	A	В	С	D	E
1	PILs TAXES -	ь	U	D	Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				. 5. 5. 5. 1
	Utility Name: Tay			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
	BACKGROUND Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	V	
			.,,,	,	
	Was the utility recently acquired by Hydro One		\//N1		
15 16	and now subject to s.89 & 90 PILs?		Y/N	n	
17	Is the utility a non-profit corporation?		Y/N	n	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	n	
	shared among the corporate group?	LCT	Y/N	n	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22 23	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
	Accounting Year End		Date	12-31-2005	
			Date	12-31-2003	
	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
-	(FROM 1999 FINANCIAL STATEMENTS)				
30	USE BOARD-APPROVED AMOUNTS				
	Rate Base (wires-only)			4,077,253	
				50.00%	
				50.00%	
	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			349,217	
43	1999 return from RUD Sheet #7			173,613	173,613
45	Total Incremental revenue			175,604	
	Input: Board-approved dollar amounts phased-in			,	
47				58,535	58,535
48	Amount allowed in 2002			58,535	58,535
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)		400 000/		0
51 52	Amount allowed in 2005 - Third tranche of MARR re: CDM		100.00%	58535	58,536
53	Other Board-approved changes to MARR or incremental revenue				33,121
54	Total Regulatory Income				382,340
55	. Juli regulatory involito				302,040
	Equity			2,038,627	
57				, ,	
	Return at target ROE			201,416	
59	Dakt			0.000.00=	
60 61	Debt			2,038,627	
	Deemed interest amount in 100% of MARR			147,800	
63	Decined interest amount in 100 /0 of WAINN			147,000	
	Phase-in of interest - Year 1 (2001)			98,253	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)	-		123,027	
67	((D43+D47+D48)/D41)*D61				
	Phase-in of interest - Year 3 (2003) and forward			123,027	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			4.47.000	
70 71	Phase-in of interest - 2005			147,800	
72					
'-	Page		1	<u> </u>	I .

_	A	В	С	D	E	F	G	н
2	PILs TAXES - PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CAL CULATIONS (TAXCAL C) (Wess-only business - see Tab TAXREC)	ITEM	Initial Estimate	Ė	M of F Filing	M of F Filing	Tax Returns	É
4 50 4				E	K-C	Explanation	Version 2009.1	E
4 5 6 7 8 9 9 10 11 12 13 14 15 17 18 19 20 21 22 23 24 25 26 27 27 27 28 29 20 20 20 20 20 20 20 20 20 20 20 20 20	Utility Name: Tay Reporting period: 2005		4	E			Column	E
10 11	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From TAXREC	
13 14	II CORPORATE INCOME TAXES		s		s		s	
15 16	Regulatory Not Income REGINFO E53	1	382.339		-153.275		229.064	
18 19	BOOK TO TAX ADJUSTMENTS Additions: Decreciation & Amortization	-	247.214		61 979		279 680	
21 22	Employee Benefit Plans - Accrued, Not Paid Tax reserves - beginning of year	3	217.219	E	0		0	
24 25	Reserves from financial statements - end of year Regulatory Adjustments - increase in income Other Additions (See Tab entitled "TAXREC")	5			0		0	
27 28	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC" "Material Intern from "TAXREC" Other Additions (not "Material") "TAXREC 2" Other Additions (not "Material") "TAXREC 2"	6		E	121 0 0		121 0 0	
30 31	Items on which true-up does not apply "TAXREC 3"	- 6			-581,530		-581,530	
99 94	Deductions: Input positive numbers Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts	7 8	179.431	F	40.454 0		219.885	
35 38	teris Capitalized for Regulatory Purposes Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deamed/Incursed	9 10 11	147.800		0 33.358		0 0 181,158	
38	Tax reserves - end of year Reserves from financial statements - beginning of year	4	147.500		0		0	
40 42 43 44 45 46	Contributions to deferred income plans Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 3		E	0		0	
44 45	Other Deductions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet Other Deductions (not "Material") "TAXREC"	12 12	43.000		-43.000		0	
48 48	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	12 12			0		0	
49 50	TAXABLE INCOME/ (LOSS)		229 322		(704.124)	Before loss C/F	(474.802)	
# # # # # # # # # # # # # # # # # # # #	BLENDED INCOME TAX RATE Tab Tax Rates - Regulatory from Table 1: Actual from Table 3	13	18.62%		17.5000%		38,12%	
55 56	REGULATORY INCOME TAX		42.700		-42 700	Actual	0	
58 59	Miscellaneous Tax Credits	14			0	Actual	0	
60 61 62	Total Regulatory Income Tax	Ė	42,700	Ē	-42,700	Actual	0	Ē
83 84 85	ID CAPITAL TAXES Ontario	E		E				E
88 87 80	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1: Actual, Table 3 Taxable Carital	15 16	4,077,253 7,500,000	F	1,084,763		5,162,016 7,500,000	F
69 70	Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	17	0.3000%	E	0.0000%		0.3000%	F
72 73	Ontario Capital Tax		0	E	0		0	E
75 78	Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1: Actual, Table 3	18 19	4,077,253 50,000,000	E	1,084,763		5,182,018 50,000,000	E
77 78 79	Taxable Capital Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	20	0.1750%	Ė	0.0000%		0.1750%	Ė
80 81 82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21		E	0			E
83 84 86	No. LCT	É	0	E	0		0	E
86	III) INCLUSION IN RATES			E				E
89 90	Income Tax Rate used for gross-up (exclude surted Income Tax (proxy tax is grossed-up)	22	18.62% 52,470	E		Armal 2005	0	E
	LCT (crony tax is grossed-up) Ortario Capital Tax (no gross-up since it is deductible)	23 24	0			Artual 2005 Artual 2005	0	
94 96	Total PILs for Rate Adjustment MUST AGREE WITH 2005 RAM DECISION	25	52,470			Actual 2005	0	E
97 98	an armine tour upo							
100	IV PUTURE TRUE-UPS IV a) Calculation of the True-up Variance in Additions:			E	DR/(CR)			E
103 104	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements-and of year	3 4 4			0			
106 106	Regulatory Adjustments Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	5 6		F	0 121 0			
108 109 110	N. A. Checkelson of the Trone-op Variences In Additional In Additional In Additional In Additional In Additional In Individual In Individual In Individual In Individual In Individual Indi	8 9		F	0			E
1112	Regulatory Adustments Interest Adjustment for tax curcoses (See Below - cell (205)	10 11			33.358			
114 115	Reserves from F/S beginning of year Contributions to deferred income plans	4 3			0			
117	Contributions to personn plans Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12 12			0			
119 120 121		26		-	-33.237			
122 123 124	Income Tax Rate (excluding surtax) from 2005 Utility's tax return Income Tax Effect on True-up adjustments			× -	18.62% -6.189			
125 126 127	Less: Miscellaneous Tax Credits	14		F	0			F
128 129 130	Total Income Tax on True-ups Income Tax Rate used for gross-up (exclude surtax)			F	-6.189 17.50%			F
131 132	TRUE-UP VARIANCE ADJUSTMENT				(7.501)			
194	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			L	229.322			Ē
137 138 139	REVISED CORPORATE INCOME TAX RATE	Ē		×	18.62%			E
140 141 142	REVISED REGULATORY INCOME TAX	E		Ε	42.700		•	E
144	Total Revised Regulatory Income Tax			Ė	42.700			E
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell CS8)			Ŀ	42,700			
148 149	Regulatory Income Tax Variance			-	0			E
150 151 152	Ontario Capital Tax Base Less: Exemption from tab Tax Rates, Table 2, cell C39			-	4,077,253 7,500,000			E
	Revised deemed taxable capital Rate - Tab Tax Rates cell C54			×	(3,422,747)			Ē
156 157	Revised Omario Capital Tax Less: Ontario Capital Tax reported in the initial estimate column (Cell	E		-	0			F
158 159	C70) Regulatory Ontario Capital Tax Variance			÷	0			H
161 162	Federal LCT Base Base Loss Federal from tab Tay Roses Table 2 rell C40			F	4.077.253			E
163 164 165	Basis Examption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			÷	(45.922.747)			E
166 167 168	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51 Gross Amount Less Federal surrax Protect Nat C7	E		Ė	0.1750%			Ė
169 170 171	NAMES OF THE PARTY			Ė	0			Ē
172 173 174	Less: Federal LCT reported in the initial estimate column (Cell C82) Regulatory Federal LCT Variance	Ē		Ė	0			E
175 176 177	Actual Income Tax Rate used for gross-up (exclude surtax) Income Tax (grossed-up)	E		+	17.50%			E
178 179	Income Tax (grossed-up) LCT (grossed-up) Ontario Capital Tax			+	0			F
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(7.501)			E
184 185	TRUE-UP VARIANCE (from cell I132) Total Deferral Account Entry (Positive Entry = Debit)	E		-	(7,501)			E
186 187 188	(Deferral Account Variance + True-up Variance)	Ē		E				E
189	V) INTEREST PORTION OF TRUE-UP Variance Caused By Phase-in of Deemed Debt			F				F
192	Total deemed interest (REGINEO)			E	147.800			E
195 196	Interest phased-in (Cell C98) Variance due to phase in of debt component of MARR in rates according to the Board's decision			E	123.027 24.773			E
197 198 199		Ē		E				E
200 201 202	Other Interest Variances (i.e. Borrowing Levels Above Dearmed Debt per Rate Handbook) interest deducted on MoF filing. (Cell KS8+K41) Actual Interest Paid	Ē		E	181.158 147.800			E
203 204 205	Variance caused by excess debt			F	33.358			F
206 207	Interest Adjustment for Tax Purposes (carry forward to Cell I112) Total Interest Variance			E	33.358			E
209 210	unus miéres Vanance			E	-8.584			E
211	<u>-</u>	LΞ		Ľ			_=	Ľ

Н	A PILS TAXES -	B LINE	C M of F	D Non-wires	E Wires-only	F	G
3	TAX RETURN RECONCILIATION (TAXREC) (for "wires-only" business - see s. 72 OEB Act)		Corporate Tax	Eliminations	Tax Return		
5	0	E	Return		Version 2009.1		
6 7	Section A: Identification: Utility Name: Tay						
8	Reporting period: 2005 Taxation Year's start date:						
10 11	Taxation Year's and date: Number of days in taxation year:		365	days			
12	Please enter the Materiality Level :				, lovel		
14 15	(0.25% x Rate Base x CER) (0.25% x Net Assets)	Y/N Y/N		C - enter materiality	/ level		
16 17	Or other measure (please provide the basis of the amount)	Y/N Y/N					
18 19	Does the utility carry on non-wires related operation? (Please complete the questionnaire in the Background questionnaire	e work	sheet.)				
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
22 23	Section B: Financial statements data:						
24	Input unconsolidated financial statement data submitted with Tax returns. The actual categories of the income statements should be used. If required please change the descriptions except for amortization, interes	Ļ					
26 27	It required please change the descriptions except for amongation, interest Please enter the non-wire operation's amount as a positive number, the p						
28	in the "non-wires elimination column" as negative values in TAXREC and	TAXRE	C2.	s all amounts			
29 30	Income:		3 218 878				
31 32 33	Enerav Sales Distribution Revenue	+	1,323,182		3,218,878 1,323,182		
34 35	Other Income Miscellaneous income	+	167,484		167,484 0		
36	Revenue should be entered above this line	+			0		
38	Costs and Expenses:						
39 40	Cost of energy purchased Operations, maintenance	÷	3,218,878 210,836		3,218,878 210,836		
42	Administration Billing and Collecting	÷	550.764 221,416		550.764 221,416		
43 44	Amortization	÷	278,586		278,586		
45 46		Ė	0		0		
47 48		Ė			0		
49 50	Net Income Before Interest & Income Taxes EBIT	-	229,064	0	229,064		
51 52	Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes	Ė	181,158 -80,700		181,158 -80,700		
53	Net Income (loss) (The Net Income (loss) on the MoF column should equal to the net income (loss)	-	128,606	0	128,606		
54 55	per financial statements on Schedule 1 of the tax return.)						
56 57	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1						
58 59	BOOK TO TAX ADDITIONS: Provision for income tax	+	-80,700	0	-80,700		
60	Federal large corporation tax Depreciation & Amortization	+	278,586	0	278,586		
62 63	Employee benefit plans-accrued, not paid Tax reserves - beginning of year	+	0	0	0		
64 65	Reserves from financial statements- end of year Regulatory adjustments on which true-up may apply (see A66)	+	0	0	0		
66 67	Items on which true-up does not apply "TAXREC 3" Material addition items from TAXREC 2	+	-581,530 0	0	-581,530		
68 69	Other addition items (not Material) from TAXREC 2	+	0	0	0		
70 71	Subtotal		-383,644	0	-383,644		
72 73	Other Additions: (Please explain the nature of the additions) Recapture of CCA	+			0		
74 75	Non-deductible meals and entertainment expense Capital items expensed	+	121		121		
76 77	зациме полны морил вым	+	0		0		
78 79		+			0		
80	Total Other Additions	=	121	0	121		
82 83	Total Additions	-	-383,523	0	-383,523		
84 85	Recap Material Additions:		0	0	0		
86 87	Non-deductible meals and entertainment expense		121	0	121		
88 89			0	0	0		
90 91			0	0	0		
92 93	Total Other additions >materiality level Other additions (less than materiality level)		121	0	121		
94 95	Total Other Additions		121	0	121		
96 97	BOOK TO TAX DEDUCTIONS: Capital cost allowance		212,175		212,175		
98 99	Capital cost anomice Cumulative eligible capital deduction Employee benefit plans-paid amounts	Ė	7,710		7,710		
100 101	Items capitalized for regulatory purposes Regulatory adjustments:	÷			0		
102	CCA other deductions	÷			0		
103 104 105	orner deductions Tax reserves - end of year Reserves from financial statements- beginning of year	Ė	0	0	0		
106	Contributions to deferred income plans	Ė	0	0	0		
108	Contributions to pension plans Items on which true-up does not apply "TAXREC 3" Interest capitalized for accounting deducted for tax	Ė	0	0	0		
109 110	Interest capitalized for accounting deducted for tax Material deduction items from TAXREC 2	Ė	0	0	0		
111 112	Material deduction items from TAXREC 2 Other deduction items (not Material) from TAXREC 2	Ė	0	0	040.005		
113 114 115 116 117 118	Subtotal Other deductions (Please explain the nature of the deductions)	-	219,885	0	219,885		
115 116	Charitable donations - tax basis Gain on disposal of assets	Ė			0		
117 118		Ė			0		
120	Total Other Deductions	÷	0	0	0		
121 122 123	Total Deductions	-	219,885	0	219,885		
123	Recap Material Deductions:						
125 126	Recap Material Deductions:		0	0	0		
127	Total Other Deductions exceed materiality level Other Deductions less than materiality level Total Other Deductions.		0	0	0		
130	Total Other Deductions exceed materiality level		0	0	0		
131	Other Deductions less than materiality level Total Other Deductions		0	0	0		
		-	-474,802	0	-474,802		
135 136 137	DEDUCT: Non-capital loss applied positive number	-	0		0		
137 138	Net capital loss applied positive number	-			0		
139 140	NET TAXABLE INCOME	E	(474,802)	0	(474,802)		
141 142 143	FROM ACTUAL TAX RETURNS Net Federal Income Tax (Must agree with tax return)	+	0	0	0		
143 144 145	Subtotal	+	0	0	0		
145 146	Less: Miscellaneous tax credits (Must agree with tax returns) Total Income Tax	Ė	0	0	0	H	
147 148	Total Income Tax FROM ACTUAL TAX RETURNS	E				Ы	
149 150	Net Federal Income Tax Rate (Must agree with tax return) Net Ontario Income Tax Rate (Must agree with tax return) Blended Income Tax Rate		0.00%		0.00%	LT	
151 152	Blended Income Tax Rate	E	0.00%		0.00%	H	
152 153 154	Section F: Income and Capital Taxes	E					
155 156 157	RECAP Total Income Taxes	+	0		0		
1158	Ontario Capital Tax Federal Large Corporations Tax	+	0		0	H	
159	Total income and capital taxes	-	0	0	0		
160 161		Ė	0	- 0			

Pite TAKES LINE		A	В	С	D	Е	F
Tax A decounting Reserves Copporte Eliminations Tax Return	1			_			
For MAF Column of TAXCALC			LIINL				
Return					Liiriiriations		
Second Second Services Second						Rotuin	
1		•		rtotam		Version 2009.1	
7 Wiltiy Name: Tay	_	v				V C I S I C I I I Z C C S I I	
Begroting period: 2005	-	Hility Name: Tay					
10 TAX RESERVES							
10 TAX RESERVES		Reporting period. 2003					
11 12 Beginning of Year:		TAY RESERVES					
12 Beginning of Year:		TAX RESERVES					
13 Reserve for doubtful accounts ss. 20(1)(ii) 0 0 15 Reserve for goods & services ss. 20(1)(iii) 0 0 16 Reserve for unpaid amounts ss. 20(1)(iii) 0 0 17 Debt and share issue expenses ss. 20(1)(iii) 0 0 18 Other - Please describe 0 0 19 Other - Please describe 0 0 20 10 10 10 10 21 11 10 10 10 10 22 Total (carry forward to the TAXREC worksheet) 0 0 0 21 22 Total (carry forward to the TAXREC worksheet) 0 0 0 22 Total (carry forward to the TAXREC worksheet) 0 0 0 23 24 End of Year: 0 0 0 26 Reserve for doubtful accounts ss. 20(1)(ii) 0 0 0 27 Reserve for goods & services ss. 20(1)(iii) 0 0 0 28 Reserve for unpaid amounts ss. 20(1)(iii) 0 0 0 29 Debt and share issue expenses ss. 20(1)(ii) 0 0 0 30 Other - Please describe 0 0 0 31 Other - Please describe 0 0 0 32 3 3 10 10 10 10 10 10		Reginning of Year:					
14 Reserve for doubtful accounts ss. 20(1)(in) 0 0 15 Reserve for uppaid amounts ss. 20(1)(in) 0 0 16 Reserve for uppaid amounts ss. 20(1)(in) 0 0 17 Debt and share issue expenses ss. 20(1)(in) 0 0 18 Other - Please describe 0 0 19 Other - Please describe 0 0 21 10 0 0 0 22 Total (carry forward to the TAXREC worksheet) 0 0 0 0 23 24 End of Year: 0 0 0 25 Reserve for doubtful accounts ss. 20(1)(in) 0 0 0 27 Reserve for goods & services ss. 20(1)(in) 0 0 0 28 Reserve for goods & services ss. 20(1)(in) 0 0 0 29 Debt and share issue expenses ss. 20(1)(in) 0 0 0 30 Other - Please describe 0 0 0 0 31 Other - Please describe 0 0 0 0 31 Other - Please describe 0 0 0 0 32 33 Insert line above this line 0 0 0 34 Insert line above this line 0 0 0 35 Total (carry forward to the TAXREC worksheet) 0 0 0 0 36 Beginning of Year: 0 0 0 0 0 37 This insert line above this line 0 0 0 0 0 38 FINANCIAL STATEMENT RESERVES 0 0 0 0 0 44 Allowance for doubtful accounts 0 0 0 0 0 0 45 Total (carry forward to the TAXREC worksheet) 0 0 0 0 0 0 0 0 0		beginning or rear.				0	
15 Reserve for upoals & services ss.20(1)(m)		Reserve for doubtful accounts ss. 20(1)(I)					
16 Reserve for unpaid amounts ss. 20(1)(n)							
17 Debt and share issue expenses ss.20(1)(e) 0 0 0 0 0 0 0 0 0							
18 Other - Please describe							
19 Other - Please describe							
20							
21							
22 Total (carry forward to the TAXREC worksheet)	-						
23		Total (carry forward to the TAXREC worksheet)		0	0		
End of Year:		(see) see see see see see see see see se		J		0	
25 Reserve for doubtful accounts ss. 20(1)(II)		End of Year:					
Reserve for doubtful accounts ss. 20(1)(I) 0 0 0 0 0 0 0 0 0						0	
27 Reserve for goods & services ss.20(1)(m) 0 0		Reserve for doubtful accounts ss. 20(1)(I)		0			
28 Reserve for unpaid amounts ss.20(1)(n)				J			
Debt and share issue expenses ss.20(1)(e)							
Other - Please describe							
31 Other - Please describe				0			
33							
33							
35 Total (carry forward to the TAXREC worksheet)						0	
35 Total (carry forward to the TAXREC worksheet)	34	Insert line above this line					
Section Sect				0	0	0	
38 FINANCIAL STATEMENT RESERVES							
39							
40 Beginning of Year:		FINANCIAL STATEMENT RESERVES					
41	39						
41	40	Beginning of Year:					
43 Environmental	41					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 Total (carry forward to the TAXREC worksheet) 0 51 0 52 End of Year: 0 53 0 54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0 0						0	
45 Inventory obsolescence 0 0 0 0 0 0 0 0 0						0	
46 Property taxes 0 47 Other - Please describe 0 48 Other - Please describe 0 49 0 0 50 Total (carry forward to the TAXREC worksheet) 0 0 51 0 0 52 End of Year: 0 0 53 0 0 0 54 0 0 0 55 Environmental 0 0 56 Allowance for doubtful accounts 0 0 57 Inventory obsolescence 0 0 58 Property taxes 0 0 59 Other - Please describe 0 0 60 Other - Please describe 0 0 61 0 0 0 62 Insert line above this line 0 0 63 Total (carry forward to the TAXREC worksheet) 0 0 0	44	Allowance for doubtful accounts		0		0	
47 Other - Please describe 0 48 Other - Please describe 0 49							
48 Other - Please describe 0 49	46	Property taxes				0	
49 0						0	
50 Total (carry forward to the TAXREC worksheet) 0 0 0 51 0 0 0 0 52 End of Year: 0	48	Other - Please describe				0	-
51 End of Year: 0 53 0 0 54 0 0 55 Environmental 0 0 56 Allowance for doubtful accounts 0 0 57 Inventory obsolescence 0 0 58 Property taxes 0 0 59 Other - Please describe 0 0 60 Other - Please describe 0 0 61 0 0 0 62 Insert line above this line 0 0 63 Total (carry forward to the TAXREC worksheet) 0 0 0						0	
52 End of Year: 0 53 0 54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 64 0		Total (carry forward to the TAXREC worksheet)		0	0	0	
53 0 0 54 0 0 55 Environmental 0 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 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0							
54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 0 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0		End of Year:					
55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 0 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0 64 0 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 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0 64 0 0							
57 Inventory obsolescence 0 58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0 64 0 0							
58 Property taxes 0 59 Other - Please describe 0 60 Other - Please describe 0 61 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0 64 0 0	-			0			
59 Other - Please describe 0 60 Other - Please describe 0 61 Insert line above this line 0 62 Insert (carry forward to the TAXREC worksheet) 0 0 64 Insert line above this line 0 0 63 Total (carry forward to the TAXREC worksheet) 0 0	-	·					
60 Other - Please describe 0 61						-	
61 0 62 Insert line above this line 0 63 Total (carry forward to the TAXREC worksheet) 0 0 64 0 0							
62 Insert line above this line 63 Total (carry forward to the TAXREC worksheet) 64 0 0 0		Other - Please describe					
63 Total (carry forward to the TAXREC worksheet) 0 0 0 0 64	61					0	
64							
		Total (carry forward to the TAXREC worksheet)		0	0	0	
	64						

	A	В	С	D	Е	F
1						
3	PILS TAXES - TAX RETURN RECONCILIATION (TAXREC 2)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
5	(for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY		Tax Return		Return	
6	Shareholder-only Items should be shown on TAXREC 3		rtotani		Version 2009.1	
7 8	Utility Name: Tay					
9 10	Reporting period: 2005 Number of days in taxation year:		365			
11	Materiality Level:		0			
12		+				
14	Continue Co December of continue in contin					
15 16	Section C: Reconciliation of accounting income to taxable income Add:					
17 18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers) Taxable capital gains	+			0	
22 23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25 26	Capitalized interest Soft costs on construction and renovation of buildings	+			0	
27 28	Capital items expensed	+			0	
29	Debt issue expense Financing fees deducted in books	+			0	
30	Gain on settlement of debt Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense Write down of capital property	+			0	
35 36	Amounts received in respect of qualifying environment trust Provision for bad debts	+			0	
37		+			0	
38 39	<u> </u>	+			0	
40 41	Other Additions: (please explain in detail the nature of the item)	+			0	
42		+			0	
43		+			0	
45	Total Additions	+		0		
46 47		=	0	0	0	
48 49	Recap of Material Additions:		0	0	0	
50			0	0	0	
51 52			0	0	0	
53 54			0	0	0	
55			0	0	0	
56 57		1	0	0	0	
58			0	0	0	
59 60			0	0	0	
61 62			0	0	0	
63			0	0	0	
64 65			0	0	0	
66 67			0	0	0	
68			0	0	0	
69 70			0	0	0	
71 72			0	0	0	
73			0	0	0	
74 75			0	0	0	
76	Total Material additions		0	0	0	
77 78	Other additions less than materiality leve		0	0	0	
79 80	Total Additions		0	0	0]
81	Deduct:					
82 83	Gain on disposal of assets per f/s Dividends not taxable under section 83	-			0	
84 85	Terminal loss from Schedule 8 Depreciation in inventory, end of prior year				0	
86	Scientific research expenses claimed in year from Form T661	Ė			0	
87 88	Book income of joint venture or partnership				0	
89 90	Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust	-			0	
91	Contributions to a qualifying environment trust Other income from financial statements				0	
92 93		-			0	
94	Other deductions: (Please explain in detail the nature of the item)				0	
95 96	Other deductions: (Please explain in detail the nature of the item) Non-taxable load transfers		0		0	
97 98		1			0	
99	Total Deductions	=	0	0	0	
100 101	Recap of Material Deductions:					
102 103			0	0	0	
104			0	0	0	
105 106			0	0	0	
107			0	0	0	
108 109			0	0	0	
110 111			0	0	0]
112			0	0	0	
113 114			0	0	0	
115 116			0	0	0	
117			0	0	0	
118 119	Total Deductions exceed materiality leve		0	0	0	
120	Other deductions less than materiality leve		0	0	0	
121 122	Total Deductions		0	0	0	

	Λ	ь	С	D	- I	_
1	Α	В	C	U	Е	F
	PILs TAXES -					
	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	(IOI WITES-OTHY BUSINESS - SEE S. 72 OLD ACT)		Return		Return	
_	Utility Name: Tay		rtotum		Version 2009.1	
9						
10						
	Reporting period: 2005					
	Number of days in taxation year:		365			
13						
14 15						
_	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18	71001					
	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	-335		-335	
	Deemed dividend income Loss in equity of subsidiaries and affiliates	+			0	
	Loss in equity of subsidiaries and affiliates Loss on disposal of utility assets	+	0		0	
	Loss on disposal of non-utility assets	+	0		0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
	Non-deductible meals	+			0	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+			0	
	Donations - amount per books				0	
	Interest and penalties on unpaid taxes Management bonuses unpaid after 180 days of year end				0	
	Ontario capital tax adjustments		0		0	
39	Ontario capital tax aujustinents	+	0		0	
40	Changes in Regulatory Asset balances	+	-581,195		-581,195	
41	Imputed interest expense on Regulatory Assets	+	,		0	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44		+	_		0	
	Capital contributions - s.12(1)(x)	+	0		0	
46 47	Total Additions on which true-up does not apply	+	-581.530	0	-581,530	
48	Total Additions on which true-up does not apply	-	-361,330	0	-301,330	
	Deduct:					
50						
	CCA adjustments				0	
52	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-	0		0	
59	missing mem joint volitation of partitionalips	-	0		0	
	Ontario capital tax adjustments to current or prior year	-	0		0	
61	F - 2	-			0	
62	Changes in Regulatory Asset balances	-			0	
63		-			0	
64	Operital approximations and O(A)(a)	-			0	
	Capital contributions - s.12(1)(x)	-	0		0	
66 67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	2 2.2.2.3.1.0. (1.10000 orpiani in dotain the materio of the fresh)	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	0	0	0	ļ
74						
75						

	Α	В	С	D	Е	F	G			Н	Н	Н	Н	HI	HI
1	PILS TAXES -					lawale 6000									
	Corporate Tax Rates Exemptions, Deductions, o	r Throchold	le		V	ersion 2009.	1								
	Utility Name: Tay	i iiiiesiioid	15												
,	Reporting period: 2005														
)															
7	Dates Hand in 2005 DAM DI	l a Annliant	ione for 2005			Table 1									
8 9	Rates Used in 2005 RAM PI Income Range	LS Applicat	0 0		400,001										
	RAM 2005		to		400,001 to	>1,128,000									
11	IVAIN 2000	Year	400,000		1,128,000	71,120,000									
12	Income Tax Rate														
	Proxy Tax Year	2005													
	Federal (Includes surtax)		13.12%		17.75%	22.12%									
5 6			5.50%		9.75%	14.00%									
7	Blended rate		18.62%		27.50%	36.12%									
	Capital Tax Rate		0.300%												
	LCT rate		0.175%												
	Surtax		1.12%												
	Ontario Capital Tax	MAX	7,500,000				l								
1	Exemption **	\$7.5MM	7,500,000				l								
	Federal Large	MAX	E0 000 000				l								
2	Corporations Tax Exemption **	\$50MM	50,000,000				l								
_	**Exemption amounts	must agre	e with the	Board-ann	roved 200	5 RAM	l								
	PILs filing	aot agre		_cara app	. 5 . 5 . 200										
3	0y														
4															
5	Funcated Income Ten D. (- (0005	and Constraint	Fuerent	- (0005	Table 2									
	Expected Income Tax Rates Income Range	s for 2005 a	nd Capital Ta 0	250,001	400,001		1	1	1	1	1	1	1	1	1
	Expected Rates		to	250,001 to	400,001 to	>1,128,000									
9		Year	250,000	400,000	1,128,000	, 5,000	l								
30	Income Tax Rate						1	1		1	1	1			
	Current year	2005]]]]]			
	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%	22.12%									
	Ontario	2005	5.50%	5.50%	9.75%	14.00%	ļ								
34 35	Blended rate	2005	18.62%	27.62%	31.87%	36.12%	ł								
	Capital Tax Rate	2005	0.300%				l								
	LCT rate	2005	0.200%				l								
	Surtax	2005	1.12%				١								
	Ontario Capital Tax	MAX					١								
9	Exemption *** 2005	\$7.5MM	7,500,000												
	Federal Large	MAX	F0 655				1								
10	Corporations Tax	\$50MM	50,000,000				l								
	Exemption *** 2005 ***Allocation of exemp	tions mus	t comply :	ith the De	ard's instr	uctions]								
	regarding regulated ac		it comply w	nui uie bo	aru 5 เมริโ	uctions									
	regarding regulated ac	uviues.				_									
3	Innut Information from 1100	tulo Astrock	2005 T D-1			Table 3									
	Input Information from Utili Income Range	ty's Actual	2005 Tax Ret	urns 250,001	400,001		1	1	1	1	1	1	1	1	1
6	mcome range		to	250,001 to	400,001 to	>1,128,000									
7		Year	250,000	400,000	1,128,000	.,5,000	I								
8	Income Tax Rate						1	1	1	1	1	1	1	1	1
9	Current year	2005					1]]]]]]]
	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%]]]]]]
	Ontario		5.50%	5.50%	14.00%	14.00%									
2	Blended rate		18.62%	27.62%	36.12%	36.12%	l								
3	Conital Tay Bata		0.2000/				ł			-					
	Capital Tax Rate LCT rate	-	0.300% 0.175%				l								
	Surtax		0.175%				l								
	Ontario Capital Tax	MAX					١								
57	Exemption *	\$7.5MM	7,500,000				Ì								
	Federal Large	MAX					١								
	Corporations Tax	\$50MM	43,000,000				l								
	Exemption *						Ì								
9	* Include copies of the					in your									
)	submission: Ontario C	T23 page	11; federa	I T2 Sched	lule 36										
	<u> </u>				Pac	ge 7									

	A	В	С	D E	F	G	Н	I	J	K	L	М	Ν	0
1	PILs TAXES -									<u> </u>				
2	Analysis of PILs Tax Account	t 1562:												
3	Utility Name: Tay													Version 2009.1
4	Reporting period: 2005			Sign Convent	ion:	+ for increase;	- fo	r decrease						0
5														
6														
7														
8	Year start:		10/1/2001	1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001	12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10														
11	Opening balance:	II	0	29,487		41,900		27,237		19,907		7,318		0
	Board-approved PILs tax	+/-												
12	proxy from Decisions (1)		29,310	45,573		74,883		52,901		11,393		17,490		231,550
	PILs proxy from April 1,													
13	2005 - input 9/12 of amount									39,352				39,352
	True-up Variance	+/-	_											
14	Adjustment Q4, 2001 (2)		_									0		0
	True-up Variance	+/-												
15	Adjustment (3)					-14,523		-12,574		-11,142		-7,501		-45,740
	Deferral Account Variance													
16	Adjustment Q4, 2001 (4)													0
	Deferral Account Variance	+/-												
17	Adjustment (5)							0		0				0
	Adjustments to reported	+/-												
18	prior years' variances (6)													0
19	Carrying charges (7)	+/-	177	2,998		2,168		1,188		455		-209		6,777
	PILs billed to (collected	-												
20	from) customers (8)		0	-36,158		-77,191		-48,845		-52,647		-20,319		-235,160
21														
22	Ending balance: # 1562		29,487	41,900		27,237		19,907		7,318		-3,222		-3,222

26 Uncollected PILs

24

31

36 37 38

45

46 47

48

54

55 56 57

58

28 NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. 29 For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

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

- 33 (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. 34 35 Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
 - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
 - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 39 40 41 42 2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 43 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
 - 3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
 - 4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 49 50 51 5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. 52 53 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
 - (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
 - (7) Carrying charges are calculated on a simple interest basis.
 - (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 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 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used

to calculate the recovery for the period January 1 to March 31, 2005.

9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.