

REGULATORY INFORMATION (REGINFO)

Utility Name:

File Number:

Reporting period:

Days in reporting period:

Total days in the calendar year:

TAY HYDRO ELECTRIC DISTRIBUTION COMPANY INC.

RP-2005-0013

EB-2005-0077

January 1, 2005 - December 31, 2005

365

365

BACKGROUND

1. Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? (Yes or No)

No

2. Please identify the percentage used to allocate the exemption.

100.00%

3. Please explain the basis of the allocation if the percentage is other than 100%.

4. Accounting Year End

December 31, 2005

MARR NO TAX CALCULATIONS
FROM SHEET #7 FINAL 2001 RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)

Rate base (wires-only)

\$4,077,253.00

Common Equity Ratio (CER)

50.00%

1-CER

50.00%

Target Return On Equity (%)

9.88%

Debt rate

7.25%

Market Adjusted Revenue Requirement

\$349,217

1999 return from RUD Sheet #7

\$173,613

Total Incremental revenue

\$175,604

Amount allowed in 2001, Year 1

\$58,535

Amount allowed in 2002, Year 2

\$58,535

Amount allowed in 2003, Year 3

\$58,535

Permanent Changes to Base Rate (e.g. LPP 5% to 1.5%)

\$33,121

C&DM Capital Portion from "C&DM TAX FORECAST" worksheet

0%

Total Regulatory Income

\$382,339

Regulatory Income

\$173,613

Board-Approved
Amounts

\$58,535

\$58,535

\$58,535

\$58,535

\$58,535

\$58,535

\$33,121

Equity

\$2,038,627

Return at target ROE

\$201,416

Debt

\$2,038,627

Deemed interest amount in EBIT

\$147,800

PILs TAX GROSS-UP CALCULATION FOR 2005 CALCULATIONS (TAXCALC)		ITEM	Proxy Calculation	Comments
Utility Name: TAY HYDRO ELECTRIC DISTRIBUTION COMPANY				
Reporting Period: January 1, 2005 - December 31, 2005				
Days in Reporting Period: 365				
Total days in the calendar year: 365			\$	
<u>I) CORPORATE INCOME TAXES</u>				
Regulatory Net Income		1	\$382,339	
BOOK TO TAX ADJUSTMENTS				
Additions:				
Depreciation & Amortization		2	\$217,214	
Employee Benefit Plans - Accrued, Not Paid		3	\$0	
Tax reserves deducted in prior year		4	\$0	
Reserves from financial statements-end of year		4	\$0	
Regulatory Adjustments		5	\$0	
Other Additions				
"Material" Items		6	\$0	
Other Additions		6	\$0	
"Material" Items		6	\$0	
Other Additions		6	\$0	
Deductions:				
Capital Cost Allowance and CEC		7	\$179,431	
Employee Benefit Plans - Paid Amounts		8	\$0	
Items Capitalized for Regulatory Purposes		9	\$0	
Regulatory Adjustments		10	\$0	
Interest Expense Deemed		11	\$147,800	
Tax reserves claimed in current year		4	\$0	
Reserves from F/S beginning of year		4	\$0	
Contributions to deferred income plans		3	\$0	
Contributions to pension plans		3	\$0	
Interest capitalized for accounting but deducted for tax		11	\$0	
Other Deductions				
"Material" Items		12	\$0	
C&DM 2005 Incremental OM&A expenses per C&DM Plan		12	\$43,000	
Material Items		12	\$0	
Other Deductions		12	\$0	
<u>REGULATORY TAXABLE INCOME</u>			\$229,322	
<u>CORPORATE INCOME TAX RATE</u>				
Deemed %		13	18.62%	
<u>REGULATORY INCOME TAX</u>			\$42,700	
Taxable Income x Rate				
Miscellaneous Tax Credits		14	\$0	
Total Regulatory Income Tax			\$42,700	

PILs TAX GROSS-UP CALCULATION FOR 2005 REGULATIONS (TAXCALC)		ITEM	Proxy Calculation	Comments
Company Name: TAY HYDRO ELECTRIC DISTRIBUTION COMPANY			\$	
Reporting Period: January 1, 2005 - December 31, 2005				
Days in Reporting Period: 365				
Total days in the calendar year: 365				
Percentage used to determine the exemptions for capital tax and large corporations tax			100%	
II) CAPITAL TAXES				
Ontario				
Rate Base	15		\$4,077,253	
Less: Exemption	16		\$7,500,000	
Deemed Taxable Capital			\$0	
Rate (.3%)	17		0.3000%	
Net Amount (Taxable Capital x Rate)			\$0	
Federal (LCT)				
Base	18		\$4,077,253	
Less: Exemption	19		\$50,000,000	
Deemed Taxable Capital			\$0	
Rate (.175%)	20		0.1750%	
Gross Amount (Taxable Capital x Rate)			\$0	
Less: Federal Surtax	21		\$0	
Net LCT			\$0	
III) INCLUSION IN RATES				
Income Tax Rate used for gross- up			18.62%	
Income Tax (grossed-up)	22		\$52,470	
LCT (grossed-up)	23		\$0	
Ontario Capital Tax	24		\$0	
Total S. 93 PILs Rate Adjustment (Enter this amount in the 2005 RAM, Sheet #4, cell G14)		25	\$52,470	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

Corporate Tax Rates for 2005

Income Range	\$0 to \$400,000	\$400,001 to \$1,128,000	> \$1,128,000
<i>Income Tax Rate</i>	18.62%	27.50%	36.12%
<i>Capital Tax Rate</i>	0.300%		
<i>LCT Rate</i>	0.175%		
<i>Surtax</i>	1.12%		
<i>Ontario Capital Tax Exemption</i>	\$7,500,000		
<i>Federal Large Corporations Tax Exemption</i>	\$50,000,000		