2	Analysis of PILs Tax Account	1562:													
3	Centre Wellington Hydro Ltd.														Version 2009.1
4	Reporting period: 2001				Sign Conventi	on:	+ for increase;	- fo	r decrease						0
5															
6															
7															
8	Year start:		01/08/2001		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		0		0		0		0		0		0
	Board-approved PILs tax	+/-													
	proxy from Decisions (1)						0		0		0		. 0		0
	PILs proxy from April 1,														_
13	2005 - input 9/12 of amount														0
	True-up Variance	+/-													_
14	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-													_
	Adjustment (3)												0		0
	Deferral Account Variance														_
	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-													
17	Adjustment (5)						_						-4,277		-4,277
1	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
~ ~	PILs billed to (collected	-													
20	from) customers (8)		0				1								0
21													4.077		4.077
	Ending balance: # 1562		0		0		0		0		0		-4,277		-4,277
23															

Uncollected PILs

31 32

34

35

36 37

38

48

49 50

51

56 57

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.

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

- (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. 33 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.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (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.
- 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 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.
 - (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.
 - (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 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.
 - (7) Carrying charges are calculated on a simple interest basis.
- 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 61 62 63 64 65 67 68 70 71 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.

- (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. 76

					_
	A DIL - TAYES ED 2002 201	В	С	D	E
2	PILS TAXES - EB-2008-381				Version 2009.1
3	REGULATORY INFORMATION (REGINFO) Utility Name:Centre Wellington Hydro Ltd.			Colour Code	
4	Reporting period: 2002			Input Cell	
5	Reporting period. 2002			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 12	confirm that it is not subject to regular corporate		\//N1	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	
10	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	N	
	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22 23	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Voor End		Doto	12-31-2002	
20	Accounting Year End		Date	12-31-2002	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28 29	(FROM 1999 FINANCIAL STATEMENTS) USE BOARD-APPROVED AMOUNTS				
30	USE BUARD-APPROVED AMOUNTS				
31	Rate Base (wires-only)			8,553,726	
JZ				1	
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			732,627	
74					
43	1999 return from RUD Sheet #7			555,088	555,088
45	Total Incremental revenue			177,539	
46	Input: Board-approved dollar amounts phased-in				
47 48	Amount allowed in 2001			59,180	59,180
48	Amount allowed in 2002 Amount allowed in 2003 and 2004 (will be zero due to Bill 210			59,180 0	59,180 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				673,447
55					
56	Equity			4,276,863	
57 58	Poturn at target BOE			400 FF 4	
58	Return at target ROE			422,554	
60	Debt			4,276,863	
61	200.			7,270,000	
62	Deemed interest amount in 100% of MARR			310,073	
63					
64	Phase-in of interest - Year 1 (2001)			259,979	
65	((D43+D47)/D41)*D61			005	
66	Phase-in of interest - Year 2 (2002)			285,026	
67 68	((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward			285,026	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			260,026	
70	Phase-in of interest - 2005			310,073	
71				2.2,0.0	
72					

March 22, 2010 REGINFO

	Δ	В	0	D	F		
1	A PILs TAXES - EB-2008-381	ITEM		D E M of F	M of F	G	Н
2	PILS TAXES - EB-2008-381 PILS DEFERRAL AND VARIANCE ACCOUNTS	IIEW	Initial Estimate	Filing	Filing	Tax Returns	
	TAX CALCULATIONS (TAXCALC)		Latinate	Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5	()			•	Version 2009.1	
6	Utility Name:Centre Wellington Hydro Ltd.						
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 \$	
13		-	J	Ψ		J	
	I) CORPORATE INCOME TAXES						
15	,						
16	Regulatory Net Income REGINFO E53	1	673,447	209,535		882,982	
17							
	BOOK TO TAX ADJUSTMENTS						
19	Additions:		110 771	20.007		500 770	
20	Depreciation & Amortization	2	442,771	66,007		508,778	
21	Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year	3		0		0	
23	Reserves - beginning or year 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")	T					
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"			6,736		6,736	
31		1					
	Deductions: Input positive numbers	 _					
33	Capital Cost Allowance and CEC	7	332,314	292,247		624,561	
	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	9		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0	
37	Interest Expense Deemed/ Incurred	11	285,026	-60.865		224,161	
38	Tax reserves - end of year	4	200,020	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 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12 12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	Items on which true-up does not apply "TAXREC 3"	12		605,923		605,923	
49	items on which true up does not upply TAXILEO					,	
50	TAXABLE INCOME/ (LOSS)		498,878	-555,027		-56,149	
51							
52	BLENDED INCOME TAX RATE	1					
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%	-4.2100%		29.91%	
54	DECLII ATORVINOOME TAV	1	170 04-	110.5:-		22.25	
55 56	REGULATORY INCOME TAX	-	170,217	-149,340		20,877	
57		1					
	Miscellaneous Tax Credits	14		0		0	
59		1 '-					
60	Total Regulatory Income Tax		170,217	-149,340		20,877	
61							
62		1					
63	II) CAPITAL TAXES	1					
64	Omtovio	1					
	Ontario	15	0 EE0 700	4,298,866		12.052.502	
67	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	15 16	8,553,726 5,000,000	4,298,866		12,852,592 5,000,000	
68	Taxable Capital	10	3,553,726	4,298,866		7,852,592	
69		1	2,500,120	1,200,000		. 1002,002	
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71		1			_		
72	Ontario Capital Tax	1	10,661	12,897		23,558	
73	Foderal Lawre Compositions Toy	1					
74 75	Federal Large Corporations Tax Base	18	9 EE2 720	3.014.106		11,567,832	
76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18	8,553,726 10,000,000	3,014,106		10,000,000	
77	Less: Exemption - Fax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	19	10,000,000	3,014,106		1,567,832	
78	· anabio Gapital		U	0,014,100		1,007,002	
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)	1	0	3,528		3,528	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0	0		0	
83	Not LCT	1		0.500		0.500	
84 85	Net LCT	1	0	3,528		3,528	
υJ		1		i .			

March 22, 2010 TAXCALC

	Α	В	С	D	E	F	G	Н
	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)				Variance K-C	Variance Explanation		
5	0				11-0	Explanation	Version 2009.1	
6	Utility Name:Centre Wellington Hydro Ltd.							
	Reporting period: 2002							
8							Column	
9	Days in reporting period:		days				Brought	
10	Total days in the calendar year:	365	days				From TAXREC	
12			\$		\$		\$	
13					•			
	III) INCLUSION IN RATES							
87	T D: 10		0.1.100/					
89	Income Tax Rate used for gross- up (exclude surtax)		34.12%					
	Income Tax (proxy tax is grossed-up)	22	258,375			Actual 2002	20,877	
	LCT (proxy tax is grossed-up)	23	0			Actual 2002	3,528	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	10,661			Actual 2002	24,390	
93								
94	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	269,036	-		Actual 2002	48,795	\vdash
96	RAM DECISION	20	209,030			Actual 2002	46,795	\vdash
97	NAM DECISION							
98								
	IV) FUTURE TRUE-UPS							
	IV a) Calculation of the True-up Variance				DR/(CR)			Ш
	In Additions:	2			0			\vdash
	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3			0		+	\vdash
	Reserves from financial statements-end of year	4			0			
	Regulatory Adjustments	5			0			
	Other additions "Material" Items TAXREC	6			0			
	Other additions "Material" Items TAXREC 2	6			0			
	In Deductions - positive numbers Employee Benefit Plans - Paid Amounts	8			0			
	Items Capitalized for Regulatory Purposes	9			0			
	Regulatory Adjustments	10			0			
	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
	Tax reserves claimed in current year	4			0			
	Reserves from F/S beginning of year	4			0			
116	Contributions to deferred income plans 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			
121 122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return				29.91%			
123	income Tax Rate (excluding surtax) from 2002 Othity's tax return			X	29.91%			
	Income Tax Effect on True-up adjustments				0			
125	·							
	Less: Miscellaneous Tax Credits	14			0			
127	Total Income Tay on True upo				0			\vdash
128 129	Total Income Tax on True-ups				0		+	\vdash
130	Income Tax Rate used for gross-up (exclude surtax)				28.79%			
131								
	TRUE-UP VARIANCE ADJUSTMENT				0			Ш
133	BALLA Ontroduction of the Defended A. A. A. A. A. A. A. A. A. A. A. A. A.							
124	IV b) Calculation of the Deferral Account Variance caused by							
134	changes in legislation						+	
1.00	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial						1	
136				=	498,878			
137	DELVIORED CORPORATE INCOME TOWARD							Ш
138 139	REVISED CORPORATE INCOME TAX RATE			Х	29.91%			\vdash
140	REVISED REGULATORY INCOME TAX			=	149,215			\vdash
141	TELEGISTICAL INCOME INV			-	170,210			
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	149,215			
145	Less: Regulatory Income Tax reported in the Initial Estimate Column						+	\vdash
146	(Cell C58)			-	170,217			
147								
	Regulatory Income Tax Variance			-	-21,003			
149								1

March 22, 2010 TAXCALC

	A	В	С	D	Е	F	G	Н
1	PILs TAXES - EB-2008-381	ITEM	Initial	D	M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	1				K-C	Explanation		
5	0						Version 2009.1	
	Utility Name:Centre Wellington Hydro Ltd. Reporting period: 2002			-				
8	Reporting period. 2002						Column	
	Days in reporting period:	365	days				Brought	
	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	-
150	Ontario Capital Tax							<u> </u>
	Base			-	8,553,726			
152				+-	5,000,000			†
	Revised deemed taxable capital			=	3,553,726			1
154	·							
	Rate - Tab Tax Rates cell C54			Х	0.3000%			
156	Devised Ontario Conital Tay				10.001		+	1
157	Revised Ontario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell			=	10,661		+	
159	C70)			_	10,661		1	
	Regulatory Ontario Capital Tax Variance			+-	0		+	
160								
	Federal LCT							
	Base				8,553,726		1	1
	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000		+	<u> </u>
164	Revised Federal LCT	-		=	-1,446,274		+	1
	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			-	0.2250%			-
167	Trace (as a result of registative changes) tab Tax Traces cell 001				0.223070			1
	Gross Amount				0			
	Less: Federal surtax			-	0			
	Revised Net LCT			=	0			
171	5 1 1107 11 11 11 11 11 11 11 11 11 11 11 11 11			-				
	Less: Federal LCT reported in the initial estimate column (Cell C82)			1-	0			-
174	Regulatory Federal LCT Variance			=	U			
175	Actual Income Tax Rate used for gross-up (exclude surtax)				28.79%			
176	2							
	Income Tax (grossed-up)			+	-29,494			
	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			-	-29,494			
182	DEI ERRAE AGGGORT VARIANGE ADGGORMENT							
183	TRUE-UP VARIANCE (from cell I130)			+	0			
184								
	Total Deferral Account Entry (Positive Entry = Debit)			=	-29,494			ļ
186 187	(Deferral Account Variance + True-up Variance)							-
188				1			+	1
189				1			1	
	V) INTEREST PORTION OF TRUE-UP						1	
	Variance Caused By Phase-in of Deemed Debt							
192							<u> </u>	
	Total deemed interest (REGINFO)				310,073		+	1
194	Interest phased-in (Cell C36)				285,026		+	
	Variance due to phase-in of debt component of MARR in rates			1	25,047		+	1
197					20,047		1	†
198				L				L
	Other Interest Variances (i.e. Borrowing Levels					-	1	
200				-	00445			<u> </u>
	Interest deducted on MoF filing (Cell K36+K41)			1	224,161 310,073		+	1
202	Total deemed interest (REGINFO CELL D61)			1	310,073		+	1
204	Variance caused by excess debt				0		+	
205							1	1
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
207								1
	Total Interest Variance	1		+	25,047		1	<u> </u>
209				1			+	₩-
211				1			+	
٠		1	<u> </u>	-			-1	

March 22, 2010 TAXCALC

_						
	A	В	С	D	E	F
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax Return		Return	
5			Neturn		Version 2009.1	
6	Section A: Identification:					
7	Utility Name:Centre Wellington Hydro Ltd.					
	Reporting period: 2002					
	Taxation Year's start date:					
	Taxation Year's end date:		005	davia		
12	Number of days in taxation year:		365	days		
	Please enter the Materiality Level :		10,692	< - enter materiality	/ level	
14	(0.25% x Rate Base x CER)	Y/N	10,002	· onto materiality	10101	
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17		Y/N				
18	(Please complete the questionnaire in the Background questionnaire	worksl	neet.)			
19	Note: County forward Mires only Date to Tak "TAYCALC" Column I/					
21	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
	Section B: Financial statements data:					
23						
	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest	expens	e and provision for	income tax		
26						
27	Please enter the non-wire operation's amount as a positive number, the pr			ail amounts		
28 29	in the "non-wires elimination column" as negative values in TAXREC and T	AXKE(JL.			
	Income:					
31	Energy Sales	+	11,328,222		11,328,222	
32	Distribution Revenue	+	2,328,748		2,328,748	
33	Other Income	+	336,754		336,754	
34	Miscellaneous income	+			0	
35	Payanua abauld be entered abays this line	+			0	
37	Revenue should be entered above this line					
	Costs and Expenses:					
39	Cost of energy purchased	-	11,096,506		11,096,506	
40	Administration	-	534,239		534,239	
41	Customer billing and collecting	-	425,864		425,864	
42	Operations and maintenance	-	545,355		545,355	
43	Amortization	-	508,778		508,778	
45	Ontario Capital Tax Reg Assets	-	0		0	
46	rteg Assets	-	0		0	
47		-			0	
48		-			0	
49						
	Net Income Before Interest & Income Taxes EBIT	=	882,982	0	882,982	
51 52	Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes	-	224,161 47,514		224,161 47,514	
	Net Income (loss)	=	611,307	0	611.307	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)		5,55.			
54	per financial statements on Schedule 1 of the tax return.)					
55 56	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax/Less Capital Tax included in Tax Provision	+	47,514	0	47,514	
	Federal large corporation tax	+	0		0	
	Depreciation & Amortization	+	508,778	0	508,778	
	Employee benefit plans-accrued, not paid	+	0	0	0	
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66)	+	U	U	0	
_	Items on which true-up does not apply "TAXREC 3"		6,736	0	6,736	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69	2					
70	Subtotal		563,028	0	563,028	
71 72	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78 79		+			0	
80	Total Other Additions	+	0	0	0	
81	Total Outer Hadillorid	_	U	U	U	
82	Total Additions	=	563,028	0	563,028	
83						
	Recap Material Additions:					
85			0	0	0	
86 87			0	0	0	
88			0	0	0	
89			0		0	
90			0	0	0	
91	-		0	0	0	
	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	

July 07, 2011 TAXREC

	A	В	С	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	
95						

July 07, 2011 TAXREC

	A	В	С	D	Е	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	
	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance		624,561		624,561	
	Cumulative eligible capital deduction Employee benefit plans-paid amounts	-	0		0	
	Items capitalized for regulatory purposes		U		0	
	Regulatory adjustments :				0	
102	CCA	-			0	
103		-			0	
104	Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans		225 222		0	
	Items on which true-up does not apply "TAXREC 3"		605,923	0	605,923	
	Interest capitalized for accounting deducted for tax	-			0	
	Material deduction items from TAXREC 2 Other deduction items (not Material) from TAXREC 2	-	0	0	0	-
111	Other deduction items (not Material) from TAXREC 2	-	0	U	0	
113	Subtotal	=	1,230,484	0	1,230,484	
	Other deductions (Please explain the nature of the deductions)		1,200,404	O	1,200,404	
	Charitable donations - tax basis	- 1			0	1
116	Gain on disposal of assets	-			0	
117	Deferred and Prepaid Expenses	-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121	T. (10.1.6)		4 000 404		1 000 101	
122	Total Deductions	=	1,230,484	0	1,230,484	
123	Recap Material Deductions:					
125	Recap iviaterial Deductions.		0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0		
132	Total Other Deductions		0	0	0	
133	TAXABLE INCOME		-56,149	0	EC 140	dd back
	DEDUCT:	=	-30,149	U	-30,149	uu back
	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
	NET TAXABLE INCOME	=	-56,149	0	-56,149	
140						
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax (Must agree with tax return)	+	0		0	
_	Net Ontario Income Tax (Must agree with tax return)	+	20,877		20,877	
144		=	20,877	0	20,877	
	Less: Miscellaneous tax credits (Must agree with tax returns) Total Income Tax		20,877	0	20.877	-
146	Total Income Tax	=	20,677	U	20,877	1
	FROM ACTUAL TAX RETURNS					
	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150			5.33%		5.33%	
151	Blended Income Tax Rate		5.33%	******	5.33%	
152						
153	Section F: Income and Capital Taxes					
154						
	RECAP					
	Total Income Taxes	+	20,877	0		
157		+	24,390		24,390	
158 159	Federal Large Corporations Tax	+	3,528		3,528	
160	Total income and capital taxes	=	48,795	0	48,795	
Thu			70,733	U	70,733	

July 07, 2011 TAXREC

	A I	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
	For MoF Column of TAXCALC		Tax		Return	
	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name:Centre Wellington Hydro Ltd.					
	Reporting period: 2002					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(I)				0	
15	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	
	Other - Please describe				0	
	Other - Please describe				0	
20					0	
21					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
	End of Year:					
25					0	
	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					0	
	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line		_	_	_	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37	FINANCIAL OTATEMENT DECEDVES					
	FINANCIAL STATEMENT RESERVES					
39	Beginning of Year:					
41	Beginning or rear:				0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe Other - Please describe				0	
49	Cirio i lodoc describe				0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	Total (carry to make to the first teacher)		Ŭ		Ü	
	End of Year:					
53					0	
54					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
61					0	
01						
_	Insert line above this line					
_			0	0	0	

March 22, 2010 Tax Reserves

	A	В	С	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)	LINE	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	Limitationio	Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Centre Wellington Hydro Ltd.					
	Reporting period: 2002		365			
	Number of days in taxation year: Materiality Level:		10,692			
12	materiality 2070i.		10,002			
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
16 17	Add:	+			0	
	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	0		0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
	Scientific research expenditures deducted per financial statements	+			0	
25	per financial statements Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+			0	
37		+			0	
38 39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	ethor radiations. (produce explaint in actain the rations of the term)	+			0	
42		+			0	
43		+			0	
44		+			0	
45 46	Total Additions	+	0	0	0	
47	Total Additions	_	U	0	0	
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52 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 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 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 74			0	0	0	
75			0	0	0	
76			0	0	0	
	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

_						
	Α	В	С	D	Е	F
1						
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	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						
	Utility Name:Centre Wellington Hydro Ltd.					
	Reporting period: 2002					
	Number of days in taxation year:		365			
	Materiality Level:		10,692			
12						
13						
80						
	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
	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		0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
	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	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
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			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		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

Pilla TAXES - EB-2008-381 3 TAX RETURN RECONCILATION (TAXREC 3) 5 TEMS ON WHICH TRUE-UP DOES NOT APPLY 5 TO TWIND Subjects - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 To Twins-only business - 100 - 27 C9E 34-01 10 Section C: Reconciliation of accounting income to taxable income 11 To Add: 15 Section C: Reconciliation of accounting income to taxable income 12 C9E 34 additional transportation of accounting income to taxable income 13 C9E 34 additional transportation of accounting income to taxable income 14 C9E 34 additional transportation of accounting income to taxable income 15 C9E 34 additional transportation of accounting income to taxable income 16 C9E 34 additional transportation of accounting income to taxable income 17 Add: 18 C9E 34 additional transportation of accounting income to taxable income 19 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting income to taxable income 10 C9E 34 additional transportation of accounting inc							
2 PILE TAKES - EB-2008-831 3 TAAR RETURN RECONCILITON (TAKREC 3) 4 Shareholder-only thems should be shown on TAKREC 3 5 TEMS ON WHICH TRUE-UP DOES NOT APPLY 7 Tax 8 Return 7 Tax 8 Return 7 Tax 8 Return 7 Tax 9 Temsority business - see s. 72 OEB Act) 10 Return 11 Reporting period: 2002 11 Reporting period: 2002 12 Pumber of days in taxastion was: 13 Period of the see of th	L_	A	В	С	D	E	F
Shareholder-only Items should be shown on TAXREC 3 ITEMS ON WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRUE-UP DOES NOT APPLY ITEMS ON THE WHICH TRU	-	BU TAVES ED 2000 004					
STEMS ON WHICH TIME UP DOES NOT APPLY Corporate Filminations Tax							
TEMS ON WHITCH TRUE-UP DOES NOT APPLY Corporate Eliminations Tax Return			LINE	M of F	Non-wires	Wires-only	
March Marc				-			
Description Description					Liiiiiiiations		
Section C: Reconcillation of accounting income to taxable income						Return	
10		•		Retuin		Version 2009 1	
10 Reporting period: 2002 3855 13 14 15 15 15 15 15 15 15		Other Name. Centre Wennigton Tryuro Ltu.				Version 2003.1	
12 Number of days in taxation year:							
13	11	Reporting period: 2002					
15 16 Section C: Reconciliation of accounting income to taxable income		Number of days in taxation year:		365			
15 Section C: Reconciliation of accounting income to taxable income							
16 Section C: Reconciliation of accounting income to taxable income							
17 Add:							
18 Recapture of capital cost allowance							
19 Recapture of capital cost allowance		Add:					
20 CCA adjustments		Recapture of capital cost allowance	+			0	
21 CEC adjustments							
23 Gain on sale of utility eligible capital property			+				
24 Loss from joint ventures or partnerships	22	Gain on sale of non-utility eligible capital property	+				
25 Deemed dividend income							
28 Loss in equity of subsidiaries and affiliates			+				
27 Loss on disposal of utility assets							
28 Loss on disposal of non-utility assets				1 210			
29 Depreciation in inventory-end of year			+	4,∠10			
30 Depreciation and amortization adjustments			+				
31 Dividends credited to investment account			+				
33 Non-deductible club dues			+			0	
34 Non-deductible automobile costs +			+	2,518		2,518	
35 Donations - amount per books							
156 Interest and penalties on unpaid taxes			+				
37 Management bonuses unpaid after 180 days of year end 0 0 0 18 Imputed interest expense on Regulatory Assets 0 0 0 0 0 0 0 0 0							
183 Imputed interest expense on Regulatory Assets							
30							
40 Ontario capital tax adjustments		imputed interest expense on regulatory resets	+				
43 Other Additions: (please explain in detail the nature of the item)		Ontario capital tax adjustments					
43 Other Additions: (please explain in detail the nature of the item)	41	Changes in Regulatory Asset balances	+				
44							
1		Other Additions: (please explain in detail the nature of the item)					
1							
47 Total Additions on which true-up does not apply						0	
48		Total Additions on which true-up does not apply	_	6.736	0	6 736	
50		Total Additions on Whon true up does not apply		0,700	<u> </u>	0,700	
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 amorization - 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 Unrealized income-Loss carried forward - 0 60 - - 0 61 - 0 0 62 - 0 0 63 - 0 0 64 Ontario capital tax adjustments to current or prior year - 29,904 29,904 65 - - 0 0 66 Changes in Regulatory Asset balances - 576,019 576,019 </td <td>_</td> <td>Deduct:</td> <td></td> <td></td> <td></td> <td></td> <td></td>	_	Deduct:					
52 CEC adjustments - 0 53 Depreciation and amortization adjustments - - 54 Gain on disposal of assets per financial statements - 0 55 Financing fee amorization - 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 58 Income from joint ventures or partnerships - 0 60 - - 0 61 - - 0 62 - 0 0 63 - 0 0 64 Ontario capital tax adjustments to current or prior year - 29,904 29,904 65 - - 0 0 66 Changes in Regulatory Asset balances - 576,019 576,019 67 - 0 0 </td <td></td> <td></td> <td></td> <td></td> <td><u></u></td> <td></td> <td></td>					<u></u>		
53 Depreciation and amortization adjustments - 0 54 Gain on disposal of assets per financial statements - 0 55 Financing fee amorization - 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 Unrealized income-Loss carried forward - 0 60 - 0 0 61 - 0 0 62 - 0 0 63 - 0 0 64 Ontario capital tax adjustments to current or prior year - 29,904 29,904 65 Changes in Regulatory Asset balances - 576,019 576,019 67 - 0 0 68 Other deductions: (Please explain in detail the nature of the item) - - 0 70 - </td <td></td> <td></td> <td>_</td> <td></td> <td></td> <td></td> <td></td>			_				
54 Gain on disposal of assets per financial statements - 0 55 Financing fee amorization - 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 Unrealized income-Loss carried forward - 0 60 - 0 61 - 0 62 - 0 63 - 0 64 Ontario capital tax adjustments to current or prior year - 29,904 29,904 65 - - 0 66 Changes in Regulatory Asset balances - 576,019 576,019 67 - 0 0 0 68 - - 0 69 + 0 0 70 - 0 71 - 0 72 - 0							
55 Financing fee amorization - considered to be interest expense for PILS -			_				
56 Imputed interest income on Regulatory Assets -							
57 Donations - amount deductible for tax purposes -							
58 Income from joint ventures or partnerships - 0 59 Unrealized income-Loss carried forward - 0 60 - 0 61 - 0 62 - 0 63 - 0 64 Ontario capital tax adjustments to current or prior year - 29,904 29,904 65 - 0 0 66 Changes in Regulatory Asset balances - 576,019 576,019 67 - 0 0 68 Other deductions: (Please explain in detail the nature of the item) - 0 69 + 0 0 70 - 0 0 71 - 0 0 72 - 0 0 73 Total Deductions on which true-up does not apply = 605,923 0 605,923 74 - - - - - -							
60 61		Income from joint ventures or partnerships	_			0	
61		Unrealized income-Loss carried forward				0	
62							
63			_				
64 Ontario capital tax adjustments to current or prior year - 29,904 29,904 65 - 0 0 66 Changes in Regulatory Asset balances - 576,019 576,019 67 - 0 0 68 Other deductions: (Please explain in detail the nature of the item) - 0 69 + 0 70 - 0 71 - 0 72 - 0 73 Total Deductions on which true-up does not apply = 605,923 0 74 - 0							
65 - 0 0		Ontario canital tay adjustments to current or prior year		20.004			
66 Changes in Regulatory Asset balances - 576,019 576,019 67 - 0 0 68 Other deductions: (Please explain in detail the nature of the item) - 0 69 + 0 0 70 - 0 0 71 - 0 0 72 - 0 0 72 - 0 0 73 Total Deductions on which true-up does not apply = 605,923 0 605,923 74 - - - - - -		Omano capital tax aujustinents to current or prior year		29,904		29,904	
67		Changes in Regulatory Asset balances	_	576.019		576.019	
68 Other deductions: (Please explain in detail the nature of the item) - 0 69 + 0 70 - 0 71 - 0 72 - 0 73 Total Deductions on which true-up does not apply = 605,923 0 605,923 74 - - 0				0.0,010			
70 - 0 0 71 - 0 0 72 - 0 0 73 Total Deductions on which true-up does not apply = 605,923 0 605,923 74 - 0 0 0 75,923	68	Other deductions: (Please explain in detail the nature of the item)	-			0	
71							
72 - 0 73 Total Deductions on which true-up does not apply = 605,923 0 605,923 74 - 605,923			_				
73 Total Deductions on which true-up does not apply = 605,923 0 605,923 74 = 605,923							
74		Total Doductions on which true-up does not apply		60E 000	^		
		Total Deductions on which true-up does not apply	+=-	005,923	0	005,923	
1751	75						

March 22, 2010 TAXREC 3 No True-up

				-	-				—		
1	A PILs TAXES - EB-2008-381	В	С	D	E	F	G	Н		ı	
2	Corporate Tax Rates					ersion 2009.	1				
3	Exemptions, Deductions, o	r Threshold	ls		•	ersion 2003.					
4	Utility Name: Centre Welling										
-	Reporting period: 2002	, con riyaro	Ltd.								
6]										
7						Table 1					
8	Rates Used in 2002 RAM PI	Ls Applicat	tions for 2002	2							
	Income Range		0		200,001						
10	RAM 2002		to		to	>700,000					
11		Year	200,000		700,000						
	Income Tax Rate										
	Proxy Tax Year	2002									
	Federal (Includes surtax)		13.12%		26.12%	26.12%					
15	and Ontario blended		6.00%		8.00%	12.50%					
16	Blended rate		19.12%		34.12%	38.62%					
17			0.0000/								
	Capital Tax Rate		0.300%								
	LCT rate		0.225%								
20	Surtax	MAN	1.12%								
21	Ontario Capital Tax	MAX	5,000,000								
- 1	Exemption ** Federal Large	\$5MM									
	Federal Large Corporations Tax	MAX	10,000,000								
22	Exemption **	\$10MM	10,000,000								
٦	**Exemption amounts	muet sar-	oo with the	Board one	royod 200	2 DAM					
	-	must agre	se with the	ьоаги-арр	oved 200	Z RAW					
23	PILs filing										
24	i										
25	i					Table 2					
	Expected Income Tax Rates	s for 2002 a	nd Capital Ta	ax Exemption	s for 2002						
	Income Range		0		200,001						
28	Expected Rates		to		to	>700,000					
29		Year	200,000		700,000						
30	Income Tax Rate										
31	Current year	2002									
	Federal (Includes surtax)	2002	13.12%		26.12%	26.12%					
33	Ontario	2002	6.00%		8.00%	12.50%					
34	Blended rate	2002	19.12%		34.12%	38.62%					
35			0.0000/								
	Capital Tax Rate	2002	0.300%								
	LCT rate	2002	0.225%								
30	Surtax	2002	1.12%								
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000								
55	Federal Large	POININ									
	Corporations Tax	MAX	10,000,000								
40	Exemption *** 2002	\$10MM	.0,000,000								
	***Allocation of exempt	tione mus	et comply y	vith the Bo	ard'e ineti	uctions					
	•		or comply t	Titil tile Bot	ara 3 m30	uotions					
42	regarding regulated ac	uviues.									
43						Table 3					
	Input Information from Utili	ty's Actual		urns	000 001						
45 46	Income Range		0		200,001	× 700 000					
46 47		V	to		to	>700,000					
	Income Tax Rate	Year	200,000		700,000						
	Current year	2002	1	1							
	Federal (Includes surtax)	2002			26.12%					26.12	0.
51	Ontario				5.33%					5.33	
52	Blended rate	-	0.00%		31.45%	0.00%				31.45	
53	Diended late	l	0.0076		J1.4J%	0.00%				J1.40	/
	Capital Tax Rate	-	0.300%								
	LCT rate	l	0.300%								
		-	1.12%								
55	SUITE	MAX									
55	Surtax Ontario Capital Tay		5,000,000								
55 56	Ontario Capital Tax										
55	Ontario Capital Tax Exemption *	\$5MM									
55 56	Ontario Capital Tax Exemption * Federal Large	\$5MM MAX	10,000,000								
55 56 57	Ontario Capital Tax Exemption * Federal Large Corporations Tax	\$5MM	10,000,000								
55 56 57	Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	\$5MM MAX \$10MM		ocation cal	culations	in your					
55 56 57	Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * * Include copies of the	\$5MM MAX \$10MM actual ta	x return all			in your					
55 56 57	Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption *	\$5MM MAX \$10MM actual ta	x return all			in your					

March 22, 2010 Tax Rates

	Α	В	С	D	Е	F	G	Н	1	J	K	L	M	Ν	0
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account	t 1562													
3	Utility Name: Centre Wellingto	n Hyd	Iro Ltd.												Version 2009.1
4	Reporting period: 2002				Sign Conventi	on:	+ for increase;	- fo	r decrease						0
5															
6															
7													True up for		
	Year start:												01/01/2002		
	Year end:												31/12/2002		Total
10															
11	Opening balance:	=	C)	0		0		0		0		0		0
	Board-approved PILs tax	+/-													
	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1,														
13	2005 - input 9/12 of amount										_				0
	True-up Variance	+/-													
	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-													
	Adjustment (3)			_	_						_		0		0
	Deferral Account Variance														_
	Adjustment Q4, 2001 (4)			_											. 0
	Deferral Account Variance	+/-													
	Adjustment (5)			_									-29,494		-29,494
	Adjustments to reported	+/-													
	prior years' variances (6)	. /		_	_	_	-				_				0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
20	from) customers (8)		C)											0
21															
22	Ending balance: # 1562		C)	0		0		0		0		-29,494		-29,494
23															

26 Uncollected PILs

31

33

34 35

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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.

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

- (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.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
- (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained
- (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.
- 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 43 44 45 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
 - (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
 - (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
 - (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.
 - (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.
- (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.
- 60 61 62 63 64 65 67 68 70 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 75 will have to include amounts from 1562 and from 1590.

PILs 1562 Calculation March 22 2010

				_	Appendix
	Α	В	С	D	Е
	PILs TAXES - EB-2008-381				Version 2009.1
	REGULATORY INFORMATION (REGINFO)				
	Utility Name: Centre Wellington Hydro Ltd.			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
	Total days in the calendar year:	365	days		
8	Total dayo in the edicinal years	333	uuju		
	DACKOROLIND				
	BACKGROUND				
	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	Υ	
10	Was the utility assessed as a suited by the deep One				
	Was the utility recently acquired by Hydro One		> / /> I		
15	and now subject to s.89 & 90 PILs?		Y/N	N	
17	Is the utility a non-profit corporation?		Y/N	N	
-	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		1/11	IN	
	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		100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
25	ociis oos & or + iii tiic irixoreo spicadsiicot.	LOT		10070	
24	Accounting Year End		Date	12-31-2003	
20					
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					
	Rate Base (wires-only)			8 553 726	Rate Base-Estimate
ΟZ				1	Tate Base Estimate
7	Common Equity Ratio (CER)			50.00%	
00	1-CER			50.00%	
	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			732,627	
43	1999 return from RUD Sheet #7			555,088	555,088
45	Total Incremental revenue			177,539	
_	Input: Board-approved dollar amounts phased-in			177,555	
				50.400	50.400
47	Amount allowed in 2001			59,180	59,180
48	Amount allowed in 2002			59,180	59,180
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				0
52	Other Board-approved changes to MARR or incremental revenue				0
53				-	0
54	Total Regulatory Income				673,447
55	Total Regulatory moonie				070,747
	Equity			4.070.000	
	Equity			4,276,863	
57	D				
	Return at target ROE			422,554	
59					
60	Debt			4,276,863	
61					
62	Deemed interest amount in 100% of MARR			310,073	
63					
	Phase-in of interest - Year 1 (2001)			259,979	
65	((D43+D47)/D41)*D61			200,019	
				205 000	
	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61				
	Phase-in of interest - Year 3 (2003) and forward			285,026	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			310,073	
71					
72					

March 22, 2010 REGINFO

	A	В	С	D	E	F	G	Н
1	PILs TAXES - EB-2008-381	ITEM	Initial	U	M of F	M of F	Tax	н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS	IILIVI	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	
7	Utility Name: Centre Wellington Hydro Ltd. Reporting period: 2003							
8	reporting period. 2000						Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11			¢		e		TAXREC	
13								
14	I) CORPORATE INCOME TAXES							
15								
16 17	Regulatory Net Income REGINFO E53	1	673,447		60,266		733,713	
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	442,771		70,404		513,175	
21	Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year	3			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	0		0		0	
25 26	Other Additions (See Tab entitled "TAXREC")				0		0	
27	"Material" Items from "TAXREC" worksheet 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"	<u> </u>		Ш	212,812		212,812	Ш
31	Deductions: Input positive numbers	l		H				
33	Capital Cost Allowance and CEC	7	332,314		252,970		585,284	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36 37	Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred	10 11	285,026	H	0 68,474		353,500	H
38	Tax reserves - end of year	4	200,020		00,474		333,300	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3		Щ	0		0	ш
42	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11		H	0		0	H
43	Other Deductions (See Tab entitled "TAXREC")	L''		H			U	╚
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12		Щ	0		0	Н
47	Other Deductions (not "Material") "TAXREC 2"	12 12			0		0	
48	Items on which true-up does not apply "TAXREC 3"	, _			130,179		130,179	
49								
50	TAXABLE INCOME/ (LOSS)		498,878		-108,141		390,737	
51 52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-6.9400%		27.18%	
54								
55	REGULATORY INCOME TAX		170,217		-132,778	Actual	37,439	
56 57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		170,217		-132,778	Actual	37,439	
61 62								
63	II) CAPITAL TAXES							
64								
65	Ontario		0.550.700		4 705 000		10.010.705	
66 67	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	15 16	8,553,726 5,000,000		4,795,039		13,348,765 5,000,000	
68	Taxable Capital		3,553,726		4,795,039		8,348,765	
69								
70 71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
72	Ontario Capital Tax		10.661		14.385		25 046	
73	Shaho Saphar rax		10,001		1 1,000		20,010	
74	Federal Large Corporations Tax							
75 76	Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	18 19	8,553,726 10,000,000	H	3,508,490		12,062,216 10,000,000	
77	Taxable Capital	13	10,000,000	H	3,508,490		2,062,216	Н
78			Ü				_,,,,,,,,	
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	Ш	0.0000%		0.2250%	\sqcup
80	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	1	0	\vdash	4,640		4,640	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		4,640		4,840	
83								
84	Net LCT	1	0	Н	4,640		4,640	H
85 86	III) INCLUSION IN RATES			H				
87								
88	Income Tax Rate used for gross- up (exclude surtax)	ļ	34.12%	Ш				
89 90	Income Tax (proxy tax is grossed-up)	22	258,375	H		Actual 2003	37,439	H
91	LCT (proxy tax is grossed-up)	23	256,375			Actual 2003	2,810	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	10,661			Actual 2003	25,306	
93 94		1		Н				
95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	269,036	H		Actual 2003	65,555	H
96	RAM DECISION		200,000	H		, total 2000	00,000	
97	**********							
98	NA FUTURE TRUE URG			Щ				H
99 100	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance	l		H	DR/(CR)			
101	In Additions:			Н	בווונטאו			
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4		H	0			H
104	Reserves from financial statements-end of year Regulatory Adjustments	4 5		H	0			
105	Other additions "Material" Items TAXREC	6		Н	0			H
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers			Щ.				L
109	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9		H	0			-
111	Regulatory Adjustments	10		Н	0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11			43,427			
113	Tax reserves claimed in current year	4		Щ	0			Ш
114	Reserves from F/S beginning of year Contributions to deferred income plans	4		H	0			H
116	Contributions to pension plans	3		H	0			H
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12		Ш	0			Ш
119			1					

March 22, 2010 TAXCALC

	A	В	С	_	F	F	G	
H	PILs TAXES - EB-2008-381	ITEM	Initial	D	M of F	M of F	Tax	Н
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)				Variance K-C	Variance Explanation		
5	0				N O	Explanation	Version 2009.1	
7	Utility Name: Centre Wellington Hydro Ltd. Reporting period: 2003							\vdash
8							Column	
10	Days in reporting period: Total days in the calendar year:	365 365	days days	H			Brought From	Н
11	Total days in the calcidar year.	000					TAXREC	
12			\$		\$		\$	Н
	Total TRUE-UPS before tax effect	26		=	-43,427			
121 122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return				07.400/			
123	income Tax Rate (excluding surtax) from 2003 Utility's tax return			Х	27.18%			
124 125	Income Tax Effect on True-up adjustments			=	-11,804			
126	Less: Miscellaneous Tax Credits	14			0			
127 128	Tatal lasana Taylor Taylor				44.004			
128	Total Income Tax on True-ups				-11,804			
130	Income Tax Rate used for gross-up (exclude surtax)				26.06%			
132	TRUE-UP VARIANCE ADJUSTMENT				-15,964			\Box
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							i
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	498,878			1 1
137								
138 139	REVISED CORPORATE INCOME TAX RATE			х	27.18%			\vdash
140	REVISED REGULATORY INCOME TAX			=	135,595			
141 142	Less: Revised Miscellaneous Tax Credits			-	0			\vdash
143								
144	Total Revised Regulatory Income Tax			=	135,595			H
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell							П
146 147	C58)			-	170,217			\vdash
148	Regulatory Income Tax Variance			=	-34,622			
149 150	Ontario Capital Tax							
151	Base			=	8,553,726			
152 153	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			-	5,000,000 3,553,726			
154				_				
155 156	Rate - Tab Tax Rates cell C54			Х	0.3000%			
157	Revised Ontario Capital Tax			=	10,661			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				10,661			
159	Regulatory Ontario Capital Tax Variance			=	0			
160 161	Fodoval I CT							
162	Federal LCT Base				8,553,726			
163 164	Less: Exemption from tab Tax Rates, Table 2, cell C40				10,000,000 -1,446,274			
165	Revised Federal LCT			=	-1,440,274			
166 167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
168	Gross Amount				0			
169 170	Less: Federal surtax			-	0			
171	Revised Net LCT			=	0			\Box
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173 174	Regulatory Federal LCT Variance			=	0			\vdash
175	Actual Income Tax Rate used for gross-up (exclude surtax)				26.06%			
1/6 177	Income Tax (grossed-up)			+	-46,825			\vdash
178	LCT (grossed-up)			+	0			
179 180	Ontario Capital Tax			+	0			\vdash
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-46,825			
182 183	TRUE-UP VARIANCE (from cell l132)			+	-15,964			\vdash
184								
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	-62,788			\vdash
187								
188 189				Н				Н
190	V) INTEREST PORTION OF TRUE-UP							口
191 192	Variance Caused By Phase-in of Deemed Debt			\vdash				\square
193	Total deemed interest (REGINFO)				310,073			
194 195	Interest phased-in (Cell C36)			H	285,026			Н
196	Variance due to phase-in of debt component of MARR in rates				25,047			
197 198	according to the Board's decision			H				H
199	Other Interest Variances (i.e. Borrowing Levels							曰
200	Above Deemed Debt per Rate Handbook)				353,500	-		
201	Interest deducted on MoF filing (Cell K36+K41) Deemed Interest			H	353,500 310,073			\vdash
203					10.15	-		
204 205	Variance caused by excess debt			H	43,427			\vdash
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				43,427			
207 208	Total Interest Variance			H	-18,381			H
209								口
210 211								\vdash

March 22, 2010 TAXCALC

	А	В	С	D	E	F
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	•		Return		Version 2009.1	
_	Section A: Identification:				VEI SIOII 2003. I	
7	Utility Name: Centre Wellington Hydro Ltd.					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
	Number of days in taxation year:		365	days		
12						
	Please enter the Materiality Level :		10,692	< - 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) Does the utility carry on non-wires related operation?	Y/N Y/N				
	(Please complete the questionnaire in the Background questionnaire		heet)			
19	(1 loade complete the questionnaire in the Background questionnaire	l cinci	1001.7			
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
	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.					
	If required please change the descriptions except for amortization, interest	expens	se and provision for	income tax		
26	Places anter the non-wire energian's amount as a residue number of	20022	automatically tract	all amounts		
27 28	Please enter the non-wire operation's amount as a positive number, the pr in the "non-wires elimination column" as negative values in TAXREC and			an arriounts		
29	in the mon-wires elimination column as negative values in TAXREC and	MAKE	υ <u>ε</u> .			
	Income:					
31	Energy Sales	+	8,104,397		8,104,397	
32	Distribution Revenue	+	2,426,695		2,426,695	
33	Other Income	+	364,946		364,946	
34	Miscellaneous income	+			0	
35		+			0	
	Revenue should be entered above this line					
37						
	Costs and Expenses:					
39 40	Cost of energy purchased	-	8,104,397		8,104,397	
41	Administration Customer billing and collecting	-	667,175 398,182		667,175 398,182	
42	Operations and maintenance	-	479,396		479,396	
43	Amortization	_	513,175		513,175	
44	Ontario Capital Tax	-	0		010,170	
45	Reg Asset movement	-	0		0	
46		-			0	
47		-			0	
48		-			0	
49						
	Net Income Before Interest & Income Taxes EBIT	=	733,713	0	733,713	
52	Less: Interest expense for accounting purposes	-	353,500 49,795		353,500 49,795	
	Provision for payments in lieu of income taxes Net Income (loss)	=	330,418	0		
55	(The Net Income (loss) on the MoF column should equal to the net income (loss)	_	330,410	0	330,410	
	per financial statements on Schedule 1 of the tax return.)					
55						
	Section C: Reconciliation of accounting income to taxable income					
_	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS: Provision for income tax		49.795	0	49,795	
_	Federal large corporation tax	+	49,795	U	49,795	
	Depreciation & Amortization	+	513,175	0	513,175	
	Employee benefit plans-accrued, not paid	+	0	0		
	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		212,812	0	212,812	
_	Material addition items from TAXREC 2	+	0	0	0	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69 70	Cublated		775 700		775 766	
71	Subtotal		775,782	0	775,782	
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
76	Income for tax purposes not recorded for book purposes	+			0	
77		+			0	
78		+			0	
79	Total Othon Adelition	+			0	
80 81	Total Other Additions	=	0	0	0	
82	Total Additions	=	775,782	0	775,782	
83	TULAI AUUILIUTIS	=	115,182	U	115,182	
-	Recap Material Additions:					
85			0	0	0	

	A	В	С	D	Е	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	·
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax Return		Return	
5	<u> </u>		Retuin		Version 2009.1	
86			0	0		
87			0	0	0	
88 89			0	0	0	
90			0	0	0	
91			0	0	0	
-	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level) Total Other Additions		0	0	0	
95	Total Other Maditions		Ü	<u> </u>	Ü	
	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance Cumulative eligible capital deduction	-	585,284 0		585,284 0	
	Employee benefit plans-paid amounts	-	0		0	
100	Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102 103		-			0	
-	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans Items on which true-up does not apply "TAXREC 3"	-	130,179	0	130,179	
	Interest capitalized for accounting deducted for tax	-	100,110		0	
110	Material deduction items from TAXREC 2	-	0	0	0	
	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112 113	Subtotal	=	715,463	0	715,463	
	Other deductions (Please explain the nature of the deductions)	_	7 10,400	<u> </u>	710,400	
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets Deferred and Prepaid Expenses	-			0	
118	Deletred and Prepaid Expenses	-	0		0	
	Capital taxes included in tax provision:Deducted from Tax Provision (Line 101)	-	0		0	
120	Total Other Deductions	=	0	0	0	
121 122	Total Deductions	=	715,463	0	715,463	
123	Total Deductions	_	7 10,400	0	7 13,403	
	Recap Material Deductions:					
125 126			0	0	0	
127			0	0	0	
128			0	0	0	
129	Total Others Designations are administrative level		0	0	0	
	Total Other Deductions exceed materiality level Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133						
	TAXABLE INCOME DEDUCT:	=	390,737	0	390,737	
	Non-capital loss applied positive number	-	227,343		227,343	Add
137	Net capital loss applied positive number	-	2.,2.70		0	
138	NET TAVADI E INCOME		100.00		0	
139	NET TAXABLE INCOME	=	163,394	0	163,394	
-	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	22,244		22,244	
	Net Ontario Income Tax (Must agree with tax return)	+	15,195	_	15,195	
144 145	Subtotal Less: Miscellaneous tax credits (Must agree with tax returns)	-	37,439 0	0	37,439 0	
	Total Income Tax	=	37,439	0	37,439	
147						
	FROM ACTUAL TAX RETURNS Not Fodoral Income Tay Rate (Must agree with tay return)		4.53%		4.53%	
	Net Federal Income Tax Rate (Must agree with tax return) Net Ontario Income Tax Rate (Must agree with tax return)		3.09%		3.09%	
151			7.62%		7.62%	
152	Ocation E. Income and Ocation Error					
153 154	Section F: Income and Capital Taxes					
	RECAP					
156	Total Income Taxes	+	37,439	0	37,439	
	Ontario Capital Tax Federal Large Corporations Tax	+	25,306		25,306	
158	Federal Large Corporations Tax	+	2,810		2,810	
160	Total income and capital taxes	=	65,555	0	65,555	
161						

Appendix C В С D PILs TAXES - EB-2008-381 LINE M of F Wires-only Non-wires Tax and Accounting Reserves Corporate Eliminations Tax For MoF Column of TAXCALC Tax Return (for "wires-only" business - see s. 72 OEB Act) Return Version 2009.1 6 Utility Name: Centre Wellington Hydro Ltd. 8 Reporting period: 2003 10 TAX RESERVES 11 12 Beginning of Year: 13 0 14 Reserve for doubtful accounts ss. 20(1)(I) 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 23 24 End of Year: 25 0 26 Reserve for doubtful accounts ss. 20(1)(I) 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 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 51 52 End of Year: 53 0 0 54 55 Environmental 0 0 56 Allowance for doubtful accounts 0 Inventory obsolescence Property taxes 0 Other - Please describe 0 Other - Please describe 0 61 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0 64

March 22, 2010 Tax Reserves

						ppendix C
	Α	В	С	D	E	F
1						
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6 7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
	Utility Name: Centre Wellington Hydro Ltd.					
0	Reporting period: 2003					
	Number of days in taxation year:		365			
11	Materiality Level:		10,692			
12	materiality Level.		10,032			
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17		+			0	
	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed	+			0	1
	Debt issue expense	+			0	
	Financing fees deducted in books Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+	0		0	
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	=	0	0	0	
47	Decem of Material Additional					
48 49	Recap of Material Additions:		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 72			0	0	0	
73			0	0	0	
74			0	0	0	
14			0	0	0	

					Ap	pendix (
	A	В	С	D	Е	F
1						
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	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						
	Utility Name: Centre Wellington Hydro Ltd.					
	Reporting period: 2003					
	Number of days in taxation year:		365			
	Materiality Level:		10,692			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	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	
	Bad debts	-	0		0	
	Book income of joint venture or partnership	-			0	
	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	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
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			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	l l
	Total Deductions exceed materiality level		0	0	0	l l
	Other deductions less than materiality level		0	0	0	
	Total Deductions		0	0	0	
122			· ·	- U	Ü	

	A	В	С	D	E	F
1	A	D	C	U	E	Г
	PILS TAXES - EB-2008-381 TAX RETURN RECONCILIATION (TAXREC 3)					
	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
9	Utility Name: Centre Wellington Hydro Ltd.				Version 2009.1	
10						
	Reporting period: 2003					
	Number of days in taxation year:		365			
13 14						
15						
-	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18	Decenture of conital cost allowance				0	
	Recapture of capital cost allowance CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
-	Non-deductible meals	+	2,062		2,062	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+	100,000		100,000	
	Donations - amount per books Interest and penalties on unpaid taxes		100,000		100,000	
	Management bonuses unpaid after 180 days of year end				0	
	Imputed interest expense on Regulatory Assets				0	
39	Outside soulted to coefficiency to	+			0	
	Ontario capital tax adjustments Changes in Regulatory Asset balances	+	110,750		110,750	
42	Onangoo iii Nogalatory Noost Salahooo	+	110,100		0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44 45	Bad debts - pre-October 1, 2001 Denied	+	0		0	
46	Change in Settlement Variance	+			0	
47	Total Additions on which true-up does not apply	=	212,812	0	212,812	
48						
	Deduct:					
50 51	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
-	Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs	-	4,545		4,545 0	
	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-	100,000		100,000	
-	Income from joint ventures or partnerships	-			0	
59 60		-			0	
61		-			0	
62		-			0	
63		-			0	
64 65	Ontario capital tax adjustments to current or prior year	-	25,306		25,306 0	
-	Changes in Regulatory Asset balances	-			0	
67		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
69 70	Unrealized revenue - Non capital loss (Sch 4 tax return) Taxable dividends deductible under section 112 or 113	-	200		0 328	
71	raxable dividends deductible under Section 112 of 113	-	328		328	
72		-			0	
73	Total Deductions on which true-up does not apply	=	130,179	0	130,179	
74 75						
75						

March 22, 2010 TAXREC 3 No True-up

A ILs TAXES - EB-2008-381 orporate Tax Rates xemptions, Deductions, or tility Name: Centre Welling eporting period: 2003 ates Used in 2002 RAM PII ncome Range AM 2002 ncome Tax Rate proxy Tax Year federal (Includes surtax)	gton Hydro	Ltd.	D	<u>E</u> V	F // Yersion 2009.1	G H I	
orporate Tax Rates xemptions, Deductions, or tility Name: Centre Welling eporting period: 2003 ates Used in 2002 RAM PIL come Range AM 2002 come Tax Rate droxy Tax Year	gton Hydro Ls Applicat	Ltd.		V			
xemptions, Deductions, or tility Name: Centre Welling eporting period: 2003 ates Used in 2002 RAM PIL come Range AM 2002 acome Tax Rate proxy Tax Year	gton Hydro Ls Applicat	Ltd.		v			
tility Name: Centre Welling eporting period: 2003 ates Used in 2002 RAM PIL ncome Range AM 2002 ncome Tax Rate proxy Tax Year	gton Hydro Ls Applicat	Ltd.			Table 1		
ates Used in 2002 RAM PIL come Range AM 2002 come Tax Rate	Ls Applicat	tions for 2002			Table 1		
ates Used in 2002 RAM PII ncome Range AM 2002 ncome Tax Rate proxy Tax Year		0			Table 1		
ncome Range AM 2002 ncome Tax Rate proxy Tax Year		0			Table 1		
ncome Range AM 2002 ncome Tax Rate proxy Tax Year		0					
ncome Range AM 2002 ncome Tax Rate proxy Tax Year		0					
ncome Tax Rate Proxy Tax Year	Year	to		200,001			
roxy Tax Year	Year	i.U		to	>700000		
roxy Tax Year		200,000		700,000			
ederal (Includes surtax)	2002						
		13.12%		26.12%	24.12%		
and Ontario blended	-	5.50%		8.00%	12.50%		
Blended rate		18.62%		34.12%	36.62%		
onital Tay Bata		0.2009/					
apital Tax Rate CT rate		0.300% 0.225%					
	MAY						
	\$5MM	5,000,000					
ederal Large							
orporations Tax		10,000,000					
xemption **	\$1UMM						
	must agre	e with the	Board-appr	oved 200	2 RAM		
•	3						
9							
			_		Table 2		
xpected Income Tax Rates	for 2003 a		x Exemptions				
		_		*	700000		
xpected Rates	Voor				>/00000		
noomo Tay Bato	rear	200,000	-	700,000			
	2002		 		 		
		13 12%			26.12%		
`							
				34.12%			
		.0270		0.1.1270	00:0270		
apital Tax Rate	2003	0.300%					
CT rate	2003	0.225%					
urtax	2003	1.12%					
ntario Capital Tax	MAX	5,000,000					
xemption *** 2003	\$5MM	5,000,000					
ederal Large	MAX						
		10,000,000					
-		st comply w	rith the Boa	rd's instr	uctions		
egarding regulated act	tivities.						
- -					Table 3		
put Information from Utilit	ty's Actual	2003 Tax Ret	urns				
ncome Range		0		200,001			
		to		to	>700,000		
	Year	200,000		700,000			
ncome Tax Rate							
urrent year	2003						
ederal (Includes surtax)		4.53%		4.53%	24.12%	24.12%	0.00
ntario	<u> </u>	3.09%		3.09%	12.50%	12.50%	0.00
Blended rate	<u> </u>	7.62%		7.62%	36.62%	36.62%	0.00
		0.00531					
	<u> </u>	0.300%					
apital Tax Rate	3	0.225%					
CT rate							
CT rate urtax		1.12%					
CT rate urtax Intario Capital Tax	MAX						
CT rate urtax entario Capital Tax xemption *	\$5MM	1.12%					
CT rate urtax entario Capital Tax xemption * ederal Large		1.12% 5,000,000					
CT rate urtax entario Capital Tax xemption * ederal Large orporations Tax	\$5MM	1.12%					
CT rate urtax entario Capital Tax xemption * ederal Large eorporations Tax xemption *	\$5MM MAX \$10MM	1.12% 5,000,000 10,000,000	ootion	ulotiona			
CT rate urtax entario Capital Tax xemption * ederal Large orporations Tax	\$5MM MAX \$10MM actual tax	1.12% 5,000,000 10,000,000 x return allo			n your		
x x x x x x x x x x x x x x x x x x x	emption ** Exemption amounts respected Income Tax Rates come Range spected Rates come Tax Rate surrent year ederal (Includes surtax) entario Capital Tax Rate entario Capital Tax emption *** 2003 deral Large proporations Tax emption *** 2003 **Allocation of exemption *** 2003 **Allocation of exemption of exemption entario capital Tax emption *** 2003 **Allocation of exemption entario entario from Utiliticome Range	Attario Capital Tax Attario Capital Tax Attario Capital Tax Attario Capital Tax Attario Capital Carge Attario	Attario Capital Tax Attario Capital Tax Attario Capital Tax Attario Capital Tax Attario Capital Large Attario Capital	Attario Capital Tax Attari	the part of the pa	State Stat	State Stat

March 22, 2010 Tax Rates

A	В	С	D	E	F	G	Н	I	J	K	L	M	Ν	0
1 PILs TAXES - EB-2008-381														
2 Analysis of PILs Tax Accoun														
3 Utility Name: Centre Welling	ton Hyd	dro Ltd.												Version 2009.1
4 Reporting period: 2003				Sign Convention	on: +	for increase;	- for	decrease						0
5														
6														
7														
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		0		0		0		0		0		0
Board-approved PILs tax	+/-													
12 proxy from Decisions (1)						0		0		0		0		0
PILs proxy from April 1, 2005	5													
13 - input 9/12 of amount														0
True-up Variance	+/-													
14 Adjustment Q4, 2001 (2)														0
True-up Variance	+/-													
15 Adjustment (3)		_										-15,964		-15,964
Deferral Account Variance														
16 Adjustment Q4, 2001 (4)														0
Deferral Account Variance	+/-													
17 Adjustment (5)												-46,825		-46,825
Adjustments to reported	+/-													
18 prior years' variances (6)														0
Carrying charges (7)	+/-													0
PILs billed to (collected	-													
from) customers (8)		0			l				1			 		0
21]	0				0		60.700		60.700
22 Ending balance: # 1562		0		0		0		0		0		-62,788		-62,788

Uncollected PILs

24

28

29

31

34

35 36

37

54

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.

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

- (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. 33 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.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (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.
- 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 44 45 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- (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.
 - (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 57 (7) Carrying charges are calculated on a simple interest basis.
- 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 61 62 63 64 65 67 68 70 71 72 73 74 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.
 - 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.

	A	В	С	D	Е
1	PILs TAXES - EB-2008-381	Ь	C	<u> </u>	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				70.0.0.1 200011
	Utility Name: Centre Wellington Hydro Ltd.			Colour Code	
	Reporting period: 2004			Input Cell	
5				Formula in Cell	
	Days in reporting period:	366	days		
	Total days in the calendar year:	366	days		
8	DAOKOROUND				
	BACKGROUND 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	Υ	
10			1714		
	Was the utility recently acquired by Hydro One		27/21		
15	and now subject to s.89 & 90 PILs?		Y/N	N	
	Is the utility a non-profit corporation?		Y/N	N	
	(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	_	
	shared among the corporate group?	LCT	Y/N		
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
ZO	·		Dat-		
	Accounting Year End		Date	12-31-2004	
	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30	Deta Desa (vidas anti-)			0.550.700	
OΖ	Rate Base (wires-only)			8,553,726	
7	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			732,627	
43	1999 return from RUD Sheet #7			555,088	555,088
45	Total Incremental revenue			177,539	
	Input: Board-approved dollar amounts phased-in			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
47	Amount allowed in 2001			59,180	59,180
48	Amount allowed in 2002			59,180	59,180
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				0
52	Other Board-approved changes to MARR or incremental revenue				0
53	Total Degulatory Income			1	670.440
54 55	Total Regulatory Income				673,448
	Equity			4,276,863	
57	Lyuny			4,210,003	
	Return at target ROE			422,554	
59	Ť				
60	Debt			4,276,863	
61					
	Deemed interest amount in 100% of MARR			310,073	
63 64	Phase-in of interest - Year 1 (2001)			259,979	
65	((D43+D47)/D41)*D61			200,019	
	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61			200,020	
$\overline{}$	Phase-in of interest - Year 3 (2003) and forward			285,026	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
	Phase-in of interest - 2005			310,073	
71					
72					

March 22, 2010 REGINFO

$\overline{}$	A	В	С	D	E	F	G	Н
	PILs TAXES - EB-2008-381	ITEM	Initial	٥	M of F	M of F	Tax	- 11
3	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns	
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	Version 2009.1	
7	Utility Name: Centre Wellington Hydro Ltd. Reporting period: 2004							
8		200	4				Column	
10	Days in reporting period: Total days in the calendar year:	366	days days				Brought From	
11			\$		\$		TAXREC \$	
13 14	I) CORPORATE INCOME TAXES							
15 16			070 440		445,000		040.004	
17	Regulatory Net Income REGINFO E53	1	673,448		145,836		819,284	
18 19	BOOK TO TAX ADJUSTMENTS Additions:							
20	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	3	442,771		65,553 0		508,324	
22	Tax reserves - beginning of year Reserves from financial statements - end of year	4			0		0	
24 25	Regulatory Adjustments - increase in income	5	0		0		0	
26	Other Additions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	6			0		0	
27 28	Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet	6			0		0	
29 30	Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	6			193,027		193,027	
31					,		70,027	
33	Deductions: Input positive numbers Capital Cost Allowance and CEC	7	332,314		279,534		611,848	
34 35	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred	10 11	0 285,026		0 89,382		0 374,408	
38	Tax reserves - end of year Reserves from financial statements - beginning of year	4	,		0		0	
40 41	Contributions to deferred income plans	3			0		0	
42	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11			0		0	
43	Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	12			0		0	
45 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12 12		_	0		0	
47 48	Other Deductions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	12			0 171,860		0 171,860	
49			100 070					
50 51	TAXABLE INCOME/ (LOSS)		498,879		-136,360		362,519	
52 53	BLENDED INCOME TAX RATE Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-9.5300%		24.59%	
54 55	REGULATORY INCOME TAX		170,217		-85,160		85,057	
56 57								
58 59	Miscellaneous Tax Credits	14			0		0	
60 61	Total Regulatory Income Tax		170,217		-85,160		85,057	
62 63	II) CARITAL TAYEO							
64	II) CAPITAL TAXES							
65 66	Ontario Base	15	8,553,726		3,948,782		12,502,508	
67 68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	5,000,000 3,553,726		0 3,948,782		5,000,000 7,502,508	
69 70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71 72	Ontario Capital Tax		10,661		11,846		22,508	
73 74			,		,		,	
75	Federal Large Corporations Tax Base Base Base Tay Dates Base Taylor Table 4. Actual Table 2.	18	8,553,726		3,948,811		12,502,537	
	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	19	10,000,000		40,000,000 43,948,811		50,000,000	
78 79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82 83	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
84 85	Net LCT		0		0		0	
86 87	III) INCLUSION IN RATES							
88	Income Tax Rate used for gross- up (exclude surtax)		34.12%					
	Income Tax (proxy tax is grossed-up)	22	258,375			Actual 2004	85,057	
91 92	LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	23 24	10,661			Actual 2004 Actual 2004	0 22,508	
93 94								
95 96	Total PILs for Rate Adjustment MUST AGREE WITH 2002 RAM DECISION	25	269,036			Actual 2004	107,565	
97 98	NOW DECICION							
99	IV) FUTURE TRUE-UPS							
101	IV a) Calculation of the True-up Variance In Additions:				DR/(CR)			
102 103	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3 4		_	0			
104	Reserves from financial statements-end of year Regulatory Adjustments	4 5			0			
106	Requisitory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers				-			
110	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8			0			
111 112	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10 11			0 64,335			
113 114	Tax reserves claimed in current year Reserves from F/S beginning of year	4			0			
115 116	Contributions to deferred income plans Contributions to pension plans	3			0			
117	Continuous to person plans Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12 12			0			
119					·			
120	Total TRUE-UPS before tax effect	26	1	=	-64,335		1	1

March 22, 2010 TAXCALC

_								
4	A A	B ITEM	C	D	E M of E	F M of F	G	Н
	PILS TAXES - EB-2008-381 PILS DEFERRAL AND VARIANCE ACCOUNTS	IICIVI	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	V! 0000 4	
6	Utility Name: Centre Wellington Hydro Ltd.						Version 2009.1	
7	Reporting period: 2004							
8	Dave in reporting periods	366	dovo				Column	
10	Days in reporting period: Total days in the calendar year:	366	days days				Brought From	
11							TAXREC	
12			\$		\$		\$	
13 121								
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return			х	24.59%			
123								
125	Income Tax Effect on True-up adjustments			=	-15,820			
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-15,820			
130	Income Tax Rate used for gross-up (exclude surtax)				23.47%			
131								
133	TRUE-UP VARIANCE ADJUSTMENT				-20,672			
130	IV b) Calculation of the Deferral Account Variance caused by							
134	changes in legislation							
135	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
136				=	498,879			
137	·							
138	REVISED CORPORATE INCOME TAX RATE		ļ	х	24.59%			
139	REVISED REGULATORY INCOME TAX		-	-	122,674			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143	Total Revised Regulatory Income Tax			=	122,674			
145					122,074			
,	Less: Regulatory Income Tax reported in the Initial Estimate Column	-				-		
146	(Cell C58)			-	170,217			
148	Regulatory Income Tax Variance			=	-47,543			
149								
150 151	Ontario Capital Tax Base				8,553,726			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	3,553,726			
154 155	Data Tab Tau Datas and Of 4			Х	0.3000%			
156	Rate - Tab Tax Rates cell C54				0.3000%			
157				=	10,661			
450	Less: Ontario Capital Tax reported in the initial estimate column (Cell				40.004			
158	C70) Regulatory Ontario Capital Tax Variance			=	10,661			
160								
161					0.550.700			
162 163	Base Less: Exemption from tab Tax Rates, Table 2, cell C40			-	8,553,726 50,000,000			
164				=	-41,446,274			
165					0.00000/			
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
168	Gross Amount				0			
	Less: Federal surtax			-	0			
171	Revised Net LCT			=	0			
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173				=	0	-		
174	Actual Income Tax Rate used for gross-up (exclude surtax)				23.47%		 	
176	rak rate acce to gross up (exclude surtax)							
177				+	-62,124			
178	LCT (grossed-up) Ontario Capital Tax			+	0			-
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-62,124			
183	TRUE-UP VARIANCE (from cell I132)			+	-20,672			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-82,795	-		
186	(Deferral Account Variance + True-up Variance)							
188			<u> </u>					
189								
190								_
192	Variance Caused By Phase-in of Deemed Debt							
193					310,073			
194	Interest phased-in (Cell C36)				285,026			
196					25,047			
197	according to the Board's decision							
198	Other Interest Variances /i.e. Perrowing Levels							_
200								
201	Interest deducted on MoF filing (Cell K36+K41)				374,408			
202	Deemed Interest				310,073			
204	Variance caused by excess debt				64,335			
205	·							
200	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				64,335			
208	Total Interest Variance				-39,289			
209								
210						-		
211			l .					

March 22, 2010 TAXCALC

	A	В	С	D	E	F
	PILS TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Tax Return	
4	0		Return		rtotarri	
5					Version 2009.1	
	Section A: Identification:					
7 8	Utility Name: Centre Wellington Hydro Ltd.					
9	Reporting period: 2004 Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
	Please enter the Materiality Level :	> () 1	10,692	< - enter materiality	/ level	
14 15	(0.25% x Rate Base x CER) (0.25% x Net Assets)	Y/N Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire	worksh	eet.)			
19	N					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
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	expens	e and provision for in	ncome tax		
26 27	Places order the pap wire exerctions amount as a secitive secret.	ogran-	utomotically to at	Il amounta		
28	Please enter the non-wire operation's amount as a positive number, the pro in the "non-wires elimination column" as negative values in TAXREC and T.			iii attiOutitS		
29	in the front whose chilinian of technical as negative values in TAANEC allu I.	MINEC	·			
30	Income:					
31	Energy Sales	+	8,887,465		8,887,465	
32	Distribution Revenue	+	2,424,493		2,424,493	
33	Other Income Miscellaneous income	+	255,755 102,054	0	255,755 102,054	
35	Miscellaneous income	+	102,054		102,054	
_	Revenue should be entered above this line				0	
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	8,887,465		8,887,465	
40	Administration Customer billing and collecting	-	596,510 402,211	0	596,510 402,211	
42	Operations and maintenance		455,973		455,973	
43	Amortization	-	508,324	0	508,324	
44	Ontario Capital Tax	-	0		0	
45	Recovery of regulatory assets - expense	-	0		0	
46 47		-			0	
48		-			0	
49					0	
50	Net Income Before Interest & Income Taxes EBIT	=	819,284	0	819,284	
51	Less: Interest expense for accounting purposes	-	374,408		374,408	
52	Provision for payments in lieu of income taxes	-	115,550	0	115,550	
53	Net Income (loss) (The Net Income (loss) on the MoF column should equal to the net income (loss)	=	329,326	0	329,326	
54	per financial statements on Schedule 1 of the tax return.)					
55	Continu C. Donounillistian of accounting to					
	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	115,550	0	115,550	
	Federal large corporation tax	+	0		0	
	Depreciation & Amortization	+	508,324	0	508,324	
	Employee benefit plans-accrued, not paid Tax reserves - beginning of year	+	0	0	0	
	Reserves from financial statements- end of year	+	0	0		
	Regulatory adjustments on which true-up may apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		193,027	0	193,027	
67	Material addition items from TAXREC 2	+	0	0	0	
	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69 70	Subtotal		816,901	0	816,901	
71	Subiolai		010,901	0	010,901	
_	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
76 77		+			0	
78	Ontario capital Tax per financial statements	+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81	Total Additions		010.001		040.004	
82 83	Total Additions	=	816,901	0	816,901	
	Recap Material Additions:					
85			0	0	0	

_	A PIL - TAYES FR 2000 204	В	C	D Nan winen	E	F
2	PILs TAXES - EB-2008-381 TAX RETURN RECONCILIATION (TAXREC)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Ziiiiiiiaiioiio	Return	
4	0		Return			
5			0	0	Version 2009.1	
86 87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91 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						
	BOOK TO TAX DEDUCTIONS: Capital cost allowance	-	611,848		611,848	
	Cumulative eligible capital deduction	-	011,046		011,046	
	Employee benefit plans-paid amounts	-	0		0	
	Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102 103	CCA other deductions- Settlement Variance	-			0	
	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-	171.060	0	171.860	
	Items on which true-up does not apply "TAXREC 3" Interest capitalized for accounting deducted for tax	-	171,860	0	171,860 0	
	Material deduction items from TAXREC 2	-	0	0	0	
	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	783,708	0	783,708	
115	Other deductions (Please explain the nature of the deductions) Charitable donations - tax basis	_			0	
	Gain on disposal of assets	-			0	
117	•	-			0	
118			_		0	
119	Capital taxes included in tax provision, deducted from tax provision, Line	-	0		0	
120	Total Other Deductions	=	0	0	0	
121	Total Other Doddonoro		Ü	J	3	
122	Total Deductions	=	783,708	0	783,708	
123	Recap Material Deductions:					
125	Necephilaterial Deductions.		0	0	0	
126			0	0	0	
127			0	0	0	
128 129			0	0	0	
	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions less than materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133	TAXABLE INCOME		262 540	0	262 540	
	DEDUCT:	=	362,519	U	362,519	
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138	NET TAXABLE INCOME		200 542		0	
140	INE I TAXABLE INCOME	=	362,519	0	362,519	
	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	67,302	0	67,302	
	Net Ontario Income Tax (Must agree with tax return)	+	17,755	0	17,755	Т
144 145	Subtotal Less: Miscellaneous tax credits (Must agree with tax returns)	=	85,057 0	0	85,057 0	
	Total Income Tax	=	85,057	0	85,057	
147			,		,	
	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return) Net Ontario Income Tax Rate (Must agree with tax return)		18.89% 4.98%		18.89% 4.98%	
151	Blended Income Tax Rate (Must agree with tax return)		23.88%		23.88%	
152			20.0070		20.0070	
	Section F: Income and Capital Taxes					
154	DECAR					
	RECAP Total Income Taxes	+	85,057	0	85,057	
	Ontario Capital Tax	+	22,508	0	22,508	
158	Federal Large Corporations Tax	+	0		0	
159 160	Total income and capital taxes		107,565	0	107,565	
	rotal income and capital taxes	=	107,365	U	107,365	
161						

Pits TAMES - EB-2008-3881		Λ	D	С	D	E	Appe
Tax A Accounting Reserves	1	A DIL C TAYES ED 2009 294	B		D Non wires		Г
3 For MoF Column of TAXCALC			LINE				
Return Version 2009.1					Liiiiiiddiono		
S Utility Name: Centre Wellington Hydro Ltd.						11010	
Separation Sep	5					Version 2009.1	
B Reporting period: 2004 9 10 TAX RESERVES 1 1 1 1 1 1 1 1 1	6						
B Reporting period: 2004 9 10 TAX RESERVES 1 1 1 1 1 1 1 1 1	7	Utility Name: Centre Wellington Hydro Ltd.					
10 TAX RESERVES							
11 12 Beginning of Year:	9						
12 Beginning of Year:	10	TAX RESERVES					
13 Reserve for doubtful accounts ss. 20(1)(i) 0 15 Reserve for goods & services ss. 20(1)(m) 0 0 16 Reserve for unpaid amounts ss. 20(1)(m) 0 0 17 Debt and share issue expenses ss. 20(1)(e) 0 0 0 19 Other - Please describe 0 0 0 0 0 0 0 0 0							
14 Reserve for doubfful accounts ss. 20(1)(n) 0 16 Reserve for poods & services ss. 20(1)(n) 0 16 Reserve for unpaid amounts ss. 20(1)(n) 0 0 17 Dobb and share issue expenses ss. 20(1)(e) 0 0 0 18 Dobb and share issue expenses ss. 20(1)(e) 0 0 0 0 0 0 0 0 0		Beginning of Year:					
15 Reserve for goods & services ss.20(1)(n)	_						
16 Reserve for unpaid amounts ss. 20(1)(n)							
17 Debt and share issue expenses ss.20(1)(e) 0 0 19 Other - Please describe 0 0 0 0 0 0 0 0 0							
18 Other - Please describe							
19 Other - Please describe							
20							
22 Total (carry forward to the TAXREC worksheet)		Outer - Ficase describe					
Total (carry forward to the TAXREC worksheet)	_						
23		Total (carry forward to the TAXREC worksheet)		n	n		
24		Total (carry forward to the 1777/120 worksheet)		U	0	U	
25		End of Year:					
26 Reserve for doubtful accounts ss. 20(1)(n)						0	
27 Reserve for goods & services ss.20(1)(m) 0 28 Reserve for unpaid amounts ss.20(1)(n) 0 0 0 0 0 0 0 0 0		Reserve for doubtful accounts ss. 20(1)(I)					
28 Reserve for unpaid amounts ss.20(1)(n) 0 0 0 0 0 0 0 0 0							
29 Debt and share issue expenses ss.20(1)(e) 0 0 1 1 1 1 1 1 1 1						0	
31 Other - Please describe 0 0 32 0 0 33 1 1 1 1 1 1 1 1						0	
32						0	
33		Other - Please describe				0	
Total (carry forward to the TAXREC worksheet)							
35 Total (carry forward to the TAXREC worksheet) 0 0 0 0 36 37 38 FINANCIAL STATEMENT RESERVES 39 40 Beginning of Year: 0 0 0 44 14 0 0 0 44 41 0 0 0 44 41 41	-					0	
36							
37		Total (carry forward to the TAXREC worksheet)		0	0	0	
38 FINANCIAL STATEMENT RESERVES							
39 40 Beginning of Year:		FINANCIAL CTATEMENT DECEDVES					
40 Beginning of Year:		FINANCIAL STATEMENT RESERVES					
41		Reginning of Vear					
42		beginning or rear.				0	
43 Environmental 0 0 0 0 0 0 0 0 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 50 Total (carry forward to the TAXREC worksheet) 0 51 End of Year: 0 53		Environmental					
1	-						
46 Property taxes							
47 Other - Please describe 0 48 Other - Please describe 0 49 0 50 Total (carry forward to the TAXREC worksheet) 0 0 51 0 52 End of Year: 0 53 0 0 54 0 0 55 Environmental 0 0 56 Allowance for doubtful accounts 0 0 57 Inventory obsolescence 0 0 58 Property taxes 0 0 59 Other - Please describe 0 0 60 Other - Please describe 0 0 61 Insert line above this line 0 0 63 Total (carry forward to the TAXREC worksheet) 0 0		·				0	
49	47	Other - Please describe				0	
50 Total (carry forward to the TAXREC worksheet) 0 0 0 51		Other - Please describe					
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 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
52 End of Year: 0 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 0 63 Total (carry forward to the TAXREC worksheet) 0		Total (carry forward to the TAXREC worksheet)		0	0	0	
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 0 63 Total (carry forward to the TAXREC worksheet) 0 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 0 63 Total (carry forward to the TAXREC worksheet) 0		End of Year:					
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 0 63 Total (carry forward to the TAXREC worksheet) 0 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 0 63 Total (carry forward to the TAXREC worksheet) 0	-	Environmental					
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 0 63 Total (carry forward to the TAXREC worksheet) 0	-						
58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
59 Other - Please describe 0 60 Other - Please describe 0 61 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0		-					
60 Other - Please describe 0 61 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
61 0 62 Insert line above this line 63 Total (carry forward to the TAXREC worksheet) 0 0 0							
62 Insert line above this line 63 Total (carry forward to the TAXREC worksheet) 0 0 0		Curior i rodoc describe					
63 Total (carry forward to the TAXREC worksheet) 0 0 0		Insert line above this line				Ü	
				0	0	0	
	64	- 1 (os.) (os.) (os.) (os.) (os.)				- U	

March 22, 2010 Tax Reserves

PILS TAXES - EB-2008-381		A	В	С	D	Е	F
3 TAX RETURN RECONCLIATION (TAXREC 2)	1				_	_	
A graph Subsequence Subs			LINE	M of F	Non-wires	Wires-only	
Sarehofere only terms should be shown on TAXREC 3 Sharehofere only terms should be shown on TAXREC 3 Sharehofere only terms should be shown on TAXREC 3 Sharehofere only terms should be shown on TAXREC 3 Sharehofere only terms on the shown on TAXREC 3 Sharehofere only terms on the shown on TAXREC 3 Sharehofere only terms on the shown on TAXREC 3 Sharehofere only terms on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the shown on TAXREC 3 Sharehofere on the sharehofere on the shown on TAXREC 3 Sharehofere on the sharehofe					Eliminations	Tax	
B						Return	
Visitiv Name: Centro Wellington Hydro Ltd.				Return			
Base		Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
Beneroting periods: 2004 10,000 10,000 11,000 1		Hillist Name Cantra Wallington Hudga Ltd					
10 Materiality Level:	9	Penerting period: 2004					
1.1 Materiality Level:				366			
12	11	Materiality Level:					
10		•		Í			
Section C: Reconciliation of accounting income to taxable income	13						
10 Add:							
17							
18 San on sale of eligible capital property +		Add:				0	
19 Loss on disposal of assets		Cain an agle of clinible conital property					
Taxable capital gains			_				
21 Taxable capital gains	20	Charitable donations (Only if it benefits ratepayers)					
22 Scientific research expenditures deducted							
23 Scientific research expenditures deducted	22	•					
Sol closts on construction and renovation of buildings			+				
25 Soft costs on construction and renovation of buildings							
27 Capital lems expensed							
28 Debt issue expense							
29 Financing fees deducted in books							
30 Gain on settlement of debt							
31 Interest paid on income debentures							
32 Recapture of SR&ED expenditures							
33 Share issue expense	32	Recapture of SR&ED expenditures	+			0	
35 Amounts received in respect of qualifying environment trust							
36 Provision for bad debts	34	Write down of capital property					
37 + + - - - - - - - -				0			
38		Provision for bad debts		0			
198			-				
According to the Additions: (please explain in detail the nature of the Item)							
42		Other Additions: (please explain in detail the nature of the item)	+			0	
43							
44							
46							
46 Total Additions = 0 0 0 47 Recap of Material Additions: 0 0 0 0 49 0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>0</td> <td></td>						0	
47 8 Recap of Material Additions: 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Total Additions	_	0	0	0	
48 Recap of Material Additions: 0		Total / taditions			V	· ·	
49 0		Recap of Material Additions:					
51 0	49						
52 0							
53 0							
54 0							
55 0							
56 0							
57 0							
58 0 0 0 0 59 0 0 0 0 0 60 0 0 0 0 0 0 61 0 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>							
60 0 0 0 0 61 0 0 0 0 62 0 0 0 0 63 0 0 0 0 64 0 0 0 0 65 0 0 0 0 66 0 0 0 0 67 0 0 0 0 68 0 0 0 0 69 0 0 0 0 70 0 0 0 0 71 0 0 0 0 72 0 0 0 0 73 0 0 0 0	58						
61 0 0 0 0 62 0 0 0 0 63 0 0 0 0 64 0 0 0 0 65 0 0 0 0 66 0 0 0 0 67 0 0 0 0 68 0 0 0 0 69 0 0 0 0 70 0 0 0 0 71 0 0 0 0 72 0 0 0 0 73 0 0 0 0							
62 0 0 0 0 63 0 0 0 0 64 0 0 0 0 65 0 0 0 0 66 0 0 0 0 67 0 0 0 0 68 0 0 0 0 70 0 0 0 0 71 0 0 0 0 72 0 0 0 0 73 0 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							
64 0							
65 0							
66 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							
69 0 0 0 70 0 0 0 0 71 0 0 0 0 72 0 0 0 0 73 0 0 0 0	67						
70 0 0 0 71 0 0 0 72 0 0 0 73 0 0 0							
71 0 0 0 72 0 0 0 73 0 0 0							
72 0 0 0 0 73 0 0 0 0							
73 0 0 0 0							

	٨	В	С	D	Е	F
1	A	D	C	U	E	r
	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)	LIIVE	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiiations	Return	
	RATEPAYERS ONLY		Return		Neturn	
	Shareholder-only Items should be shown on TAXREC 3		rtotam		Version 2009.1	
7	onarcholder only hems should be shown on TAXREO o				VC131011 2003.1	
	Utility Name: Centre Wellington Hydro Ltd.					
	Reporting period: 2004					
	Number of days in taxation year:		366			
11	Materiality Level:		10,692			
12	-					
13						
75			0	0	0	
76			0	0	0	
	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
	Total Additions		0	0	0	
80						
	Deduct:					
	Gain on disposal of assets per f/s	-			0	
	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		0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust	-			0	
	Other income from financial statements	-			0	
92	Other income from financial statements	-			0	
93		-			0	
94		-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers	_	0		0	
97	14011 taxable load transfers	_	Ü		0	
98		-			0	
99	Total Deductions	=	0	0	0	
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			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112 113			0	0	0	
113			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	
	Other deductions less than materiality level		0	0	0	
	Total Deductions		0	0	0	
122			Ü	-		

	A	В	С	D	E	F
1	n	D	C	U		-
	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	
	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6 7	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	Utility Name: Centre Wellington Hydro Ltd.		Return		Version 2009.1	
9	Ounty Name. Contro Wennigton Hydro Etd.				VC131011 2003.1	
10						
	Reporting period: 2004		200			
13	Number of days in taxation year:		366			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
-	Add:					
18	Recapture of capital cost allowance				0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+	0	0		
28	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+	=		0	
	Depreciation and amortization adjustments Dividends credited to investment account	+	70,177		70,177	
_	Non-deductible meals	+	3,357		3,357	
-	Non-deductible club dues	+	0,007		0	
34	Non-deductible automobile costs	+			0	
	Donations - amount per books		0		0	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end Ontario capital tax adjustments				0	
39	Ontario capital tax aujustinents	+			0	
40	Changes in Regulatory Asset balances	+	96,659		96,659	
	Imputed interest expense on Regulatory Assets	+			0	
42	Other Additional (places symbols in detail the natives of the item)	+			0	
43	Other Additions: (please explain in detail the nature of the item) Ontario capital Tax per financial statements	+	22,834		22.834	
45	ontaino dapitai rax poi initariolai diatornonto	+	22,001		0	
46		+				
47	Total Additions on which true-up does not apply	=	193,027	0	193,027	
48	Deduct:					
50	Deuuci.					
	CCA adjustments	-			0	
52	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-	2/2/-		0	
	Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs	-	34,216		34,216 0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-	0		0	
58	Income from joint ventures or partnerships	-			0	
59	Outsuis conital toy adjustments to success to a	-	00.500		0	
60 61	Ontario capital tax adjustments to current or prior year	-	22,508		22,508	
-	Changes in Regulatory Asset balances	-	114,137		114,137	
63	· · · · · · · · · · · · · · · · · · ·	-	, .07		0	
-	Assessment Notice	-	0		0	
65		-			0	
66 67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	Settlement Variance	-			0	
70	Taxable dividends deductible under 112 or 113	-	999		999	
71		-			0	
72	Total Deductions on which true up does nott-	-	474.000	^	171.960	
74	Total Deductions on which true-up does not apply	=	171,860	0	171,860	
75						
_						_

March 22, 2010 TAXREC 3 No True-up

Table 1 Table 2 Table 3 Table 4 Table 4 Table 4 Table 4 Table 5 Table 5 Table 6 Tabl							
Comparison Com			В	С	D	Е	F
Exemptions, Deductions, or Thresholds Utility Name: Centre Wellington Hydro Ltd.	-	V					/araia 2222
Utility Name: Centre Wellington Hydro Ltd.		•	r Throchola	le		V	ersion 2009
Rates Used in 2002 RAM PILs Applications for 2002 Income Range							
Rates Used in 2002 RAM PILs Applications for 2002							
Rate Sed In 2002 RAM PILS Applications for 2002 Income Range	6						
Second Range	7 g	Potos Hood in 2000 DAM DU	l a Ammiliant	iono for cocc			Table 1
Company Comp		l-	LS Applicat			200 001	
1		ū				-	>700000
3	1		Year				
Federal (Includes surtax)							
5			2002	10.100/		00.400/	00.400/
Blended rate							
Capital Tax Rate						_	
Comparison Com		_1011404 1410		10.02/0		O T. 12 /0	00.02 /0
Ostatic Capital Tax				0.300%			
Description SMM SM							
Exemption *** \$5MM \$0,000,000 \$ \$ \$ \$ \$ \$ \$ \$ \$)			1.12%			
Federal Large	1			5,000,000			
Corporations Tax	1						
Table 2 Table 2 Table 2 Table 2 Table 2 Table 2 Table 2 Table 2 Table 2 Table 2 Table 2 Table 2 Table 3 Tabl				10.000.000			
**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing	2		\$10MM	. 2,300,000			
Table 2 Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004 Income Range Expected Rates 10			must agre	e with the	Board-app	roved 200	2 RAM
Table 2 Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004		PILs filing					
Table 2 Table 2		_					
Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004							Table 2
Expected Rates Year 250,000 400,000 1,128,000		Expected Income Tax Rates	for 2004 a	nd Capital Ta	x Exemption	s for 2004	14510 2
Year 250,000 400,000 1,128,000				0	250,001	400,001	
Income Tax Rate		Expected Rates					
Current year 2004	-	Income Toy Dete	Year	250,000	400,000	1,128,000	
			2004				1
33 Ontario 2004 5.50% 5.50% 9.75% 14.00% 34 Blended rate 2004 18.62% 27.62% 31.87% 36.12% 35 Surtax 2004 0.300%				13.12%	22.12%	22.12%	22.12%
Blended rate 2004 18.62% 27.62% 31.87% 36.12%							
Capital Tax Rate 2004 0.300%	34						
Surtax 2004 0.200%	35						
Surtax							
Ontario Capital Tax Exemption *** 2004 \$5MM \$5,000,000							
Seemption ***	Ю						
Federal Large	39			5,000,000			
Corporations Tax Exemption *** 2004 \$5,000,000 \$1,000,000 \$1,128,000 \$1							
		Corporations Tax		50,000,000			
Table 3 Input Information from Utility's Actual 2004 Tax Returns			·				
Table 3 Input Information from Utility's Actual 2004 Tax Returns	1			st comply w	vith the Bo	ard's insti	ructions
Input Information from Utility's Actual 2004 Tax Returns		regarding regulated ac	tivities.				
Income Range							Table 3
To to to to to 1,128,000			ty's Actual			400.000	
Year Year 250,000 400,000 1,128,000		Income Range		_			-1 120 000
18 Income Tax Rate			Year				
9 Current year 2004 0 Federal (Includes surtax) 18.89% 1 Ontario 4.98% 2 Blended rate 0.00% 23.88% 0.00% 0.00% 3 Capital Tax Rate 0.300% 5 LCT rate 0.200% 6 Surtax 1.12% Ontario Capital Tax MAX		Income Tax Rate	1001	200,000	.50,000	.,.20,000	
18.89% 18.89% 18.89% 18.89% 19.80% 1			2004				
Second Second					18.89%		
G3	51						
GAUTE Capital Tax Rate O.300% D.200% Contario Capital Tax Exemption * Federal Large Corporations Tax Exemption * Submission: Ontario CT23 page 11; federal T2 Schedule 36	52	Blended rate		0.00%	23.88%	0.00%	0.00%
Solution Solution	53	O-mirel Te - D :		0.00001			
Surtax 1.12%							
Ontario Capital Tax Exemption * Federal Large Corporations Tax Exemption * NAX \$5MM 5,000,000 MAX \$50,000,000 Exemption * Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36							
Federal Large Corporations Tax Exemption * NAX Somm Somm Some in the strength of the strength	JU		MAX				
Federal Large Corporations Tax Exemption * 109 * Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36	57	Exemption *		5,000,000			
Corporations Tax \$50,000,000 50							
* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36		Corporations Tax		50,000,000			
submission: Ontario CT23 page 11; federal T2 Schedule 36		Exemption *	·				
submission: Ontario CT23 page 11; federal T2 Schedule 36							:
		* Include copies of the	actual tax	x return allo	ocation cal	culations	ın your
)	-					in your

March 22, 2010 Tax Rates

	Α	В	С	D	E	F	G	Н	<u> </u>	J	K	L	М	Ν	0
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account														
3	Utility Name: Centre Wellingt	on Hy	dro Ltd.												Version 2009.1
4	Reporting period: 2004				Sign Conventi	on: ·	for increase;	- fo	r decrease						0
5															
6															
7															
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		0		0		0		0		0		0
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1,														
13	2005 - input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)												_		0
	True-up Variance	+/-													
15	Adjustment (3)												-20,672		-20,672
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-													
17	Adjustment (5)												-62,124		-62,124
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
20	from) customers (8)		0												0
21															
	Ending balance: # 1562		0		0		0		0		0		-82,795		-82,795
23															

26 Uncollected PILs

25

28

29 30 31

> 33 34 35

36

37

38

40 41

42

48

49 50

51

59 60

70 71

75 76 77 **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.

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

- (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.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- - (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.
 - (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.
 - (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 (7) Carrying charges are calculated on a simple interest basis.
 58 (8) (i) PILs collected from customers from March 1, 2002 to M.
 - (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.
 - (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.

July 07, 2011 PILs 1562 Calculation

	A	В	С	D	Е
1	PILs TAXES - EB-2008-0381		Ū		Version 2009.1
	REGULATORY INFORMATION (REGINFO)				
	Utility Name: Centre Wellington Hydro Ltd			Colour Code	
	Reporting period: 2005			Input Cell	
5				Formula in Cell	
	Days in reporting period:	365	days		
	Total days in the calendar year:	365	days		
8	BACKGROUND				
	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	Υ	
10	,				
14 15	Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?		Y/N	N	
10	•		1/11	IN	
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)				
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	N	
	shared among the corporate group?	LCT	Y/N	N	
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
	Accounting Year End		Date	12-31-2005	
20	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				income
	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			8,553,726	
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			732,627	
TZ	1999 return from RUD Sheet #7			555,088	555,088
45	Total Incremental revenue			177,539	,
	Input: Board-approved dollar amounts phased-in			177,559	
47	Amount allowed in 2001			59,180	59,180
48	Amount allowed in 2002			59,180	59,180
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	0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM		100.00%	59180	59,180
52	Other Board-approved changes to MARR or incremental revenue				
53	Total Devulations Income				700,000
54 55	Total Regulatory Income				732,628
	Equity			4,276,863	
57	– quity			7,270,003	
	Return at target ROE			422,554	
59				, -	
	Debt	·		4,276,863	
61					
	Deemed interest amount in 100% of MARR			310,073	
63 64	Phase-in of interest - Year 1 (2001)			259,979	
65	((D43+D47)/D41)*D61				
	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61				
	Phase-in of interest - Year 3 (2003) and forward			285,026	
69 70	((D43+D47+D48)/D41)*D61 (due to Bill 210)			240.070	
70	Phase-in of interest - 2005			310,073	
72					
			1	i .	

March 22, 2010 REGINFO

_	A	В	_	ы	-	F	^	ш
1	A PILs TAXES - EB-2008-0381	B ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)				Variance K-C	Variance Explanation		
5	0					Explanation	Version 2009.1	
7	Utility Name: Centre Wellington Hydro Ltd Reporting period: 2005							
8	Reporting period. 2003						Column	
9	Days in reporting period:	365	days				Brought	
11	Total days in the calendar year:	365	days				From TAXREC	
12			\$		\$		\$	
13	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	732,628		234,255		966,883	
	BOOK TO TAX ADJUSTMENTS							
19	Additions:		440 774		50 570		495 347	
20	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	3	442,771		52,576 84,773		495,347 84,773	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 5			0		0	
25	Other Additions (See Tab entitled "TAXREC")				Ů		ŭ	
26 27	"Material" Items from "TAXREC" worksheet 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"				563,304		563,304	
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts	7 8	332,314		326,575		658,889	<u> </u>
35	Items Capitalized for Regulatory Purposes	9	0		0		0	E
36 37	Regulatory Adjustments - deduction for tax purposes in Item 5	10	310,073		67 922		277.905	
38	Interest Expense Deemed/ Incurred Tax reserves - end of year	11 4	310,073		67,822 0		377,895 0	Ь
39	Reserves from financial statements - beginning of year	4			0	-	0	
40	Contributions to deferred income plans 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") "Material" Items from "TAXREC" worksheet	12	15,000		0		0	\vdash
45	C&DM 2005 Incremental OMA expenses per CDM Plan	12			0		0	
46	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12			0		0	-
48	Items on which true-up does not apply "TAXREC 3"	14			245,278		245,278	
49								
50 51	TAXABLE INCOME/ (LOSS)		518,012		295,233	Before loss C/F	828,245	
52	BLENDED INCOME TAX RATE							
53 54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	27.50%		-2.5700%		24.93%	
55	REGULATORY INCOME TAX		142,453		104,413	Actual	246,866	
56 57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59	Total Daniel Company Total		440.450		404 440	Antoni	040,000	
60	Total Regulatory Income Tax		142,453		104,413	Actual	246,866	
61								
62								
62 63	II) CAPITAL TAXES							
62 63 64 65	Ontario							
62 63 64 65 66	Ontario Base	15 16	8,553,726 7,500,000		8,628,147 0		17,181,873 7,500,000	
62 63 64 65 66 67	Ontario	15 16	8,553,726 7,500,000 1,053,726		8,628,147 0 8,628,147		17,181,873 7,500,000 9,681,873	
62 63 64 65 66 67	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	7,500,000 1,053,726		8,628,147		7,500,000 9,681,873	
62 63 64 65 66 67 68 69 70	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3		7,500,000 1,053,726 0.3000%		0 8,628,147 0.0000%		7,500,000 9,681,873 0.3000%	
62 63 64 65 66 67 68 69 70	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	7,500,000 1,053,726		8,628,147		7,500,000 9,681,873	
62 63 64 65 66 67 68 69 70 71 72 73 74	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax	17	7,500,000 1,053,726 0.3000% 3,161		0 8,628,147 0.0000% 25,884		7,500,000 9,681,873 0.3000% 29,046	
62 63 64 65 66 67 68 69 70 71 72 73 74	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base	17	7,500,000 1,053,726 0.3000% 3,161 8,553,726		0 8,628,147 0.0000% 25,884 4,369,337		7,500,000 9,681,873 0.3000% 29,046 12,923,063	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax	17	7,500,000 1,053,726 0.3000% 3,161		0 8,628,147 0.0000% 25,884		7,500,000 9,681,873 0.3000% 29,046	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16 17 18 19	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0		0 0 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663		7,500,000 9,681,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500%		7,500,000 9,681,873 0,3000% 29,046 12,923,063 10,000,000 2,923,063 0,2250%	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 80 81	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	16 17 18 19 20	7.500,000 1,053,726 0.3000% 3,161 8,553,726 50,000,000 0 0.1750%		0 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500%		7,500,000 9,681,873 0,3000% 29,046 12,923,063 10,000,000 2,923,063 0,2250%	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 78 80 81 82 83	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	16 17 18 19	7.500.000 1.053,726 0.3000% 3.161 8.553.726 50.000.000 0 1.1750%		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500%		7,500,000 9,681,873 0,3000% 29,046 12,923,063 10,000,000 2,923,063 0,2250%	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 80 81 82 83 84	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	16 17 18 19 20	7.500,000 1,053,726 0.3000% 3,161 8,553,726 50,000,000 0 0.1750%		0 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500%		7,500,000 9,681,873 0,3000% 29,046 12,923,063 10,000,000 2,923,063 0,2250%	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 78 80 81 82 83	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	16 17 18 19 20	7.500.000 1.053,726 0.3000% 3.161 8.553.726 50.000.000 0 1.1750%		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0		7,500,000 9,681,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 88 81 82 83 84 85 86 87	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES	16 17 18 19 20	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0		7,500,000 9,681,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 80 81 82 83 84 85 86	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT	16 17 18 19 20	7.500.000 1.053,726 0.3000% 3.161 8.553.726 50.000.000 0 1.1750%		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0		7,500,000 9,681,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577	
62 63 64 65 66 67 70 71 72 73 74 75 76 81 82 83 84 85 86 87 88 89 90	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up)	16 17 17 18 19 20 21	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005	7,500,000 9,681,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 80 81 82 83 84 85 86 89	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax Rate used for grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	16 17 18 19 20 21 21	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50%		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005 Actual 2005 Actual 2005	7.500.000 9.881,873 0.3000% 29.046 12.923.063 10.000.000 2.923.063 0.2250% 6.577 0	
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 80 81 82 83 84 85 86 87 88 89 90 91 91 92 93	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up)	16 17 17 18 19 20 21	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50%		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 78 80 81 82 83 84 85 87 88 89 90 91 92 93 94	Ontario Base Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	16 17 18 19 20 21 21 22 23 24	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 88 83 84 85 86 87 88 89 90 91 92 93 94 95 96 96	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax Rate used for grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	16 17 18 19 20 21 21	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50%		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577	
62 63 64 65 66 67 70 71 72 73 74 75 76 88 89 90 91 92 93 94 95 96	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) CT (proxy tax is grossed-up) CT (proxy tax is grossed-up) Total PILs for Rate Adjustment - MUST AGREE WITH 2005	16 17 18 19 20 21 21 22 23 24	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 80 81 82 83 84 85 86 87 88 99 90 91 92 93 94 95 96	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) CT (proxy tax is grossed-up) CT (proxy tax is grossed-up) Total PILs for Rate Adjustment - MUST AGREE WITH 2005	16 17 18 19 20 21 21 22 23 24	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 74 75 76 79 80 81 82 83 88 89 90 91 92 93 94 95 97 98 99 99 99	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance	16 17 18 19 20 21 21 22 23 24	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 74 75 76 79 80 81 82 83 88 89 90 91 92 93 94 95 97 98 99 99 99	Ontario Base Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) CCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions:	16 17 18 19 20 21 21 22 23 24 25	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8.628,147 0.0000% 25,884 4.369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 80 81 82 83 84 85 86 87 99 90 91 92 93 94 95 96 97 98 99 99 91 100 100 100 100 100 100 100 10	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prory ear	16 17 18 19 20 21 21 22 22 23 24 25	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8.628,147 0.0000% 25,884 4.369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 DR/(CR)	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 75 76 81 81 83 84 85 86 87 99 91 92 93 94 95 96 97 97 97 98 99 100 101 102 102 103 104 104 105 105 105 105 105 105 105 105 105 105	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) CT (proxy tax is grossed-up) CT (proxy tax is grossed-up) Total PiLs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Pald Tax reserves reducted in prior year Reserves from financial statements-end of year	16 17 18 19 20 21 21 22 23 24 25	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 DR/(CR) DR/(CR)	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 71 75 76 77 78 80 81 83 84 85 86 99 91 90 91 91 92 93 94 95 96 97 90 91 91 91 91 91 91 91 91 91 91 91 91 91	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PiLs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Regulatory Adjustments Other additions' "Material" Items TAXREC	16 17 18 19 20 21 21 22 23 24 25 3 3 4 4 4 5 6	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 0 84,773 0 0 0 0 0 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 77 73 74 75 77 78 80 80 81 82 83 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 105 105 105 105 105 105 105 105 105	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statementis-end of vear Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC Other addition "Material" Items TAXREC	16 17 18 19 20 21 21 22 23 24 25 3 4 4 4 4 5	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 DR/(CR)	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 77 74 75 76 77 88 81 82 83 90 91 92 93 94 95 99 91 100 101 102 103 104 105 106 107 107 107 108 108 109 109 109 109 109 109 109 109 109 109	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PiLs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Regulatory Adjustments Other additions' "Material" Items TAXREC	16 17 18 19 20 21 21 22 23 24 25 3 4 4 5 6 6 6	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 6,577 0.000% DR/(CR) 84,773 0.000 0.0000 0.00000 0.0000000000000	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 78 80 81 82 83 84 84 89 99 91 92 93 94 95 96 97 90 91 91 91 91 91 91 91 91 91 91 91 91 91	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) CT (proxy tax is grossed-up) CT (proxy tax is grossed-up) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Rese	16 17 18 19 20 21 21 22 23 24 25 3 4 4 4 5 6 6 8 8 9	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8.628,147 0.0000% 25,884 4.369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 DR/(CR) 84,773 0 0 0 0 0 0 0 0 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 77 74 75 76 77 88 81 82 83 90 91 92 93 94 95 99 91 100 101 102 103 104 105 106 107 107 107 108 108 109 109 109 109 109 109 109 109 109 109	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves feducted in prior year Regulatory Adjustments Other additions 'Material' Items TAXREC Other additions 'Material' Items TAXREC Imployee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Items Capitalized for Regulatory Purposes Regulatory Adjustments Items Capitalized for Regulatory Purposes	16 17 18 19 20 21 21 22 23 24 25 3 4 4 5 6 6 6	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 6,577 0.000% DR/(CR) 84,773 0.000 0.0000 0.00000 0.0000000000000	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 70 71 72 73 74 77 78 79 88 81 82 83 84 85 86 99 90 91 101 102 103 104 105 106 107 107 108 109 109 109 109 109 109 109 109 109 109	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) CDT (proxy tax is grossed-up) CDT (proxy tax is grossed-up) CDT (proxy tax is grossed-up) CDT (actual Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC In Deductions "Postifive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell 1206) Tax reserves calamed in current year	16 17 18 19 20 21 21 22 23 24 25 3 4 4 4 5 6 6 8 9 9 10 11 11 11 11 11 11 11 11 11	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 6,577 DR/(CR) 84,773 0 0 0 0 0 0 0 0 0 0 0 0 67,822	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 74 75 76 77 78 83 84 83 84 89 90 91 102 103 104 105 106 107 108 108 108 108 108 108 108 108 108 108	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of vear Reserves f	16 17 18 19 20 21 21 22 23 24 24 4 4 5 6 6 6 6 8 9 10 11 14 14 14 14 14 15 16 16 16 16 16 16 16 16 16 16	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0 0 8.628,147 0.0000% 25.884 4.369.337 -40,000,000 -35.630,663 0.0500% 6,577 6,577 DR/(CR) 84,773 0 0 0 0 0 0 0 0 0 0 67,822 0 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 77 73 74 75 76 77 78 77 78 80 81 82 83 84 85 89 90 91 92 93 94 94 95 96 97 97 98 99 90 100 100 100 100 100 100 100 100 1	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION N/ FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other addition of The True-up Variance Regulatory Adjustments Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment of tax purposes (See Below - cell 1206) Tax reserves claimed in current year Reserves from Fis beginning of year Contributions to deferred income plans Contributions to persion plans	118 119 20 21 21 22 23 24 24 4 4 4 5 6 6 6 8 9 9 10 111 4 4 4 3 3 3 3 3	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 0 0 0,500% 84,773 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 73 75 76 77 78 77 78 77 78 80 80 81 82 83 89 91 91 92 93 93 91 91 90 91 91 91 91 91 91 91 91 91 91 91 91 91	Ontario Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES. Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross- up ince it is deductible) Total Pil.s for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC The Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adiustment for tax purposes Regulatory Adjustments Interest Adiustment for tax purposes Regulatory Adjustments Interest Adiustment for tax purposes Regulatory Adjustments Interest Adiustment for tax purposes Regulatory Adjustments Interest Additions of deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans Contributions to deferred income plans	16 17 18 19 20 21 21 22 23 24 25 6 6 8 9 10 11 4 4 3 3 3 12	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.0000% 8.628,147 0.0000% 25,884 4.369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 DR/(CR) 84,773 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	
62 63 64 65 66 67 70 71 72 74 77 74 77 78 80 81 81 82 83 84 88 89 90 91 102 103 104 105 105 107 107 108 108 109 109 109 109 109 109 109 109 109 109	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross-up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Contario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment - MUST AGREE WITH 2005 RAM DECISION N/ FUTURE TRUE-UPS IV a) Calculation of the True-up Variance In Additions: Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-end of year Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other additions "Material" Items TAXREC Income Tax (proxy tax is grossed-up) Other addition of The True-up Variance Regulatory Adjustments Items Capitalized for Regulatory Purposes Regulatory Adjustments Interest Adjustment of tax purposes (See Below - cell 1206) Tax reserves claimed in current year Reserves from Fis beginning of year Contributions to deferred income plans Contributions to persion plans	118 119 20 21 21 22 23 24 24 4 4 4 5 6 6 6 8 9 9 10 111 4 4 4 3 3 3 3 3	7,500,000 1,053,726 0,3000% 3,161 8,553,726 50,000,000 0 0,1750% 0 0 27,50% 196,487 0 3,161		0.000% 8,628,147 0.0000% 25,884 4,369,337 -40,000,000 -35,630,663 0.0500% 6,577 0 6,577 0 0 0,500% 84,773 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Actual 2005 Actual 2005 Actual 2005	7,500,000 9,881,873 0.3000% 29,046 12,923,063 10,000,000 2,923,063 0.2250% 6,577 0 6,577 246,866 29,046	

March 22, 2010 TAXCALC

_	Δ.	-	0	-	-	-	0	
1	A PILs TAXES - EB-2008-0381	B ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)			H	Variance K-C	Variance Explanation		Н
5	0						Version 2009.1	
7	Utility Name: Centre Wellington Hydro Ltd Reporting period: 2005							
8		365	days				Column	
10	Days in reporting period: Total days in the calendar year:	365	days				Brought From	
11			\$		\$		TAXREC \$	\vdash
13			Ą				\$	
120 121	Total TRUE-UPS before tax effect	26		=	16,951			\vdash
122	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			х	24.93%			
123 124	Income Tax Effect on True-up adjustments			_	4,226			\vdash
125					.,			
126 127	Less: Miscellaneous Tax Credits	14			0			\vdash
128	Total Income Tax on True-ups				4,226			
129 130	Income Tax Rate used for gross-up (exclude surtax)				23.81%			
131 132	TRUE-UP VARIANCE ADJUSTMENT				5,546			\vdash
133					5,540			
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	518,012			
137 138	REVISED CORPORATE INCOME TAX RATE			×	24.93%			
139 140	REVISED REGULATORY INCOME TAX			=	129,141			
141 142	Less: Revised Miscellaneous Tax Credits				0			
143				Ė				
144	Total Revised Regulatory Income Tax			=	129,141			\vdash
	Less: Regulatory Income Tax reported in the Initial Estimate Column							
146 147	(Cell C58)			-	142,453			
148	Regulatory Income Tax Variance			=	-13,313			
149 150	Ontario Capital Tax							H
151	Base			=	8,553,726			
152 153	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital			=	7,500,000 1,053,726			
154 155	Rate - Tab Tax Rates cell C54			х	0.3000%			
156 157	Revised Ontario Capital Tax			=	3,161			
.0.	Less: Ontario Capital Tax reported in the initial estimate column (Cell			Ē				
158 159	C70) Regulatory Ontario Capital Tax Variance			=	3,161			H
160 161	Federal LCT							
162	Base				8,553,726			
163 164	Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			-	50,000,000 -41,446,274			\vdash
165								
166 167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
168	Gross Amount				0			
169 170	Less: Federal surtax Revised Net LCT			=	0			
171 172	Less: Federal LCT reported in the initial estimate column (Cell C82)				0			
173	Regulatory Federal LCT Variance			=	0			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)			-	23.81%			\vdash
176								
	Income Tax (grossed-up) LCT (grossed-up)			+	-17,473 0			
179 180	Ontario Capital Tax			+	0			
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-17,473			
182 183	TRUE-UP VARIANCE (from cell I132)			+	5,546			$\vdash \exists$
184								
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	-11,927			\vdash
187	22.2							
188 189								\vdash
190 191	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt							
192								
193 194	Total deemed interest (REGINFO) Interest phased-in (Cell C36)				310,073 285,026			
195								
196 197	Variance due to phase-in of debt component of MARR in rates according to the Board's decision			L	25,046			
198 199								H
200	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)			L			<u> </u>	
201 202	Interest deducted on MoF filing (Cell K36+K41) Maximum deemed interest REGINFO D70				377,895 310,073	-		
203								
204 205	Variance caused by excess debt				67,822			\vdash
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				67,822			
208	Total Interest Variance				-42,776			
209 210								H
211								

March 22, 2010 TAXCALC

	A	В	С	D	E	F G
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return		Marrata - 0000 4	
_					Version 2009.1	
	Section A: Identification:					
7	Utility Name: Centre Wellington Hydro Ltd					
	Reporting period: 2005					
9	Taxation Year's start date:					
10	Taxation Year's end date:		205	da		
12	Number of days in taxation year:		365	days		
	Please enter the Materiality Level :		10.692	< - enter materiality	, lovol	
14	(0.25% x Rate Base x CER)	Y/N	10,092	< - enter materiality	rievei	
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire)	_	oot \			
19	(riease complete the questionnaire in the background questionnaire	WOIKSII	eer.j			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Troic. Garry forward writes only Bala to Tab Troice Goldmitt					
	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	e and provision for it	ncome tax		
26		,551100				
27	Please enter the non-wire operation's amount as a positive number, the pro-	ogram a	utomatically treats a	all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and T.					
29	and the state of t	0				
	Income:					
31	Energy Sales	+	11,122,082		11,122,082	
32	Distribution Revenue	+	2,453,777		2,453,777	
33	Other Income	+	160,100		160,100	
34	Miscellaneous income	+	367,250		367,250	
35		+			0	
	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	11,122,082		11,122,082	
40	Administration	-	780,718		780,718	
41	Customer billing and collecting	-	261,470		261,470	
42	Operations and maintenance	-	524,826		524,826	
43	Amortization	-	447,230		447,230	
44	Ontario Capital Tax	-			0	
45	Capitalized	-			0	
46	Recovery of Regulatory Assets	-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	966,883	0	,	
51	Less: Interest expense for accounting purposes	-	377,895		377,895	
52	Provision for payments in lieu of income taxes	-	175,000		175,000	
53	Net Income (loss)	=	413,988	0	413,988	4
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	per mianicial statements on ochequie i of the tax return.)					+ +
	Section C: Reconciliation of accounting income to taxable income					
	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax	+	175,000	0	175.000	
	Federal large corporation tax	+	,		0	
	Depreciation & Amortization	+	495,347	0	495,347	
	Employee benefit plans-accrued, not paid	+	84,773	0	84,773	
	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		563,304	0	563,304	
	Material addition items from TAXREC 2	+	0	0	0	
	Other addition items (not Material) from TAXREC 2	+	0		0	
69						
70	Subtotal		1,318,424	0	1,318,424	
71			-	-	-	
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed	+			0	
	Change in Settlement Variance	+			0	
77	Depreciation Difference between Income statement & Schedule 1	+	0		0	
78		+			0	
79	T : 10# 11#	+			0	
80	Total Other Additions	=	0	0	0	4
81	Takal A 1885		101015	_	4010.151	<u> </u>
82	Total Additions	=	1,318,424	0	1,318,424	
83	Pagen Material Additional					
85	Recap Material Additions:		0	0	0	
UÜ			U	0	U	1

Ļ	A	В	С	D	E	F	G
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only		
	TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Tax Return		
4	(IOI WITES-OTHY DUSTRIESS - See S. 72 OEB ACI)		Return		Return		
5	•		Rotuin		Version 2009.1		
86			0	0			
87			0	0			
88			0	0			
89 90			0	0			
91			0	0			
92	Total Other additions >materiality level		0	0			
93	Other additions (less than materiality level)		0	0			
	Total Other Additions		0	0	0		
95	BOOK TO TAX DEDUCTIONS:						
	Capital cost allowance	_	658,889		658,889		
	Cumulative eligible capital deduction	-	030,009		030,009		
	Employee benefit plans-paid amounts	-			0		
	Items capitalized for regulatory purposes	-			0		
	Regulatory adjustments :	-			0		
	CCA other deductions. Change in settlement verience	-			0		
103	other deductions- Change in settlement variance Tax reserves - end of year	-	0	0	0		
	Reserves from financial statements- beginning of year	-	0	0			
	Contributions to deferred income plans	-	U	0	0		
107	Contributions to pension plans	-			0		
	Items on which true-up does not apply "TAXREC 3"		245,278	0	245,278		
	Interest capitalized for accounting deducted for tax	-			0		
	Material deduction items from TAXREC 2	-	0	0			
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
113	Subtotal	=	904,167	0	904.167		
	Other deductions (Please explain the nature of the deductions)	_	304,107	0	304,107		
	Charitable donations - tax basis	-			0		
	Gain on disposal of assets	-			0		
117		-			0		
118	Ontario Canital tayon nor tay ratura				0		
119 120	Ontario Capital taxes per tax return Total Other Deductions	- =	0	0	0		
121	Total Guici Deductions	_	O O	0	0		
122	Total Deductions	=	904,167	0	904,167		
123							
	Recap Material Deductions:						
125 126			0	0			
127			0	0			
128			0	0			
129			0	0	0		
-	Total Other Deductions exceed materiality level		0	0			
	Other Deductions less than materiality level		0	0			
132	Total Other Deductions		0	0	0		
	TAXABLE INCOME	=	828,245	0	828,245		
	DEDUCT:		020,210		020,210	l'	
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138	NET TAYADI E INCOME		900.045	0	929 245		Not Toyokla in serve and
140	NET TAXABLE INCOME	=	828,245	0	828,245		Net Taxable income per s Less Recovery of regulatory as
-	FROM ACTUAL TAX RETURNS						Less Change in Settlement Vari
142	Net Federal Income Tax (Must agree with tax return)	+	169,828	0			Add back Settlement Vari
143	Net Ontario Income Tax (Must agree with tax return)	+	77,038	0	,		Add bacl Regulatory Assets recov
144	Subtotal	=	246,866	0	246,866		Taxable income before Unrealized Inc
	Less: Miscellaneous tax credits (Must agree with tax returns) Total Income Tax	- =	246,866	0	246,866		Less:Small Business Dedu Revised Net Taxable in
147	TOTAL INCOME TAX	=	240,000	U	240,000		Mevised Net Taxable Inc
	FROM ACTUAL TAX RETURNS						Effective Tax Rates
	Net Federal Income Tax Rate (Must agree with tax return)		35.05%		35.05%		35.05%
150	Net Ontario Income Tax Rate (Must agree with tax return)		15.90%		15.90%		15.90%
151	Blended Income Tax Rate		50.95%		50.95%		50.95%
152	Section F. Income and Conital Toys						
153 154	Section F: Income and Capital Taxes						
	RECAP						
	Total Income Taxes	+	246,866	0	246,866		
157	Ontario Capital Tax	+	29,046		29,046		
	Federal Large Corporations Tax	+	0		0		
159	Total income and canital taxes		075.040	^	075.040		
160 161	Total income and capital taxes	=	275,912	0	275,912		
101							ı

_	Δ	Ъ	0			7,660
1	A DIL a TAYES FR 2009 0294	B LINE	C M of F	D Non wires	E Wires only	F
	PILs TAXES - EB-2008-0381 Tax and Accounting Reserves	LINE	Corporate	Non-wires Eliminations	Wires-only Tax	
	For MoF Column of TAXCALC		Tax	EIIIIIIIalions	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return		Return	
5	0		rtotani		Version 2009.1	
6	,				70101011 200011	
7	Utility Name: Centre Wellington Hydro Ltd					
8	Reporting period: 2005					
9	. 5.					
10	TAX RESERVES					
11						
	Beginning of Year:					
13					0	
	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	
	Other - Please describe Other - Please describe				0	
20	Outer - Flease describe				0	
21					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23	Total (carry forward to the 1777/120 worksheet)		- C		O O	
	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
	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	
	Other - Please describe				0	
	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line		0		0	
36	Total (carry forward to the TAXREC worksheet)		0	0	0	
37						
	FINANCIAL STATEMENT RESERVES					
39	I INANGIAL STATEMENT RESERVES					
	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
	Allowance for doubtful accounts		0		0	
	Inventory obsolescence	-			0	
	Property taxes				0	
	Other - Please describe				0	
	Other - Please describe				0	
49	T . 1				0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	End of Voor					
53	End of Year:				0	
54					0	
_	Environmental				0	
	Allowance for doubtful accounts		0		0	
	Inventory obsolescence				0	
	Property taxes				0	
	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

March 22, 2010 Tax Reserves

	A	В	С	D	Е	F
1						
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate Tax	Eliminations	Tax Return	
	(for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY		Return		Return	
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
	Utility Name: Centre Wellington Hydro Ltd Reporting period: 2005					
	Number of days in taxation year:		365			
11	Materiality Level:		10,692			
12						
13 14						
	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17	Only an enter of all allely and tell and and	+			0	
	Gain on sale of eligible capital property Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22	Calentific research expanditures deducted	+			0	
24	Scientific research expenditures deducted per financial statements	+			0	
25	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures Share issue expense	+			0	
	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+			0	
37 38		+			0	
39		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51 52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56 57			0	0	0	
58			0	0	0	
59			0	0	0	
60 61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65 66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70 71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	Λ	В	С	D	E	F
1	Α	Ь	C	D		
	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)	LIIVE	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiddioilo	Return	
	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Centre Wellington Hydro Ltd					
9	Reporting period: 2005					
	Number of days in taxation year:		365			
	Materiality Level:		10,692			
12						
13						
75			0	0	0	
76			0	0	0	
	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
	Total Additions		0	0	0	
80	Deduct:					
	Gain on disposal of assets per f/s				0	
	Dividends not taxable under section 83	-			0	
	Terminal loss from Schedule 8	-			0	
	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661				0	
	Bad debts	-			0	
	Book income of joint venture or partnership	_			0	
	Equity in income from subsidiary or affiliates	-			0	
	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	
97		-			0	
98		-	_		0	
	Total Deductions	=	0	0	0	
100						
	Recap of Material Deductions:		0	0	0	
102 103			0	0	0	
103			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	
	Total Deductions exceed materiality level		0	0	0	
	Other deductions less than materiality level		0	0	0	
	Total Deductions		0	0	0	
122	_					

	A A	В	С	D	Е	F
1	^		Ü	В		ı.
	PILs TAXES - EB-2008-0381					
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			
	Utility Name: Centre Wellington Hydro Ltd				Version 2009.1	
9						
10						
	Reporting period: 2005		205			
13	Number of days in taxation year:		365			
14						
15						
_	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
_	Non-deductible meals	+	3,651		3,651	
	Non-deductible club dues	+	,		0	
34	Non-deductible automobile costs	+			0	
	Donations - amount per books		103,200		103,200	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments				0	
39	Discovering the second	+	450,450		0	
	Changes in Regulatory Asset balances-Recovery of Reg Assets Imputed interest expense on Regulatory Assets	+	456,453		456,453 0	
42	Change in Settlement Variance	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Curor redutations. (produce explain in detail the ricture of the item)	+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	563,304	0	563,304	
48						
	Deduct:					
50						
	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs	-			0	
	Imputed interest income on Regulatory Assets				0	
	Donations - amount deductible for tax purposes	-	103,200		103,200	
	Income from joint ventures or partnerships	-			0	
59	Taxable dividends deductible under section 112 or 113	-	318		318	
60	Ontario capital tax adjustments to current or prior year	-	29,046		29,046	
61		-			0	
	Changes in Regulatory Asset balances	-	112,714		112,714	
63	Change in Settlement Variance	-			0	
	Dividends	-			0	
65		-			0	
66 67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	outor acadenous. It rease explain in detail the nature of the item)	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	245,278	0	245,278	
74						
75	·					

March 22, 2010 TAXREC 3 No True-up

	A	В	С	D	l E	F
1	PILs TAXES - EB-2008-0381		U	ט		<u> </u>
2	Corporate Tax Rates				٧	ersion 2009
3	Exemptions, Deductions, o					
4	Utility Name: Centre Welling	gton Hydro	Ltd			
5 6	Reporting period: 2005					
7						Table 1
	Rates Used in 2005 RAM PI	Ls Applicat	ions for 2005			
	Income Range		0		400,001	4 400 000
10 11	RAM 2005	Year	to 400,000		to 1,128,000	>1,128,000
	Income Tax Rate	i cai	400,000		1,120,000	
	Proxy Tax Year	2005				
	Federal (Includes surtax)		13.12%		17.75%	22.12%
15 16	and Ontario blended		5.50%		9.75%	14.00%
17	Blended rate		18.62%		27.50%	36.12%
	Capital Tax Rate		0.300%			
19	LCT rate		0.175%			
20	Surtax		1.12%			
21	Ontario Capital Tax	MAX	7,500,000			
۱ ۷	Exemption ** Federal Large	\$7.5MM				
	Corporations Tax	MAX	50,000,000			
22	Exemption **	\$50MM				
	**Exemption amounts	must agre	e with the	Board-app	roved 200	5 RAM
23	PILs filing					
24						
25						Table 2
	Expected Income Tax Rates	s for 2005 a				
	Income Range Expected Rates		0 to	250,001 to	400,001 to	>1,128,000
29	Expedied Nates	Year	250,000	400,000	1,128,000	-1,120,000
	Income Tax Rate			,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	Current year	2005				
	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%	22.12%
34	Ontario Blended rate	2005 2005	5.50% 18.62%	5.50% 27.62%	9.75% 31.87%	14.00% 36.12%
35	Sicilated fate	2000	10.02 /0	21.02/0	01.07 /0	00.12/0
	Capital Tax Rate	2005	0.300%			
37	LCT rate	2005	0.200%			
38	Surtax Ontario Capital Tax	2005	1.12%			
39	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000			
	Federal Large					
	Corporations Tax	MAX \$50MM	50,000,000			
40	Exemption *** 2005					
11	***Allocation of exemp		st comply w	vith the Bo	ard's instr	ructions
2	regarding regulated ac	tivities.				
13	lander that the second	toda A	0005 7 -			Table 3
	Input Information from Utili Income Range	ty's Actual	2005 Tax Ret 0	urns 250,001	400,001	
1 6	moome nange		to	250,001 to	400,001 to	>1,128,000
17		Year	250,000	400,000	1,128,000	, , , , , ,
	Income Tax Rate					
49	Current year	2005			25.050/	
50 51	Federal (Includes surtax) Ontario				35.05% 15.00%	
52	Blended rate		0.00%	0.00%	15.90% 50.95%	0.00%
53			0.0070	0.0070	00.0070	0.0070
	Capital Tax Rate		0.300%			
	LCT rate		0.225%			
ენ	Surtax	MAV	1.12%			
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,500,000			
	Federal Large					
	Corporations Tax	MAX \$50MM	50,000,000			
	Exemption *					
59	* Include copies of the					in your
0	submission: Ontario C	T23 page	11; federa	I T2 Sched	lule 36	

March 22, 2010 Tax Rates

	A	В	С	D	E	F	G	Н	ı	J	K	L	M	Ν	0
1	PILs TAXES - EB-2008-0381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Centre Wellington Hydro Ltd														Version 2009.1
4	Reporting period: 2005				Sign Conventi	on: -	+ for increase;	- fo	r decrease						0
5															
6															
7															
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		0		0		0		0		0		0
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)				0		0		0		0		0		0
	PILs proxy from April 1,														
13	2005 - input 9/12 of amount										0				0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)				0		0								0
	True-up Variance	+/-													
15	Adjustment (3)		_		0		0		0		0		5,546		5,546
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)										0				0
	Deferral Account Variance	+/-													
17	Adjustment (5)				0		0		0		0		-17,473		-17,473
	Adjustments to reported	+/-													
18	prior years' variances (6)												0		0
19	Carrying charges (7)	+/-			0		0		0		0		0		0
	PILs billed to (collected	-													
20	from) customers (8)		0		0		0		0		0		0		0
21															
22	Ending balance: # 1562		0		0		0		0		0		-11,927		-11,927

26 Uncollected PILs

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34 35

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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.

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

- (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.
- (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
- (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- (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 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- (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.
- 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.
- (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.
- 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. 56 57
 - (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. 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.