

**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***

<b>Rate Class</b>	<b>CWHL PILs Billed Worksheet</b>	<b>Approved 2002 RAM sheet 8</b>	
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 March 1, 2001 to March 31, 2004.

Description	Actual Volume	Customer Count	PILs Volumetric Proxy Rate	PILs Fixed Charge Rate	PILs Volumetric 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
<b>Total</b>						<b>10,389.42</b>
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
<b>Total</b>						<b>7,397.79</b>
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 Wellington Hydro Ltd.							
Composition of Interest Expense 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	<b>102,287.17</b>	<b>224,160.67</b>	<b>353,456.40</b>	<b>374,408.22</b>	<b>377,895.13</b>	<b>389,494.01</b>

- 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 Wellington Hydro Ltd.							
Composition of Interest Expense 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	<b>102,287.17</b>	<b>224,160.67</b>	<b>353,456.40</b>	<b>374,408.22</b>	<b>377,895.13</b>	<b>389,494.01</b>

- 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.

Centre Wellington Hydro Ltd.						
Ontario Ministry of Finance-Confirmation of Tax Assessments and Payment						
For the Period of 2001 to 2005						
Original Notice of Assessments (there was NO re-assessments as Per Bill Armbuster of the Ontario Ministry of Finance Office)						
Year		<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Total Tax Assessment Paid		5,514.00	48,795.00	65,664.00	107,565.00	275,912.00
<b>Breakdown:</b>						
Ontario Corporate Mim Tax (CMT)		-	20,877.00	6,209.00	-	-
Ontario Capital Tax		5,514.00	24,390.00	25,306.00	22,508.00	29,046.00
Ontario Income Tax Payable		-	-	8,986.00	17,755.00	77,038.00
Federal Income Tax		-	3,528.00	25,163.00	67,302.00	169,828.00
Total Original Tax Assessment		5,514.00	48,795.00	65,664.00	107,565.00	275,912.00
Above amounts were confirmed via telephone conversation on May 17, 2012.						

- 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 on-going 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<sup>1</sup> 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:

---

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

Centre-Wellington Hydro Ltd.					
Tax rate calculation					
	2001	2002	2003	2004	2005
<b>Calculation of federal small business deduction impact</b>					
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%)
<b>Calculation of Ontario small business deduction impact</b>					
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%
<b>Tax rates</b>					
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 business 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%	
<b>Taxable capital</b>	<b>11,054,068</b>	<b>11,567,833</b>	<b>12,062,217</b>	<b>12,502,508</b>	<b>12,923,063</b>
		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	

- 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.

- i. 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-Wellington Hydro Ltd.					
Tax rate calculation					
	2001	2002	2003	2004	2005
<b>Calculation of federal small business deduction impact</b>					
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%)
<b>Calculation of Ontario small business deduction impact</b>					
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%
<b>Tax rates</b>					
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 business 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%	
<b>Taxable capital</b>	<b>11,054,068</b>	<b>11,567,833</b>	<b>12,062,217</b>	<b>12,502,508</b>	<b>12,923,063</b>
		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.



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**

# Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	3	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Total Payment Enclosed:**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



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

**AUG 24 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

**CENTRE WELLINGTON HYDRO LTD.**

**ASSESSMENT NO. 30**

Account No.

**1800241**

Assessment Date  
(year, month, day)

**2004/08/18**

Page

**1 of 1**

Tax: Federal and Provincial PIL

**65,664.00**

Assessment Interest

**1,047.94**

Total Assessment Liability

**66,711.94**

### SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

**65,664.00CR**

Sub-Total

**65,664.00CR**

TAXATION YEAR BALANCE DUE \*\*

**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 (OEFEC). The current interest rate is 0.0191780%.

pd.  
chg 7/4/1  
Sept 24



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.  
C/O FLORENCE THIESSEN  
730 GARTSHORE ST  
PO BOX 217  
FERGUS  
N1M 2W8

ON

# Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

RECEIVED AUG 02 2005

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	4	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Total Payment  
Enclosed:

--	--	--	--	--	--	--	--	--	--



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 2004/01/01 to 2004/12/31

Account No.

**1800241**

Assessment Date  
(year, month, day)

2005/07/26

Page

1 of 1

CENTRE WELLINGTON HYDRO LTD.

ASSESSMENT NO. 48

Tax: Federal and Provincial PIL  
Assessment Interest  
Total Assessment Liability

107,565.00  
1,303.24 +957  
108,868.24

### SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

101,743.00CR

Sub-Total

101,743.00CR

TAXATION YEAR BALANCE DUE \*\*

7,125.24

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.

7134.81

Total tax assessed as per company estimate

July 14, 2005 payment of

\$5822.00 not shown

on 2004 payments

posted Jun 13, 2005 against  
2005 installments.

Interest charges 1312.81

\*\*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%.

Aug 10, 2005 - Left message for Audrey Wise about  
missing installment 905-433-6095  
- Left 2nd Message



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

Account No.  
**1800241**

**35 A**  
PX5000

CENTRE WELLINGTON HYDRO LTD.  
C/O FLORENCE THIESSEN  
730 GARTSHORE ST  
PO BOX 217  
FERGUS  
N1M 2W8

ON

## Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

2 0 0 5 1 2 3 1

Payment Amount: \$

6,129.97

Taxation Year End: (YYYYMMDD)

2 0 0 6 1 2 3 1

Payment Amount: \$

22,985.00

Total Payment  
Enclosed:

29,114.97



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

Account No.

**1800241**

Assessment Date  
(year, month, day)

2006/07/24

Page

1 of 1

CENTRE WELLINGTON HYDRO LTD.

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

275,912.00CR

Sub-Total

275,912.00CR

TAXATION YEAR BALANCE DUE \*\*

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 (OEFEC)  
The current interest rate is 0.0246575%.

## Centre-Wellington Hydro

### Tax rate calculation

	2001	2002	2003	2004	2005
<b>Calculation of federal small business deduction impact</b>					
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					
<b>Calculation of Ontario small business deduction impact</b>					
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					
<b>Tax rates</b>					
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 business 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	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs Taxes EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Centre Wellington Hydro Ltd.														
4	Reporting Period: 2001 to Apr 30, 2006				Sign Convention: + for increase; - for 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
12	Board-approved PILs tax proxy from Decisions (1)	+/-	79,861		269,036		348,897		289,001		67,259		66,549		1,120,604
13	PILs proxy from April 1, 2005 - input 9/12 of amount										149,736				149,736
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			0		0								0
15	True-up Variance Adjustment (3)	+/-			0		0		-15,964		-20,672		5,546		-31,090
16	Deferral Account Variance Adjustment Q4, 2001 (4)				-4,277										-4,277
17	Deferral Account Variance Adjustment (5)	+/-			0		-29,494		-46,825		-62,124		-17,473		-155,916
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	486		5,461		1,927		-684		-6,287		-2,797		-1,894
20	PILs billed to (collected from) customers (8)	-	0		-334,722		-330,634		-254,189		-231,568		-91,015		-1,242,127
21															
22	Ending balance: # 1562		80,347		15,846		6,542		-22,119		-125,775		-164,964		-164,964
23															
24															
25															
26	Uncollected PILs														
27															
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.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
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	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
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	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
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, 2001 and 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	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
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.														
76															
77															

	A	B	C	D	E
1	PILs TAXES - ED-2002-0511				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Centre Wellington Hydro Ltd.			Colour Code	
4	Reporting period: 2001			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	92	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	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%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2001	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			8,553,726	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			732,627	
42					
43	1999 return from RUD Sheet #7			555,088	555,088
44					
45	Total Incremental revenue			177,539	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			4,932	4,932
48	Amount allowed in 2002			113,427	0
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				560,020
55					
56	Equity			4,276,863	
57					
58	Return at target ROE			422,554	
59					
60	Debt			4,276,863	
61					
62	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				
66	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61				
68	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					

	A	B	C	D	E	F	G	H
1	PILs TAXES - ED-2002-0511	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				G-C	Explanation		
5		0					Version 2009.1	
6	Centre Wellington Hydro Ltd.							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	140,005		-276,892		-136,887	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	110,693		-3,814		106,879	
21	Employee Benefit Plans - Accrued, Not Paid	3	0		0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				4,350		4,350	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	42,391		103,146		145,537	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
37	Interest Expense Deemed/ Incurred	11	59,255		-59,255		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		149,052		-320,247		-171,195	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-1.9900%		32.13%	
54								
55	REGULATORY INCOME TAX		50,857		-50,857	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		50,857		-50,857	Actual	0	
61								
62								
63	III) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	8,553,726		3,738,802		12,292,528	
67	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		3,553,726		3,738,802		7,292,528	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		2,665		9,012		11,677	
73								
74	Federal Large Corporations Tax							
75	Base	18	8,553,726		3,738,801		12,292,527	
76	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		3,738,801		2,292,527	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		2,162		2,162	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		2,162		2,162	
85								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross-up (exclude-surtax)		34.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	77,196			Actual 2001	0	
91	LCT (proxy tax is grossed-up)	23	0			Actual 2001	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	2,665			Actual 2001	5,514	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2001 RAM DECISION	25	79,861			Actual 2001	5,514	
96								
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell E206)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			

	A	B	C	D	E	F	G	H
1	PILs TAXES - ED-2002-0511	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				G-C	Explanation		
5		0					Version 2009.1	
6	Centre Wellington Hydro Ltd.							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
121								
122	Income Tax Rate from 2001 Utility's tax return			x	32.13%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				31.010%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				0			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	149,052			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	32.13%			
139								
140	REVISED REGULATORY INCOME TAX			=	47,890			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	47,890			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	50,857			
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	Revised deemed taxable capital			=	3,553,726			
154								
155	Rate - Tab Tax Rates cell C54			x	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			
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								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				31.01%			
176								
177	Income Tax (grossed-up)			+	-4,299			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	22			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-4,277			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	0			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-4,277			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				310,073			
194	Interest phased-in (Cell C37)				59,255			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				250,818			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200								
201	Interest deducted on MoF filing (Cell G37+G42)				0			
202	Deemed Interest				77,518			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell E112)				0			
207								
208	Total Interest Variance				250,818			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - ED-2002-0511</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Centre Wellington Hydro Ltd.					
8	Reporting period: 2001					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		92	days		
12						
13	Please enter the Materiality Level :		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)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
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 and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
31	Energy Sales	+	3,542,053		3,542,053	
32	Distribution Revenue	+	59,411		59,411	
33	Other Income	+	60,259		60,259	
34	Miscellaneous income	+	21,749		21,749	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	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		-			0	
46	Distribution	-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	-136,887	0	-136,887	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-			0	
53	<b>Net Income (loss)</b>	=	-136,887	0	-136,887	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+		0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	106,879	0	106,879	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		4,350	0	4,350	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		111,229	0	111,229	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed - Software expensed per F/S	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	111,229	0	111,229	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - ED-2002-0511</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	0		<b>Return</b>			
5					<b>Version 2009.1</b>	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	145,537		145,537	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	145,537	0	145,537	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	145,537	0	145,537	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	-171,195	0	-171,195	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	-171,195	0	-171,195	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	0	0	0	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%		0.00%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP FROM ABOVE:					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	5,514		5,514	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	5,514	0	5,514	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - ED-2002-0511</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Centre Wellington Hydro Ltd.</b>					
8	<b>Reporting period: 2001</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
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					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	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	<b>RATEPAYERS ONLY</b>		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Centre Wellington Hydro Ltd.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		10,692			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36		+			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						
48	Recap of Material Additions:					
49			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			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	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	<b>RATEPAYERS ONLY</b>		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Centre Wellington Hydro Ltd.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		10,692			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	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	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
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		-			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						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - ED-2002-0511</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Centre Wellington Hydro Ltd.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2001</b>					
12	<b>Number of days in taxation year:</b>		92			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	3,002		3,002	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	1,348		1,348	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+				
36	Interest and penalties on unpaid taxes	+				
37	Management bonuses unpaid after 180 days of year end	+				
38	<b>Ontario Capital Tax per books</b>	+				
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Capital contributions - s.12(1)(x)	+			0	
45		+			0	
46		+				
47	<b>Total Additions on which true-up does not apply</b>	=	4,350	0	4,350	
48						
49	<b>Deduct:</b>					
50						
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 amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario Capital Tax per tax return</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-			0	
63	Unrealized Revenue	-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69	Capital contributions s.13(7.4) Election	-			0	
70	Prospectus & underwriting fees	-			0	
71	Income not earned on movement of Regulatory A/Cs	-			0	
72	Deferred cost deductible (market ready)	-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

61

PILS TAXES - ED-2002-0511

Corporate Tax Rates

Exemptions, Deductions, or Thresholds

Centre Wellington Hydro Ltd.

Reporting period: 2001

[illegible]

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Centre Wellington Hydro Ltd.</b>			Colour Code	
4	<b>Reporting period: 2002</b>			Input Cell	
5				Formula in Cell	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	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%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2002	
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
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	
43	1999 return from RUD Sheet #7			555,088	555,088
45	Total Incremental revenue			177,539	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
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	<b>Total Regulatory Income</b>				<b>673,447</b>
56	Equity			4,276,863	
58	Return at target ROE			422,554	
60	Debt			4,276,863	
62	Deemed interest amount in 100% of MARR			310,073	
64	Phase-in of interest - Year 1 (2001)			259,979	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61				
68	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					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Centre Wellington Hydro Ltd.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	673,447		209,535		882,982	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	442,771		66,007		508,778	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				6,736		6,736	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	332,314		292,247		624,561	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	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			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				605,923		605,923	
49								
50	<b>TAXABLE INCOME/ (LOSS)</b>		498,878		-555,027		-56,149	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-4.2100%		29.91%	
54								
55	<b>REGULATORY INCOME TAX</b>		170,217		-149,340		20,877	
56								
57								
58	Miscellaneous Tax Credits	14			0		0	
59								
60	<b>Total Regulatory Income Tax</b>		170,217		-149,340		20,877	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	8,553,726		4,298,866		12,852,592	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		3,553,726		4,298,866		7,852,592	
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		12,897		23,558	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	8,553,726		3,014,106		11,567,832	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		3,014,106		1,567,832	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		3,528		3,528	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		3,528		3,528	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		<b>0</b>					<b>Version 2009.1</b>	
6	Utility Name: Centre Wellington Hydro Ltd.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13			\$		\$		\$	
14								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		34.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	258,375			<b>Actual 2002</b>	20,877	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2002</b>	3,528	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	10,661			<b>Actual 2002</b>	24,390	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	269,036			<b>Actual 2002</b>	48,795	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	29.91%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				28.79%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	498,878			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	29.91%			
139								
140	REVISED REGULATORY INCOME TAX			=	149,215			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	149,215			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	170,217			
147								
148	Regulatory Income Tax Variance			=	-21,003			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Centre Wellington Hydro Ltd.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13			\$		\$		\$	
150	<b>Ontario Capital Tax</b>							
151	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	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
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	<b>Federal LCT</b>							
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								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				28.79%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-29,494			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-29,494			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-29,494			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				310,073			
194	Interest phased-in (Cell C36)				285,026			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				25,047			
197								
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200	Interest deducted on MoF filing (Cell K36+K41)				224,161			
201								
202	Total deemed interest (REGINFO CELL D61)				310,073			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				25,047			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Centre Wellington Hydro Ltd.					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	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)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
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 and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
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		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
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	
44	Ontario Capital Tax	-	0		0	
45	Reg Assets	-	0		0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	882,982	0	882,982	
51	Less: Interest expense for accounting purposes	-	224,161		224,161	
52	Provision for payments in lieu of income taxes	-	47,514		47,514	
53	<b>Net Income (loss)</b>	=	611,307	0	611,307	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax/Less Capital Tax included in Tax Provision	+	47,514	0	47,514	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	508,778	0	508,778	
62	Employee benefit plans-accrued, not paid	+	0	0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		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						
70	<b>Subtotal</b>		563,028	0	563,028	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	563,028	0	563,028	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<b>Total Other additions &gt;materiality level</b>		0	0	0	
93	<b>Other additions (less than materiality level)</b>		0	0	0	
94	<b>Total Other Additions</b>		0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
95						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4			<b>Return</b>			
5		0			<b>Version 2009.1</b>	
96	<b>BOOK TO TAX DEDUCTIONS:</b>					
97	Capital cost allowance	-	624,561		624,561	
98	Cumulative eligible capital deduction	-	0		0	
99	Employee benefit plans-paid amounts	-	0		0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		605,923	0	605,923	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,230,484	0	1,230,484	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
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						
122	Total Deductions	=	1,230,484	0	1,230,484	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	-56,149	0	-56,149	dd back
135	<b>DEDUCT:</b>					T
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	-56,149	0	-56,149	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	20,877		20,877	
144	Subtotal	=	20,877	0	20,877	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	<b>Total Income Tax</b>	=	20,877	0	20,877	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		5.33%		5.33%	
151	Blended Income Tax Rate		5.33%	*****	5.33%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	20,877	0	20,877	
157	Ontario Capital Tax	+	24,390		24,390	
158	Federal Large Corporations Tax	+	3,528		3,528	
159						
160	<b>Total income and capital taxes</b>	=	48,795	0	48,795	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
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					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		10,692			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	0		0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			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		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			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			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		10,692			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	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	
87	Bad debts	-	0		0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
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						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Centre Wellington Hydro Ltd.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2002</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	4,218		4,218	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	2,518		2,518	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	6,736	0	6,736	
48						
49	<b>Deduct:</b>					
50						
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 amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59	<i>Unrealized income-Loss carried forward</i>	-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-	29,904		29,904	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-	576,019		576,019	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		+			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	605,923	0	605,923	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Centre Wellington Hydro Ltd.									
5	Reporting period: 2002									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000				>700,000	
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	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										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002									
27	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								
32	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										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	*** Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2002 Tax Returns									
45	Income Range		0		200,001					
46		Year	to		to				>700,000	
47			200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)				26.12%					
51	Ontario				5.33%					
52	Blended rate		0.00%		31.45%				0.00%	
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

26.12%  
5.33%  
31.45%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Centre Wellington Hydro Ltd.													Version 2009.1	
4	Reporting period: 2002			Sign Convention: + for increase; - for decrease										0	
5															
6															
7															
8	Year start:												True up for		
9	Year end:												01/01/2002		
10													31/12/2002		Total
11	Opening balance:		=	0	0	0	0	0	0	0	0	0	0	0	0
12	Board-approved PILs tax proxy from Decisions (1)		+/-				0		0		0		0		
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)		+/-												0
15	True-up Variance Adjustment (3)		+/-										0		0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)		+/-										-29,494		-29,494
18	Adjustments to reported prior years' variances (6)		+/-												0
19	Carrying charges (7)		+/-												0
20	PILs billed to (collected from) customers (8)		-	0											0
21															
22	Ending balance: # 1562			0	0	0	0	0	0	0	0	-29,494	-29,494		
23															
24															
25															
26	Uncollected PILs														
27															
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.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
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	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
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	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
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, 2001 and 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	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
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.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Centre Wellington Hydro Ltd.</b>			Colour Code	
4	<b>Reporting period: 2003</b>			Input Cell	
5				Formula in Cell	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	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%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			8,553,726	Rate Base-Estimate
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			732,627	
42					
43	1999 return from RUD Sheet #7			555,088	555,088
44					
45	Total Incremental revenue			177,539	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
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	<b>Total Regulatory Income</b>				<b>673,447</b>
55					
56	Equity			4,276,863	
57					
58	Return at target ROE			422,554	
59					
60	Debt			4,276,863	
61					
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				
66	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61				
68	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					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Centre Wellington Hydro Ltd.							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	673,447		60,266		733,713	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	442,771		70,404		513,175	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	0		0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				212,812		212,812	
31								
32	<b>Deductions: Input positive numbers</b>							
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	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
37	Interest Expense Deemed/ Incurred	11	285,026		68,474		353,500	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				130,179		130,179	
49								
50	TAXABLE INCOME/ (LOSS)		498,878		-108,141		390,737	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-6.9400%		27.18%	
54								
55	<b>REGULATORY INCOME TAX</b>		170,217		-132,778	<b>Actual</b>	37,439	
56								
57								
58	Miscellaneous Tax Credits	14			0	<b>Actual</b>	0	
59								
60	<b>Total Regulatory Income Tax</b>		170,217		-132,778	<b>Actual</b>	37,439	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	8,553,726		4,795,039		13,348,765	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		3,553,726		4,795,039		8,348,765	
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		14,385		25,046	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	8,553,726		3,508,490		12,062,216	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		3,508,490		2,062,216	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		4,640		4,640	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		4,640		4,640	
85								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross-up (exclude surtax)		34.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	258,375			<b>Actual 2003</b>	37,439	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2003</b>	2,810	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	10,661			<b>Actual 2003</b>	25,306	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	269,036			<b>Actual 2003</b>	65,555	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11			43,427			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Centre Wellington Hydro Ltd.							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				<b>Column</b>	
10	Total days in the calendar year:	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
120	Total TRUE-UPS before tax effect	26		=	-43,427			
121								
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return			x	27.18%			
123								
124	Income Tax Effect on True-up adjustments			=	-11,804			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-11,804			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				26.06%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				-15,964			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	498,878			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	27.18%			
139								
140	REVISED REGULATORY INCOME TAX			=	135,595			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	135,595			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	170,217			
147								
148	Regulatory Income Tax Variance			=	-34,622			
149								
150	<b>Ontario Capital Tax</b>							
151	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	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
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	<b>Federal LCT</b>							
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								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				26.06%			
176								
177	Income Tax (grossed-up)			+	-46,825			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-46,825			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	-15,964			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-62,788			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				310,073			
194	Interest phased-in (Cell C36)				285,026			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				25,047			
197								
198								
199	<b>Other Interest Variances (I.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200	Interest deducted on MoF filing (Cell K36+K41)				353,500			
201	Deemed Interest				310,073			
202								
203	Variance caused by excess debt				43,427			
204								
205	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				43,427			
206								
207								
208	<b>Total Interest Variance</b>				-18,381			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Centre Wellington Hydro Ltd.					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	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)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
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 and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
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	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	8,104,397		8,104,397	
40	Administration	-	667,175		667,175	
41	Customer billing and collecting	-	398,182		398,182	
42	Operations and maintenance	-	479,396		479,396	
43	Amortization	-	513,175		513,175	
44	Ontario Capital Tax	-	0		0	
45	Reg Asset movement	-	0		0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	733,713	0	733,713	
51	Less: Interest expense for accounting purposes	-	353,500		353,500	
52	Provision for payments in lieu of income taxes	-	49,795		49,795	
53	<b>Net Income (loss)</b>	=	330,418	0	330,418	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	49,795	0	49,795	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	513,175	0	513,175	
62	Employee benefit plans-accrued, not paid	+	0	0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		212,812	0	212,812	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		775,782	0	775,782	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	Income for tax purposes not recorded for book purposes	+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	775,782	0	775,782	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	585,284		585,284	
98	Cumulative eligible capital deduction	-	0		0	
99	Employee benefit plans-paid amounts	-	0		0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		130,179	0	130,179	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	715,463	0	715,463	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117	Deferred and Prepaid Expenses	-			0	
118			0		0	
119	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						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	390,737	0	390,737	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	227,343		227,343	Add
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	163,394	0	163,394	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	22,244		22,244	
143	Net Ontario Income Tax (Must agree with tax return)	+	15,195		15,195	
144	Subtotal	=	37,439	0	37,439	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	37,439	0	37,439	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		4.53%		4.53%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		3.09%		3.09%	
151	Blended Income Tax Rate		7.62%		7.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	37,439	0	37,439	
157	Ontario Capital Tax	+	25,306		25,306	
158	Federal Large Corporations Tax	+	2,810		2,810	
159						
160	Total income and capital taxes	=	65,555	0	65,555	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
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					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	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	<b>RATEPAYERS ONLY</b>		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: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		10,692			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	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		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			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			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		10,692			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	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	
87	Bad debts	-	0		0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			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						

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

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Centre Wellington Hydro Ltd.									
5	Reporting period: 2003									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%			24.12%		
15	and Ontario blended		5.50%		8.00%			12.50%		
16	Blended rate		18.62%		34.12%			36.62%		
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003									
27	Income Range		0		200,001					
28	Expected Rates		to		to					
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2003								
32	Federal (Includes surtax)	2003	13.12%					26.12%		
33	Ontario	2003	6.00%					12.50%		
34	Blended rate	2003	19.12%		34.12%			38.62%		
35										
36	Capital Tax Rate	2003	0.300%							
37	LCT rate	2003	0.225%							
38	Surtax	2003	1.12%							
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2003 Tax Returns									
45	Income Range		0		200,001					
46			to		to					
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2003								
50	Federal (Includes surtax)		4.53%		4.53%			24.12%		0.00%
51	Ontario		3.09%		3.09%			12.50%		0.00%
52	Blended rate		7.62%		7.62%			36.62%		0.00%
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

24.12% 0.00%  
12.50% 0.00%  
36.62% 0.00%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	Utility Name: Centre Wellington Hydro Ltd.														Version 2009.1
4	Reporting period: 2003														0
5	Sign Convention: + for increase; - for decrease														
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
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-													0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-15,964		-15,964
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-62,788		-62,788
23															
24															
25															
26	<b>Uncollected PILs</b>														
27															
28	<b>NOTE:</b> 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.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
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	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
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	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
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, 2001 and 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	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
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.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Centre Wellington Hydro Ltd.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			8,553,726	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			732,627	
42					
43	1999 return from RUD Sheet #7			555,088	555,088
44					
45	Total Incremental revenue			177,539	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
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	<b>Total Regulatory Income</b>				<b>673,448</b>
55					
56	Equity			4,276,863	
57					
58	Return at target ROE			422,554	
59					
60	Debt			4,276,863	
61					
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				
66	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61				
68	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					

A	B	C	D	E	F	G	H
1	ITEM	Initial		M of F	M of F	Tax	
2		Estimate		Filing	Filing	Returns	
3				Variance	Variance		
4				K-C	Explanation		
5	0					Version 2009.1	
6	Utility Name: Centre Wellington Hydro Ltd.						
7	Reporting period: 2004						
8						Column	
9	Days in reporting period:	366	days			Brought	
10	Total days in the calendar year:	366	days			From	
11						TAXREC	
12		\$		\$		\$	
13							
14	II) CORPORATE INCOME TAXES						
15							
16	Regulatory Net Income REGINFO E53	1	673,448	145,836		819,284	
17	BOOK TO TAX ADJUSTMENTS						
18	Adjustments:						
19							
20	Depreciation & Amortization	2	442,771	65,553		508,324	
21	Employee Benefit Plans - Accrued, Not Paid	3		0		0	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5	0	0		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6		0		0	
27	Other Additions (not "Material") "TAXREC"	6		0		0	
28	"Material" Items from "TAXREC 2" worksheet	6		0		0	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	Items on which true-up does not apply "TAXREC 3"			193,027		193,027	
31							
32	Deductions: Input positive numbers						
33	Capital Cost Allowance and CEC	7	332,314	279,534		611,848	
34	Employee Benefit Plans - Paid Amounts	8		0		0	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0	0		0	
37	Interest Expense Deemed/ Incurred	11	285,026	89,382		374,408	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	Items on which true-up does not apply "TAXREC 3"			171,860		171,860	
49							
50	TAXABLE INCOME/ (LOSS)		498,879	-136,360		362,519	
51							
52	BLENDED INCOME TAX RATE						
53	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	Miscellaneous Tax Credits	14		0		0	
59							
60	Total Regulatory Income Tax		170,217	-85,160		85,057	
61							
62							
63	III) CAPITAL TAXES						
64							
65	Ontario						
66	Base	15	8,553,726	3,948,782		12,502,508	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	0		5,000,000	
68	Taxable Capital		3,553,726	3,948,782		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	Federal Large Corporations Tax						
75	Base	18	8,553,726	3,948,811		12,502,537	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	40,000,000		50,000,000	
77	Taxable Capital		0	43,948,811		0	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	-0.0250%		0.2000%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0	0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0	0		0	
83							
84	Net LCT		0	0		0	
85							
86	III) INCLUSION IN RATES						
87							
88	Income Tax Rate used for gross-up (exclude surtax)		34.12%				
89							
90	Income Tax (proxy tax is grossed-up)	22	258,375		Actual 2004	85,057	
91	LCT (proxy tax is grossed-up)	23	0		Actual 2004	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	10,661		Actual 2004	22,508	
93							
94							
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	269,036		Actual 2004	107,565	
96							
97							
98							
99	IV) FUTURE TRUE-UPS						
100	IV a) Calculation of the True-up Variance			DR/(CR)			
101	In Additions:						
102	Employee Benefit Plans - Accrued, Not Paid	3		0			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		0			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		0			
108	In Deductions - positive numbers						
109	Employee Benefit Plans - Paid Amounts	8		0			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		64,335			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		0			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		0			
118	Other deductions "Material" Item TAXREC 2	12		0			
119							
120	Total TRUE-UPS before tax effect	26		-64,335			

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Version 2009.1	
6 Utility Name: Centre Wellington Hydro Ltd.							
7 Reporting period: 2004							
8						Column	
9 Days in reporting period:	366	days				Brought	
10 Total days in the calendar year:	366	days				From	
11						TAXREC	
12		\$		\$		\$	
13							
121 Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x	24.59%			
123 Income Tax Effect on True-up adjustments			=	-15,820			
125 Less: Miscellaneous Tax Credits	14			0			
127 Total Income Tax on True-ups				-15,820			
129 Income Tax Rate used for gross-up (exclude surtax)				23.47%			
131 TRUE-UP VARIANCE ADJUSTMENT				-20,672			
133							
134 IV b) Calculation of the Deferral Account Variance caused by							
135 changes in legislation							
136 REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial			=	498,879			
137 estimate column)							
138 REVISED CORPORATE INCOME TAX RATE			x	24.59%			
139 REVISED REGULATORY INCOME TAX			=	122,674			
141 Less: Revised Miscellaneous Tax Credits			-	0			
143 Total Revised Regulatory Income Tax			=	122,674			
145 Less: Regulatory Income Tax reported in the Initial Estimate Column			-	170,217			
146 (Cell C58)							
147 Regulatory Income Tax Variance			=	-47,543			
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 Revised deemed taxable capital			=	3,553,726			
154 Rate - Tab Tax Rates cell C54			x	0.3000%			
156 Revised Ontario Capital Tax			=	10,661			
157 Less: Ontario Capital Tax reported in the initial estimate column (Cell			-	10,661			
158 C70)							
159 Regulatory Ontario Capital Tax Variance			=	0			
160							
161 Federal LCT							
162 Base				8,553,726			
163 Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164 Revised Federal LCT			=	-41,446,274			
165 Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167 Gross Amount				0			
168 Less: Federal surtax			-	0			
169 Revised Net LCT			=	0			
171 Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173 Regulatory Federal LCT Variance			=	0			
174 Actual Income Tax Rate used for gross-up (exclude surtax)				23.47%			
176 Income Tax (grossed-up)			+	-62,124			
178 LCT (grossed-up)			+	0			
179 Ontario Capital Tax			+	0			
180 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-62,124			
182 TRUE-UP VARIANCE (from cell I132)			+	-20,672			
184 Total Deferral Account Entry (Positive Entry = Debit)			=	-82,795			
186 (Deferral Account Variance + True-up Variance)							
187							
188							
189							
190 V) INTEREST PORTION OF TRUE-UP							
191 Variance Caused By Phase-in of Deemed Debt							
192 Total deemed interest (REGINFO)				310,073			
193 Interest phased-in (Cell C36)				285,026			
195 Variance due to phase-in of debt component of MARR in rates				25,047			
196 according to the Board's decision							
198 Other Interest Variances (i.e. Borrowing Levels							
200 Above Deemed Debt per Rate Handbook)							
201 Interest deducted on MoF filing (Cell K36+K41)				374,408			
202 Deemed Interest				310,073			
203 Variance caused by excess debt				64,335			
205 Interest Adjustment for Tax Purposes (carry forward to Cell I112)				64,335			
207 Total Interest Variance				-39,289			
209							
210							
211							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Centre Wellington Hydro Ltd.					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
13	Please enter the Materiality Level :		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)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
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 and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
31	Energy Sales	+	8,887,465		8,887,465	
32	Distribution Revenue	+	2,424,493		2,424,493	
33	Other Income	+	255,755	0	255,755	
34	Miscellaneous income	+	102,054		102,054	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	8,887,465		8,887,465	
40	Administration	-	596,510	0	596,510	
41	Customer billing and collecting	-	402,211		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		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	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		115,550	
53	<b>Net Income (loss)</b>	=	329,326	0	329,326	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	115,550	0	115,550	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	508,324	0	508,324	
62	Employee benefit plans-accrued, not paid	+	0	0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		193,027	0	193,027	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		816,901	0	816,901	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78	<b>Ontario capital Tax per financial statements</b>	+			0	
79		+			0	
80	<b>Total Other Additions</b>	=	0	0	0	
81						
82	<b>Total Additions</b>	=	816,901	0	816,901	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	611,848		611,848	
98	Cumulative eligible capital deduction	-	0		0	
99	Employee benefit plans-paid amounts	-	0		0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions- <i>Settlement Variance</i>	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		171,860	0	171,860	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	783,708	0	783,708	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119	Capital taxes included in tax provision, deducted from tax provision, Line 59	-	0		0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	783,708	0	783,708	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	362,519	0	362,519	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	362,519	0	362,519	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	67,302	0	67,302	
143	Net Ontario Income Tax (Must agree with tax return)	+	17,755	0	17,755	
144	Subtotal	=	85,057	0	85,057	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	85,057	0	85,057	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		18.89%		18.89%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		4.98%		4.98%	
151	Blended Income Tax Rate		23.88%		23.88%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	85,057	0	85,057	
157	Ontario Capital Tax	+	22,508		22,508	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	107,565	0	107,565	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
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					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		10,692			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	0		0	
37		+			0	
38		+			0	
39		+			0	
40	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	<b>Recap of Material Additions:</b>					
49			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			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Centre Wellington Hydro Ltd.</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		366			
11	<b>Materiality Level:</b>		10,692			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	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	
87	Bad debts	-	0		0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			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						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	0		Return			
8	<b>Utility Name: Centre Wellington Hydro Ltd.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		366			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	0	0	0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+	70,177		70,177	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	3,357		3,357	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		0		0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	96,659		96,659	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	<u>Ontario capital Tax per financial statements</u>	+	22,834		22,834	
45		+			0	
46		+				
47	<b>Total Additions on which true-up does not apply</b>	=	193,027	0	193,027	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	34,216		34,216	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	0		0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-	22,508		22,508	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	114,137		114,137	
63		-			0	
64	Assessment Notice	-	0		0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69	<u>Settlement Variance</u>	-			0	
70	<u>Taxable dividends deductible under 112 or 113</u>	-	999		999	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	171,860	0	171,860	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Centre Wellington Hydro Ltd.									
5	Reporting period: 2004									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to		>700000			
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%		26.12%			
15	and Ontario blended		5.50%		6.00%		12.50%			
16	Blended rate		18.62%		34.12%		38.62%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to		>1,128,000			
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%		22.12%			
33	Ontario	2004	5.50%	5.50%	9.75%		14.00%			
34	Blended rate	2004	18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2004 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to		>1,128,000			
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)			18.89%						
51	Ontario			4.98%						
52	Blended rate		0.00%	23.88%	0.00%		0.00%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	<b>Utility Name: Centre Wellington Hydro Ltd.</b>														<b>Version 2009.1</b>
4	<b>Reporting period: 2004</b>														<b>0</b>
5	<b>Sign Convention: + for increase; - for decrease</b>														
6															
7															
8	<b>Year start:</b>		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	<b>Year end:</b>		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		<b>Total</b>
10															
11	<b>Opening balance:</b>	=	0		0		0		0		0		0		0
12	<b>Board-approved PILs tax proxy from Decisions (1)</b>	+/-					0		0		0		0		0
13	<b>PILs proxy from April 1, 2005 - input 9/12 of amount</b>														0
14	<b>True-up Variance Adjustment Q4, 2001 (2)</b>	+/-													0
15	<b>True-up Variance Adjustment (3)</b>	+/-											-20,672		-20,672
16	<b>Deferral Account Variance Adjustment Q4, 2001 (4)</b>														0
17	<b>Deferral Account Variance Adjustment (5)</b>	+/-											-62,124		-62,124
18	<b>Adjustments to reported prior years' variances (6)</b>	+/-													0
19	<b>Carrying charges (7)</b>	+/-													0
20	<b>PILs billed to (collected from) customers (8)</b>	-	0												0
21															
22	<b>Ending balance: # 1562</b>		0		0		0		0		0		-82,795		-82,795
23															
24															
25															
26	<b>Uncollected PILs</b>														
27															
28	<b>NOTE:</b> 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.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
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	true up in 2002, 2003 and for the period January 1 - March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
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	true up in 2002, 2003 and for the period January 1 - March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
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, 2001 and 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	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
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.														
76															
77															

	A	B	C	D	E
1	<b>PILs TAXES - EB-2008-0381</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Centre Wellington Hydro Ltd</b>			Colour Code	
4	<b>Reporting period: 2005</b>			Input Cell	
5				Formula in Cell	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	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%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			8,553,726	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			732,627	
42					
43	1999 return from RUD Sheet #7			555,088	555,088
44					
45	Total Incremental revenue			177,539	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
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%	59,180	59,180
52	Other Board-approved changes to MARR or incremental revenue				
53					0
54	<b>Total Regulatory Income</b>				<b>732,628</b>
55					
56	Equity			4,276,863	
57					
58	Return at target ROE			422,554	
59					
60	Debt			4,276,863	
61					
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				
66	Phase-in of interest - Year 2 (2002)			285,026	
67	((D43+D47+D48)/D41)*D61				
68	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					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-0381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Centre Wellington Hydro Ltd							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	732,628		234,255		966,883	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	442,771		52,576		495,347	
21	Employee Benefit Plans - Accrued, Not Paid	3			84,773		84,773	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				563,304		563,304	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	332,314		326,575		658,889	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	310,073		67,822		377,895	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")		15,000		0		0	
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	C&DM 2005 Incremental OMA expenses per CDM Plan	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				245,278		245,278	
49								
50	TAXABLE INCOME/ (LOSS)		518,012		295,233	Before loss C/F	828,245	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	27.50%		-2.5700%		24.93%	
54								
55	REGULATORY INCOME TAX		142,453		104,413	Actual	246,866	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		142,453		104,413	Actual	246,866	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	8,553,726		8,628,147		17,181,873	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		0		7,500,000	
68	Taxable Capital		1,053,726		8,628,147		9,681,873	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		3,161		25,884		29,046	
73								
74	Federal Large Corporations Tax							
75	Base	18	8,553,726		4,369,337		12,923,063	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		-40,000,000		10,000,000	
77	Taxable Capital		0		-35,630,663		2,923,063	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0500%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		6,577		6,577	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		6,577		6,577	
85								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		27.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	196,487			Actual 2005	246,866	
91	LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	3,161			Actual 2005	29,046	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2005 RAM DECISION	25	199,649			Actual 2005	275,912	
96								
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			84,773			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11			67,822			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-0381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Centre Wellington Hydro Ltd</b>							
7	<b>Reporting period: 2005</b>							
8								
9	<b>Days in reporting period:</b>	<b>365</b>	<b>days</b>				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	<b>365</b>	<b>days</b>				<b>Brought</b>	
11							<b>From</b>	
12			<b>\$</b>		<b>\$</b>		<b>TAXREC</b>	
13							<b>\$</b>	
120	Total TRUE-UPS before tax effect	26		=	16,951			
121								
122	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	24.93%			
123								
124	Income Tax Effect on True-up adjustments			=	4,226			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				4,226			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				23.81%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				<b>5,546</b>			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	518,012			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	24.93%			
139								
140	REVISED REGULATORY INCOME TAX			=	129,141			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	129,141			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	142,453			
147								
148	Regulatory Income Tax Variance			=	-13,313			
149								
150	<b>Ontario Capital Tax</b>							
151	Base			=	8,553,726			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	1,053,726			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	3,161			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	3,161			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base			=	8,553,726			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-41,446,274			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				23.81%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-17,473			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-17,473			
182								
183	<b>TRUE-UP VARIANCE (from cell I132)</b>			+	5,546			
184								
185	<b>Total Deferral Account Entrv (Positive Entrv = Debit)</b>			=	-11,927			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>VI INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-In of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				310,073			
194	Interest phased-in (Cell C36)				285,026			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				25,046			
197								
198								
199	<b>Other Interest Variances (I.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				377,895			
202	Maximum deemed interest REGINFO D70				310,073			
203								
204	Variance caused by excess debt				67,822			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I112)</b>				67,822			
207								
208	<b>Total Interest Variance</b>				-42,776			
209								
210								
211								

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-0381	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
6	<b>Section A: Identification:</b>						
7	Utility Name: Centre Wellington Hydro Ltd						
8	Reporting period: 2005						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12							
13	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)	Y/N					
17	Does the utility carry on non-wires related operation?	Y/N					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)						
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	<b>Section B: Financial statements data:</b>						
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 and provision for income tax						
26							
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts						
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.						
29							
30	<b>Income:</b>						
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		
36	Revenue should be entered above this line						
37							
38	<b>Costs and Expenses:</b>						
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	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	966,883	0	966,883		
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	<b>Net Income (loss)</b>	=	413,988	0	413,988		
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)						
55							
56	<b>Section C: Reconciliation of accounting income to taxable income</b>						
57	<b>From T2 Schedule 1</b>						
58	<b>BOOK TO TAX ADDITIONS:</b>						
59	Provision for income tax	+	175,000	0	175,000		
60	Federal large corporation tax	+			0		
61	Depreciation & Amortization	+	495,347	0	495,347		
62	Employee benefit plans-accrued, not paid	+	84,773	0	84,773		
63	Tax reserves - beginning of year	+	0	0	0		
64	Reserves from financial statements- end of year	+	0	0	0		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		563,304	0	563,304		
67	Material addition items from TAXREC 2	+	0	0	0		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	<b>Subtotal</b>		1,318,424	0	1,318,424		
71							
72	<b>Other Additions: (Please explain the nature of the additions)</b>						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital items expensed	+			0		
76	Change in Settlement Variance	+			0		
77	Depreciation Difference between Income statement & Schedule 1	+	0		0		
78		+			0		
79		+			0		
80	<b>Total Other Additions</b>	=	0	0	0		
81							
82	<b>Total Additions</b>	=	1,318,424	0	1,318,424		0
83							
84	<b>Recap Material Additions:</b>						
85			0	0	0		

	A	B	C	D	E	F	G
1	<b>PILs TAXES - EB-2008-0381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>		
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>		
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>		
4		<b>0</b>	<b>Return</b>				
5					<b>Version 2009.1</b>		
86			0	0	0		
87			0	0	0		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	658,889		658,889		
98	Cumulative eligible capital deduction	-			0		
99	Employee benefit plans-paid amounts	-			0		
100	Items capitalized for regulatory purposes	-			0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions- <i>Change in settlement variance</i>	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	0	0	0		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		245,278	0	245,278		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	0	0	0		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	904,167	0	904,167		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-			0		
117		-			0		
118					0		
119	<i>Ontario Capital taxes per tax return</i>	-			0		
120	Total Other Deductions	=	0	0	0		
121							
122	Total Deductions	=	904,167	0	904,167		
123							
124	Recap Material Deductions:						
125			0	0	0		
126			0	0	0		
127			0	0	0		
128			0	0	0		
129			0	0	0		
130	Total Other Deductions exceed materiality level		0	0	0		
131	Other Deductions less than materiality level		0	0	0		
132	Total Other Deductions		0	0	0		
133							
134	TAXABLE INCOME	=	828,245	0	828,245		
135	DEDUCT:						
136	Non-capital loss applied <i>positive number</i>	-	0		0		
137	Net capital loss applied <i>positive number</i>	-			0		
138					0		
139	NET TAXABLE INCOME	=	828,245	0	828,245		
140							Net Taxable income per s
141	FROM ACTUAL TAX RETURNS						Less Recovery of regulatory a
142	Net Federal Income Tax (Must agree with tax return)	+	169,828	0	169,828		Less Change in Settlement Vari
143	Net Ontario Income Tax (Must agree with tax return)	+	77,038	0	77,038		Add back Settlement Vari
144	Subtotal	=	246,866	0	246,866		Add back Regulatory Assets recov
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		Taxable income before Unrealized In
146	Total Income Tax	=	246,866	0	246,866		Less: Small Business Dedu
147							Revised Net Taxable in
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		35.05%		35.05%		Effective Tax Rates
150	Net Ontario Income Tax Rate (Must agree with tax return)		15.90%		15.90%		35.05%
151	Blended Income Tax Rate		50.95%		50.95%		15.90%
152							50.95%
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	246,866	0	246,866		
157	Ontario Capital Tax	+	29,046		29,046		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	275,912	0	275,912		
161							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-0381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Centre Wellington Hydro Ltd</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		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					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Centre Wellington Hydro Ltd</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		10,692			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			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		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			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			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Centre Wellington Hydro Ltd</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		10,692			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	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	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			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						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-0381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Centre Wellington Hydro Ltd</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	3,651		3,651	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>		103,200		103,200	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances-Recovery of Reg Assets</b>	+	456,453		456,453	
41	Imputed interest expense on Regulatory Assets	+			0	
42	<b>Change in Settlement Variance</b>	+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	563,304	0	563,304	
48						
49	<b>Deduct:</b>					
50						
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 amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-	103,200		103,200	
58	Income from joint ventures or partnerships	-			0	
59	Taxable dividends deductible under section 112 or 113	-	318		318	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-	29,046		29,046	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-	112,714		112,714	
63	<b>Change in Settlement Variance</b>	-			0	
64	Dividends	-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	245,278	0	245,278	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-0381									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Centre Wellington Hydro Ltd									
5	Reporting period: 2005									
6										
7										
8	Table 1									
9	Rates Used in 2005 RAM PILs Applications for 2005									
10	Income Range		0		400,001					
11	RAM 2005		to		to					
12		Year	400,000		1,128,000					
13	Income Tax Rate									
14	Proxy Tax Year	2005								
15	Federal (Includes surtax)		13.12%		17.75%		22.12%			
16	and Ontario blended		5.50%		9.75%		14.00%			
17	Blended rate		18.62%		27.50%		36.12%			
18	Capital Tax Rate		0.300%							
19	LCT rate		0.175%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25										
26	Table 2									
27	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
28	Income Range		0	250,001	400,001					
29	Expected Rates		to	to	to					
30		Year	250,000	400,000	1,128,000					
31	Income Tax Rate									
32	Current year	2005								
33	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%		22.12%			
34	Ontario	2005	5.50%	5.50%	9.75%		14.00%			
35	Blended rate	2005	18.62%	27.62%	31.87%		36.12%			
36	Capital Tax Rate	2005	0.300%							
37	LCT rate	2005	0.200%							
38	Surtax	2005	1.12%							
39	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000							
40	Federal Large Corporations Tax Exemption *** 2005	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43										
44	Table 3									
45	Input Information from Utility's Actual 2005 Tax Returns									
46	Income Range		0	250,001	400,001					
47		Year	to	to	to					
48			250,000	400,000	1,128,000					
49	Income Tax Rate									
50	Current year	2005								
51	Federal (Includes surtax)						35.05%			
52	Ontario						15.90%			
53	Blended rate		0.00%	0.00%	50.95%		0.00%			
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,500,000							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-0381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	<b>Utility Name: Centre Wellington Hydro Ltd</b>														<b>Version 2009.1</b>
4	<b>Reporting period: 2005</b>														<b>0</b>
5	<b>Sign Convention: + for increase; - for decrease</b>														
6															
7															
8	<b>Year start:</b>		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	<b>Year end:</b>		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		<b>Total</b>
10															
11	<b>Opening balance:</b>	=	0		0		0		0		0		0		0
12	<b>Board-approved PILs tax proxy from Decisions (1)</b>	+/-			0		0		0		0		0		0
13	<b>PILs proxy from April 1, 2005 - input 9/12 of amount</b>										0				0
14	<b>True-up Variance Adjustment Q4, 2001 (2)</b>	+/-			0		0								0
15	<b>True-up Variance Adjustment (3)</b>	+/-			0		0		0		0		5,546		5,546
16	<b>Deferral Account Variance Adjustment Q4, 2001 (4)</b>										0				0
17	<b>Deferral Account Variance Adjustment (5)</b>	+/-			0		0		0		0		-17,473		-17,473
18	<b>Adjustments to reported prior years' variances (6)</b>	+/-											0		0
19	<b>Carrying charges (7)</b>	+/-			0		0		0		0		0		0
20	<b>PILs billed to (collected from) customers (8)</b>	-			0		0		0		0		0		0
21															
22	<b>Ending balance: # 1562</b>		0		0		0		0		0		-11,927		-11,927
23															
24															
25															
26	<b>Uncollected PILs</b>														
27															
28	<b>NOTE:</b> 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.														
30															
31	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
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	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
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	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
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.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
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, 2001 and 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	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	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.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
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.														
76															
77															