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June 25, 2012

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Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Kirsten Walli
Board Secretary

**Re: Haldimand County Hydro Inc.
Application for the Disposition of Account 1562 Deferred Payments in Lieu
of Taxes (EB-2012-0027)
Responses to Interrogatories**

Dear Ms. Walli:

Haldimand County Hydro Inc. filed a stand-alone application with the Ontario Energy Board (the "Board") on January 27, 2012 seeking approval for the disposition of account 1562 deferred payments in lieu of taxes ("PILs") to be effective May 1, 2012.

Pursuant to the *Notice of Application and Procedural Order No. 1* issued May 7, 2012, Board Staff filed interrogatories on June 4, 2012. Haldimand County Hydro was required to file responses by June 21, 2012. By letter dated June 21, 2012, Haldimand County Hydro informed the Board that it would be delayed in filing its responses to these interrogatories, but by no later than June 26, 2012.

Two hard copies of Haldimand County Hydro's complete responses to the Board Staff interrogatories are now enclosed. An electronic copy in PDF format, as well as the Excel SIMPIL models and Account 1562 Deferred PILs Continuity Schedule were submitted through the Board's *Regulatory Electronic Submission System* ("RESS").

In addition, an electronic copy in PDF format was forwarded via email to the Vulnerable Energy Consumers Coalition ("VECC"), the only intervenor of record.

All of which is respectfully submitted for the Board's consideration.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original signed by

Jacqueline A. Scott
Finance Manager

**Haldimand County Hydro Inc.
Disposition of Account 1562 Deferred Payments in Lieu of Taxes
(EB-2012-0027)
Board Staff Interrogatory Responses**

Reference: Board Decisions

RP-2001-0012/ EB-2001-0070 – Interim Decision with Reasons and Order

1. On December 20, 2001 the Board approved interim unbundled rates effective January 1, 2002. These unbundled rates did not include PILs.
 - a) Did Haldimand invoice any customers using these interim unbundled rates in 2002?

Response

Haldimand County Hydro implemented the rates approved in EB-2001-0070 on March 1, 2002. Customers were invoiced on a pro-rated basis commencing March 1, 2002; that is, except for the new General Service 50 to 4,999 kW rate class, where customers were invoiced on their first bill dated on or after March 1, 2002.

- b) What rates were in effect as of April 30, 2002 that Haldimand used to bill its customers from January 1, 2002? Please provide that rate schedule and the Board's decision.

Response

Haldimand County Hydro Inc. was incorporated in 2000 and as a result of municipal restructuring (Bill 25), represents the amalgamated operations of the hydro-electric commissions of the former municipalities of Haldimand and Dunnville and divided City of Nanticoke. For the period of January 1, 2002 to February 28, 2002 inclusive, the rate schedules of the former hydro-electric commissions were in effect. These rates were in accordance with the Standard Application of Rates and amendments thereto as approved by the former Ontario Hydro (i.e. no "Board Decision"), as follows:

- Haldimand Hydro-Electric Commission – February 1, 1999;
- Dunnville Hydro-Electric Commission – January 1, 1999; and
- Nanticoke Hydro-Electric Commission – April 1, 1999.

For the period of March 1, 2002 to April 30, 2002 inclusive, the rate schedule approved by the Board in EB-2001-0070 was in effect. As indicated by Board Staff in item 1 above, these unbundled rates did not include PILs. A copy of the Board's Decision and Rate Order, dated December 20, 2001 (EB-2001-0070) is attached as *Appendix A*.

Reference: PDF pages 114-125

RP-2002-0082/ EB-2002-0091 - Interim Decision and Order

2. On June 12, 2002 the Board declared Haldimand's rates interim as of April 1, 2002. On the rate schedule on PDF page 122 in handwriting, it indicates "Effective June 1, 2002 (no pro-rating)" and "Intervals – effective date of May 1, 2002".

- a) When did Haldimand issue the first invoice to interval customers using these unbundled rates?

Response

Haldimand County Hydro issued the first invoice to interval customers using these unbundled rates on bills dated July 18, 2002 which represented the consumption read period for the month of May 2002.

- b) When did Haldimand issue the first invoice to non-interval customers using these unbundled rates?

Response

Haldimand County Hydro issued the first invoice to non-interval customers using these unbundled rates commencing with bills dated June 28, 2002 which represented the first full 30-day consumption read period commencing after May 1, 2002.

- c) Please provide the Board decision that approved these dates of May 1 and June 1, 2002.

Response

Haldimand County Hydro filed a letter, dated March 14, 2002, asking the Board for a contingency rate arrangement with respect to its rates for the distribution of electricity as a result of not being capable of billing fully unbundled rates by the market opening, May 1, 2002. On April 30, 2002, the Board issued Decision and Order (EB-2002-0301) "Contingency Rate Arrangements" a copy of which is attached as *Appendix B*. In its Decision, the Board authorized Haldimand County Hydro to continue to charge the rates which were in effect on an interim basis (EB-2001-0070) as of April 30, 2002, until the date established by notification to the Board that the utility is capable of generating the fully unbundled rates or August 1, 2002, whichever is earlier.

Accordingly, there was no Board decision approving the dates of May 1 and June 1, 2002. These billing dates coincided with when Haldimand County Hydro became capable of billing fully unbundled rates. Respectfully, the Board's Decision was dated June 12, 2002; that is, subsequent to the rate effective date of April 1, 2002.

- d) Please provide the Board decision that approved Haldimand's rates on a final basis.

Response

The Board filed a letter, dated January 14, 2003, with Haldimand County Hydro (EB-2002-0091), a copy of which is attached as Appendix C. This letter states:

"As a result of the passage of Bill 210 on December 9, 2002, if an interim order under section 78 was in effect on November 11, 2002, the order shall be deemed to be a final order...Therefore the rates approved as "Interim" on June 12, 2002 are now considered final."

Reference: PDF pages 126-137

RP-2002-0082/ EB-2002-0301 - Decision and Order – Dated April 30, 2002

3. Haldimand could not bill using unbundled rates including PILs with effect from May 1, 2002. The Board approved Haldimand using the rates in effect as of April 30, 2002 until a date no later than August 1, 2002. The Board instructed Haldimand to notify the Board in advance of the date when it was able to bill its customers using the unbundled rates which included PILs.
- a) Please provide the correspondence that Haldimand filed with the Board which indicated when Haldimand would have started billing its customers with unbundled rates including PILs.

Response

Haldimand County Hydro informed the Board, by letter dated June 21, 2002, a copy of which is attached as *Appendix D*. Our letter states that “...we are able to provide a fully unbundled Standard Supply Service bill.”

- b) Please provide the customer notice that Haldimand sent to its customers indicating that the contingency rate arrangement was discontinued as required by the Board decision.

Response

Customer notice was provided by way of Haldimand County Hydro’s rate card “Distribution Rates effective April 1, 2002”, a copy of which is attached as *Appendix E*. This rate card was included with the first unbundled bills to customers as indicated in response to interrogatory # 2.

Reference: Haldimand_Continuity Schedule Account 1562_20120127.XLS

4. Haldimand has recalculated a theoretical balance in account 1562 that did not exist in its general ledger for the period ended April 30, 2006.

Response

This statement is not accurate. Other than adjustments to the principal balance as a result of revised SIMPIL models and corresponding adjustments to carrying charges, the actual (i.e. not theoretical) balance in Account 1562 did exist in its general ledger for the period ended April 30, 2006 – as reported both in Haldimand County Hydro’s annual SIMPIL models reconciliations and RRR filings.

As noted at page 4 of the Manager’s Summary accompanying this application, *“The ending balance now reported as at December 31, 2010 and the RRR filing differ in the amount of \$7,658 and this reflects adjustments to the principal balance as a result of revised SIMPIL models and corresponding adjustments to the carrying charges.”*

- a) Please explain why Haldimand believes that it should record the 2001 and 2002 PILs proxies in the continuity schedule prior to June 1, 2002.

Response

Haldimand County Hydro has followed the Board’s direction regarding amounts reported in account 1562 and, in particular, recording the 2001 and 2002 PILs proxy amounts in the continuity schedule prior to June 1, 2002. The Board’s Accounting Procedures Handbook, Article 220 “1562 Deferred Payments in Lieu of Taxes” states:

“A. This account shall record the amount resulting from the Board approved PILs methodology for determining the 2001 Deferral Account Allowance and the PILs proxy amount determined for 2002 and subsequent years. The amount determined using the Board approved PILs methodology will be recorded equally over the applicable PILs period. The 2001 PILs Deferral Account Allowance should be recorded in three equal installments in October, November and December for utilities with a December 31, 2001 taxation year end. For a full year each applicable proxy will be divided by 12, and a monthly amount should be posted for each applicable period.

C. The distributor shall use, on a consistent basis, one of the three accounting methods approved for recording entries in this account in accordance with the Board's accounting instructions for PILs as set out in the April 2003 issued Frequently Asked Questions on the APHandbook."

As reported in the annual SIMPIL models, Haldimand County Hydro consistently used Alternative 1.

Haldimand incurred the 2001 PILS tax amount of \$334,927 as a result of it becoming a taxable entity on October 1, 2001. These amounts need to be recovered from rate payers. Hence, the amounts were included in the Account 1562 balance as a debit during the 2001 year, accrued in 3 equal monthly installments of \$111,642 commencing October 2001. Similarly, for the 2002 PILs tax amount, Haldimand County Hydro incurred this tax liability for the 2002 year and is required to include this amount of \$1,096,347 in 12 equal monthly installments of \$91,362 commencing January 2002 in Account 1562 in order that the 2002 PILS proxy amount can be recovered through the rate adjustments.

- b) Haldimand has shown no PILs recoveries in May 2002. Please explain why only partial recoveries are shown starting in June 2002.

Response

The Board's Accounting Procedures Handbook, Article 220 "1562 Deferred Payments in Lieu of Taxes" further states:

"E. Any amounts included rates [sic.] shall be debited/credited back to this account at the time of billing or other account specified by the Board."

As noted in IRR #2, unbundled rates effective April 1, 2002 (EB-2002-0091) which included PILs were not implemented until June 2002, commencing with bills dated June 28, 2002. PILs amounts included in these rates were credited back to account 1562 at the time of billing. This is consistent with issue 5 (page 9) of the Settlement Agreement with respect to the Combined PILs Proceeding (EB-2008-0381), which states:

"The Board's methodology is set out in the Board's April 2003 FAQ #2. In that FAQ it is noted that at the end of each month, the utility should make an entry crediting the portion of monthly billing that represents the recovery of PILs."

Reference: 2001 - 2005 SIMPIL Models

5. Tax Rates

Haldimand has stated that it used the actual legislated tax rates.

- a) Please provide the references from the applicable federal and Ontario legislation that discloses the income tax rates used by Haldimand in the SIMPIL models.

Response

You have asked for references to applicable Federal and Ontario legislation for tax rates. Haldimand County Hydro has not provided these as we have used the “TAXRATES” worksheets contained in the SIMPIL models.

- b) The Board in its decision EB-2008-0381 on page 17 provided two tables of income tax rates. Does Haldimand agree that one of these tables applies to its tax situation? If yes, please state which table applies.

Response

Haldimand County Hydro agrees that one of the two tables applies to its tax situation; specifically, the first table “*Maximum Income Tax Rates in Percentages*”.

- c) Haldimand has not calculated the grossed-up tax impact by deducting the federal surtax expressed as 1.12% from the income tax rate that includes the surtax. Please explain why Haldimand has not complied with the Board’s decision.

Response

Haldimand County Hydro has deducted the surtax in some instances and not in others. The explanation for the rates used is provided in Table 1 below. This table only explains the tax rates used by Haldimand County Hydro and which differ from the tax rates used by the Board Staff in the SIMPIL models.

Table 1: Tax Rates Used in the SIMPIL Models

Tax Rates Used	Haldimand County Hydro	Board Staff	Correct Rate	
2002 "TAXCALC" - Line 122 (1)	37.50	38.62	37.50	(5)
2003 "TAXCALC" - Line 122 (2)	35.50	36.62	35.50	(5)
2004 "TAXCALC" - Line 130 and 175 (3)	36.12	35.00	36.12	(6)
2005 "TAXCALC" - Line 130 and 175 (4)	36.12	35.00	36.12	(6)
Applicable Rates	2002	2003	2004	2005
Base Rate for SIMPIL model	38.62	36.62	36.12	36.12
Less: Surtax	(1.12)	(1.12)	(1.12)	(1.12)
	37.50	35.50	35.00	35.00
Notes - Explanation for Differences				
(1) Line 122 states that the surtax to be excluded - used 37.50%.				
(2) Line 122 states that the surtax to be excluded - used 35.50%.				
(3) Line 130 and 175 state that surtax to be included - used 36.12%.				
(4) SIMPIL Model was silent on the surtax treatment; therefore, followed the previous year's approach - used 36.12% to include surtax.				
(5) This is correct rate to use. Any surtax would be credited to the LCT which would eliminate the cost.				
(6) This rate is correct. Surtax is applicable for these years as there was no LCT available to eliminate the surtax.				

6. Regulatory Assets, Regulatory Liabilities and PILs Recoveries from Customers

Preamble

Haldimand has applied to recover a PILs receivable from its ratepayers of \$1,008,852. This debit balance has been created by Haldimand principally by making two choices:

- a) by recording the changes in its regulatory assets and liabilities on SIMPIL model sheets TAXREC or TAXREC2 for 2002-2005 instead of TAXREC3; and,
- b) by recording PILs proxy amounts starting October 1, 2001 even though its rates that included PILs were not implemented until after May 31, 2002.

Changes in the balances of regulatory assets and liabilities have been shown in Haldimand's tax returns on T2 Schedule 1. These amounts related to regulatory assets and liabilities increase taxable income when shown as additions and decrease taxable income when shown as deductions. Haldimand has shown the changes in the balances of its regulatory assets and liabilities in either TAXREC or TAXREC 2 and these amounts create true-ups to ratepayers.

In EB-2008-0381, and in all other PILs 1562 disposition applications, the applicants have input the changes in regulatory assets and liabilities in sheet TAXREC3 in order to comply with the Board's Decisions that these amounts should not true-up to ratepayers since the distributors recovered the balances over a five year period from 2004 through 2008. This is part of the incomplete cycle problem related to the April 30, 2006 cut-off date and the change in the PILs methodology at that time.

- a) Please explain why the Board's decision to exclude changes in regulatory assets and liabilities, both when created and recovered, in the determination of the balance of account 1562 should not apply in Haldimand's case? Please explain fully and provide the regulatory references to support the position taken to include or to exclude these variances from truing up to ratepayers.

Response

You have asked us to explain why Haldimand County Hydro did not exclude changes in regulatory assets and liabilities from taxable income for purposes of calculating the PILS addition to Account 1562. This statement is incorrect. Haldimand County Hydro has excluded the changes in regulatory assets and liabilities for purposes of

determining the balance of Account 1562.

Haldimand County Hydro's accounting treatment, which is in accordance with the generally accepted accounting principles for regulated enterprises, requires that regulatory assets be included in income. Accordingly, the starting point for our calculations is accounting income for regulatory purposes. Each year this accounting income includes the change in regulatory assets and liabilities. In order to exclude the regulatory assets from income for purposes of calculating the addition to Account 1562, it is necessary to deduct these amounts to arrive at the taxable income base for purposes of applying the PILS calculations.

In order to make this deduction, it was necessary to include the regulatory assets and liabilities on the "Tax Rec" worksheet and then have it carry forward to the "TAXCALC" worksheet as a true-up adjustment. The effect of this was to remove the regulatory assets from the taxable income for purposes of the PILS calculation in Account 1562.

In the case of a regulatory asset, the adjustments that Haldimand County Hydro has undertaken have resulted in a decrease (i.e. a credit) to the Account 1562 asset balance.

Table 2 below illustrates the impact of the adjustments Haldimand County Hydro made to exclude changes in regulatory asset balances from income for purposes of the Account 1562 calculation. In this specific example, we have eliminated all other changes in order that the calculation could focus on the impact of our removal of changes to regulatory assets on Account 1562.

We have used this approach consistently since the introduction of the Account 1562 deferred PILs. The original Board guidelines to the SIMPIL models issued sometime prior to 2005 stated that "*true-up adjustments include regulatory additions and deductions*". It was this guideline that Haldimand County Hydro used to determine its initial approach to the annual changes in regulatory assets and liabilities.

**Table 2: Process Used to True-Up Account 1562
Example Calculation**

	Initial Estimate	Actual per Tax Return
Accounting income per financial statements	\$ 1,000	\$ 1,000
Regulatory Adjustments	0	(600)
Taxable income	1,000	400
PILs (at 35%)	\$ 350	\$ 140
Rate adjustment needed to recover tax (\$400 / (1 - 0.35))	\$ 538	\$ 215
Adjustment Process		
Included in the \$1,000 actual income is \$600 of income created when regulatory assets were included in income and shown as an asset.		
The Board requires that regulatory assets be excluded from income when created for purposes of determining the balance in Account 1562 deferred PILs.		
Calculation		
<u>True-up Variance:</u>		
Regulatory asset - initial estimate	\$ -	
Regulatory asset - final amount	600	
True-up adjustment	600	
PILs (at 35%)	\$ 210	
Decrease in rate recovery (\$210 / (1 - 0.35))	\$ 323	
<u>Adjusted Account 1562</u>		
Initial addition to Account 1562	\$ 538	
True-up adjustment (1)	(323)	
Revised Account 1562 balance	\$ 215	
Note (1): Must be on the "TAXREC" worksheet in order for this adjustment to carry to the "TAXCALC" worksheet in the SIMPIL Model		
<u>Result</u>		
There is no Account 1562 addition for regulatory assets included in accounting income.		

Haldimand County Hydro also believes that its approach is consistent with issue 4 (page 8) of the Settlement Agreement with respect to the Combined PILs Proceeding (EB-2008-0381), which states:

“A PILs or tax provision is not needed for the recovery of deferred regulatory asset costs, because the distributors have deducted, or will have deducted, or will deduct, these costs in calculating taxable income in their tax returns.”

Haldimand County Hydro removed regulatory assets in arriving at the base taxable income for purposes of the PILS calculations.

Accordingly, Haldimand County Hydro believes that it has fully complied with the Board’s guidelines with respect to changes in regulatory assets as they relate to the disposition of account 1562 deferred PILS applications.

If the Board takes the position that the regulatory assets should not be trued-up for each of the years 2002 through 2005, than Haldimand County Hydro requires a further adjustment. Each of the SIMPIL models for 2002 through 2005 in the “TAXCALC” worksheet includes: (i) an addition to taxable income in the amount of \$214,577, and (ii) a deduction from taxable income in the amount of \$34,503. Both of these amounts are “transition cost” regulatory adjustments. When regulatory assets were trued-up for tax purposes, these amounts were shown as the amounts in the initial estimate of regulatory assets. It is then necessary to remove these amounts from the true-up calculations, and the removal must apply for all years from 2002 through 2005 inclusive.

7. Gains and Losses on Disposals of Fixed Assets

Haldimand included its fixed assets in the calculation of rate base for the 2000 - 2001 application. The Board approved the rate base for use in the determination of distribution rates. Haldimand continued to receive the return on these assets from ratepayers even though it may have disposed of assets during the period 2002 through 2005.

- a) Please explain why the variances caused by disposals of fixed assets that Haldimand input on sheets TAXREC and TAXREC2 should true up to ratepayers.

Response

In the original SIMPIL Model provided at the time of the preparation of the 2001 through 2005 calculations, the loss on disposal of fixed assets, capital items expensed and other items related to fixed assets were included in the "TAXREC2" (previously referred to as "TAXREC") worksheet. This automatically linked them to the "TAXCALC" worksheet and caused these variances to be trued-up. This was in accordance with the model instructions and Board guidelines at the time.

Subsequent to Haldimand County Hydro's annual SIMPIL Model filings, the Board introduced "TAXREC3" to report asset items without true-up. "TAXREC3" includes losses on disposal of assets and capital items expensed, and these amounts do not true-up to ratepayers.

Haldimand County Hydro continued to follow the original guidelines and has no opinion on the need to true-up losses on the disposal of fixed assets or capital items expensed.

8. 2002 SIMPIL

Haldimand has input an addition of \$60,818 related to capital items expensed on sheet TAXREC2. This amount trues up to ratepayers. Reclassification of depreciation, any items related to CCA and many other book-to-tax adjustments do not true up to ratepayers under the PILs methodology and should be shown on TAXREC3.

- a) Please describe what the amount relates to and why it should true up to ratepayers.

Response
Refer to IRR #7.

Reference: 2001 to 2005 SIMPIL Models, Interest Expense for Tax Years 2001 to 2005

9. 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 Haldimand's interest expense and the amount associated with each type of interest.

Response

Table 3: Components of Interest Expense 2001 to 2005

Type of Interest	Q4 2001	2002	2003	2004	2005
Long-Term Debt Interest	\$246,007	\$1,031,310	\$ 996,225	\$ 939,216	\$895,791
Deferred Financing Costs - Debenture Issue Costs	\$ 2,426	9,706	9,706	9,706	9,706
Customer Deposit Interest (Refunds)	(1,005)	(4,411)	2,686	7,377	14,713
GST Penalty / Interest		3,034			
Vendor Interest				30	20
Corporate Income Tax Interest				8,005	2,030
Bill 210 / MPMA Interest Paid to Customers			22,354	130	
MPMA Interest Paid to IESO - Form 1556-Return of Funds				5,714	
IESO Prudential Interest		16,736	16,813	16,813	16,813
Bank Service Charges	5,663	24,069	22,458	32,086	29,153
Total	\$253,091	\$1,080,444	\$1,070,242	\$1,019,077	\$968,226

- b) Did Haldimand have interest expense related to other than debt that is disclosed as interest expense in its financial statements?

Response

Yes – refer to Table 3 in (a) above.

- c) Did Haldimand net interest income against interest expense in deriving the amount it shows as interest expense? If yes, please provide details to what the interest income relates.

Response

No – refer to Table 3 in (a) above.

- d) Did Haldimand include interest expense on customer security deposits in interest expense?

Response

Yes – refer to Table 3 in (a) above.

- e) Did Haldimand include interest income on customer security deposits in interest expense?

Response

No – refer to Table 3 in (a) above.

- e) Did Haldimand include interest expense on IESO prudentials in interest expense?

Response

Yes – refer to Table 3 in (a) above.

- f) Did Haldimand include interest carrying charges on regulatory assets or liabilities in interest expense?

Response

No – refer to Table 3 in (a) above.

- h) Did Haldimand include the amortization of debt issue costs, debt discounts or debt premiums in interest expense?

Response

Yes – refer to Table 3 in (a) above.

- i) Did Haldimand deduct capitalized interest in deriving the interest expense disclosed in its financial statements?

Response

No – refer to Table 3 in (a) above.

10. Board Staff's Calculations of the Balance in Account 1562 PILs

Board staff has calculated a **credit** of \$873,986 as Haldimand's account 1562 balance as at April 30, 2012 to be refunded to customers. Should the answers to the interest interrogatories shown above change the interest true-up amounts, these variances would have to be factored into the final balance of account 1562. Board staff used the Excel models filed by Haldimand and made the following changes.

- a) Changes in regulatory assets and liabilities have been input on SIMPIL sheet TAXREC3 for 2001-2005 to comply with the Board's decisions in other cases.
- b) Gains and losses on sales/ disposals of fixed assets have been input on sheet TAXREC3 to comply with the Board's decisions in other cases.
- c) Income tax rates to calculate the tax impact and the grossed-up tax amount were taken from the Board's decision EB-2008-0381, page 17 as follow.

TAX RATES USED IN SIMPIL SHEET TAXCALC FOR TRUE-UPS						
		2001	2002	2003	2004	2005
DECISION	From page 17 of the Decision: Tax rate to calculate the tax impact TAXCALC cells E122, E138	40.62%	38.62%	36.62%	36.12%	36.12%
	Tax rate to calculate the grossed-up tax amount TAXCALC cells E130, E175	39.50%	37.50%	35.50%	35.00%	35.00%
HALDIMAND SHEET TAXCALC AS FILED	Cell E122 (123): Calculation of true-up variance - tax impact	40.62%	37.50%	35.50%	36.12%	36.12%
	Cell E130 (131): Income tax rate used for gross-up (excluding surtax)	39.50%	37.50%	35.50%	36.12%	36.12%
	Cell E138 (139): Calculation of Deferral Account Variance tax impact caused by changes in legislation	40.62%	38.62%	36.62%	36.12%	36.12%
	Cell E175 (176): Calculation of Deferral Account Variance for gross-up (excluding surtax)	39.50%	37.50%	35.50%	36.12%	36.12%

- d) PILs proxies were input in the continuity schedule starting June 1, 2002.
Based on the evidence filed by Haldimand, June 1st may be too early.

Board staff has provided the models used to calculate the credit balance of \$873,986 to assist Haldimand in formulating its responses to Board staff's interrogatories.

Board staff invites Haldimand to explain why it should not make these changes in its evidence to comply with existing Board decisions.

If Haldimand agrees that Board staff's calculations are correct and comply with Board's various decisions, Board staff requests that Haldimand re-files as its own evidence the active Excel models for 2001-2005 SIMPILs and the continuity schedule.

Response

Haldimand County Hydro does not agree with Board Staff's calculations of a credit of \$873,986 account 1562 balance as at April 30, 2012 to be refunded to customers.

Based on the explanations contained within these interrogatory responses and its revised SIMPIL models and Account 1562 Continuity Schedule, Haldimand County Hydro continues to request disposition of a debit balance in account 1562, in the amount of \$528,407 calculated to August 31, 2012 due from customers, as summarized in Table 4 below.

Table 4: Account 1562 Continuity Schedule

Principal	Interest								Disposition Total
Closing Dec. 31, 2006	Opening Jan. 1, 2006	Actual Annual 2006	Actual Annual 2007	Actual Annual 2008	Actual Annual 2009	Actual Annual 2010	Actual Annual 2011	Projected to August 31, 2012	
\$291,759	\$179,954	\$18,496	\$13,793	\$11,612	\$3,318	\$2,327	\$4,289	\$2,859	\$528,407

Revised 2001 to 2005 inclusive SIMPIL models are attached as *Appendix F*, and revised Account 1562 Continuity Schedule is attached as *Appendix G*.

The following summarizes Haldimand County Hydro's calculations of the balance in Account 1562 Deferred PILs:

- a) Haldimand County Hydro does not believe that its responses to the interest interrogatories – refer to IRR #9 – change the interest true-up amounts; accordingly, no adjustments have been made.**
- b) Further to IRR #6, and if the Board takes the position that Haldimand County Hydro has not complied with its Decisions, changes in regulatory assets and liabilities have been input onto the TAXREC3 worksheet of the SIMPIL models as provided for in the Board Staff's versions. However, in addition, Haldimand County Hydro has removed the true-up effect of the "initial estimate" regulatory adjustments on account of transition costs – an addition of \$214,577 and a deduction of \$34,503 – by correcting the allocation of these on the TAXCALC worksheet of the SIMPIL models for 2002 to 2005 inclusive. This removes a net credit true-up variance amount of \$180,074 less the income tax effect for each of 4 years. These adjustments effect the carrying charge calculations as well.**
- c) Further to IRR #7, gains and losses on disposals of capital assets and capital items expensed have been input onto the TAXREC3 worksheet of the SIMPIL models as provided for in the Board Staff's versions.**
- d) Further to IRR #5, income tax rates to calculate the tax impact and the grossed-up tax amount were taken from the Board's Decision.**
- e) Further to IRR #4, Haldimand County Hydro continues to believe that it followed the Board's guidelines, including its Decision, recording the 2001 Deferred and 2002 PILs Proxy amounts in equal monthly installments commencing in October 2001 and January 2002 respectively; that is, prior to June 1, 2002 as is proposed by the Board Staff. The Account 1562 Continuity Schedule continues to report these earlier start dates.**
- f) In its original application filed on September 30, 2011 in conjunction with the 2012 IRM rate application and re-submitted as a stand-alone application filed on January 27, 2012,**

Haldimand County Hydro was requesting disposition of Account 1562 over a one year rate period effective May 1, 2012; and as such, carrying charges were only projected to April 30, 2012. As that date has now passed, carrying charges have now been projected to August 31, 2012.

Haldimand County Hydro is now seeking to recover the account balance over 8 months commencing September 1, 2012 and believes that the rate riders continue to be appropriate, as summarized in Table 5 below. The account balance is being allocated to customer classes on the basis of approved test year distribution revenue as per Haldimand County Hydro's cost of service rate application (EB-2009-0265), pro-rated for 8 months (i.e. September 1, 2012 to April 30, 2013).

Table 5: Allocation of Account 1562 Balance and Proposed Rate Riders over an 8-Month Period

Rate Class	Allocator (2010 Distribution Revenue)	Allocation %	Allocation of Account 1562 Balance	Billing Determinant (2010 Approved Forecast)		Proposed Rate Rider	
				kWh (8 months)	kW (8 months)	\$ (8 months)	per
Residential	\$ 8,461,082	67.8%	\$ 358,405	114,624,275		\$ 0.0031	kWh
General Service Less Than 50 kW	\$ 2,057,572	16.5%	\$ 87,157	41,201,279		\$ 0.0021	kWh
General Service 50 kW to 4999 kW	\$ 1,664,038	13.3%	\$ 70,487	73,354,480	198,765	\$ 0.3546	kW
Unmetered Scattered Load	\$ 21,999	0.2%	\$ 932	321,509		\$ 0.0029	kWh
Sentinel Lighting	\$ 73,999	0.6%	\$ 3,135	279,285	778	\$ 4.0290	kW
Street Lighting	\$ 195,717	1.6%	\$ 8,290	1,552,505	4,317	\$ 1.9206	kW
	\$ 12,474,407	100.0%	\$ 528,407	231,333,333	203,860		

APPENDIX A

Haldimand County Hydro Inc.
Interim Decisions with Reasons and Order
EB-2001-0070

*(Schedule of Monthly Rates and Charges
effective January 1, 2002)*

Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie
de l'Ontario
C.P. 2319
26e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

December 20, 2001

Mr. Michael R. Price
President and CEO
Haldimand County Hydro Inc.
1 Greendale Drive
Caledonia, Ontario
N3W 2J3

2001
Rate Application

Dear Mr. Price:

Re: Haldimand County Hydro Inc. - Electricity Rate Change
Board File No. RP-2001-0012/EB-2001-0070

The Board has today issued its Interim Decision with Reasons and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,


Peter H. O'Dell
Assistant Board Secretary

Encl.



RP-2001-0012
EB-2001-0070

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by
Haldimand County Hydro Inc. for an order or orders
approving or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

INTERIM DECISION WITH REASONS AND ORDER

Haldimand County Hydro Inc. ("the Applicant") serves the entire new Haldimand municipality, which was established when the former Haldimand-Norfolk county was restructured by Bill 25. Bill 25 combined the eastern part of the former City of Nanticoke with the former towns of Haldimand and Dunville to form the new municipality.

Under the direction of the Board, the Applicant published a Notice of Application and Notice of Written Hearing. There were no interventions.

The Applicant filed an application ("the Application") with the Ontario Energy Board ("the Board"), dated March 9, 2001 for an order or orders approving or fixing just and reasonable rates for the distribution of electricity. Supplemental evidence was filed on June 1, 2001.

The application sets out the Applicant's proposals for harmonizing and unbundling of rates and for incorporating a revenue requirement for distribution of electricity. The Applicant elected to use the maximum allowable Target Rate of Return on Common Equity of 9.88%. The first year incremental revenue is \$437,478, which is one third of the amount required to achieve the Target Rate of Return on Common Equity, exclusive of Payment in Lieu of Taxes ("PILS").

Copies of the Application, including the evidence filed in this proceeding, are available for review at the Board's offices.

Board Findings

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

The Applicant did not propose to change the 5% late payment charge as part of this application. The Board directs the Applicant to revise this charge, in accordance with the current section 9.3.3 of the Rate Handbook, at the time it files its application for implementing new rates for March 1, 2002.

The Board notes that the Applicant will continue to receive Boundary Assistance pursuant to Regulation 315/99. The Board is unclear from the Applicant's evidence as to the proposed ratemaking associated with such financial assistance for the base year and for years following. The Board also notes that the Applicant proposed certain normalization in financial data for the 1999 base year. While the Board finds it expedient to accept for now the Applicant's proposed rates, the Board will schedule an oral hearing to further examine the reasonableness of the Applicant's proposals in the above matters, as well as any other matters that may arise from the Board's other rate setting activities.


The Applicant requested that its new rates be effective January 1, 2002, without retroactive bill adjustments. The Board accepts the Applicant's proposal.

THE BOARD ORDERS THAT:

1. The unbundled rates set out in Appendix "A" of this Order are hereby approved as interim rates with an implementation date of January 1, 2002.

DATED at Toronto, December 20, 2001.

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

APPENDIX "A"

RP-2001-0012
EB-2001-0070

December 20, 2001

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell
Assistant Board Secretary

Haldimand County Hydro Inc.
SCHEDULE OF MONTHLY RATES AND CHARGES
January 1, 2002

** Effective March 1, 2002*
< pro-rated + except for "new" bill codes 35+36 >

RP-2001-0012
 EB-2001-0070

Time periods for Time of Use (Eastern Standard Time):

Winter: all hours, October 1 through March 31
 Summer: all hours, April 1 through September 30
 Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (as in Toronto), Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
 Off-Peak: all other hours

Residential Urban Service

Monthly Service Charge	(per month)	\$ 8.43	011	D10
Distribution Volumetric Rate	(per kWh)	\$ 0.0129	021	D15
Cost of Power	(per kWh)	\$ 0.0751	051	D20
			053	N10
				N20
				N40

Residential Suburban Service

Monthly Service Charge	(per month)	\$ 9.68	052	D40
Distribution Volumetric Rate	(per kWh)	\$ 0.0139	054	D81
Cost of Power	(per kWh)	\$ 0.0758	055	N45
				N5
				N60

General Service Urban Non-Time of Use (< 50 kW)

Monthly Service Charge	(per month)	\$11.41	031	D30
Distribution Volumetric Rate	(per kWh)	\$ 0.0117		N30
Cost of Power	(per kWh)	\$ 0.0741		N65

General Service Suburban Non-Time of Use (< 50 kW)

Monthly Service Charge	(per month)	\$11.72	061	D50
Distribution Volumetric Rate	(per kWh)	\$ 0.0109		D80
Cost of Power	(per kWh)	\$ 0.0747		N70

General Service Urban Non-Time of Use (> 50 kW)

Monthly Service Charge	(per month)	\$21.67
Distribution Volumetric Rate	(per kW)	\$ 3.55
Cost of Power	(per kW)	\$ 3.20
Cost of Power	(per kWh)	\$ 0.0622

035

General Service Suburban Non-Time of Use (> 50 kW)

Monthly Service Charge	(per month)	\$ 21.60
Distribution Volumetric Rate	(per kW)	\$ 3.54
Cost of Power	(per kW)	\$ 2.94
Cost of Power	(per kWh)	\$ 0.0624

036

General Service Time of Use (> 50 kW)

Monthly Service Charge	(per month)	\$ 7.97
Distribution Volumetric Rate	(per kW)	\$ 0.59
Cost of Power: Winter-Peak	(per kW)	\$ 11.82
Cost of Power: Summer-Peak	(per kW)	\$ 8.94
Cost of Power: Winter-Peak	(per kWh)	\$ 0.0728
Cost of Power: Winter-Off-Peak	(per kWh)	\$ 0.0434
Cost of Power: Summer-Peak	(per kWh)	\$ 0.0614
Cost of Power: Summer-Off-Peak	(per kWh)	\$ 0.0321

ON OFF

D62 / D63

N82 / N83

Street Lighting Non-Time of Use

Monthly Service Charge	(per connection)	\$ 0.95
Distribution Volumetric Rate	(per kW)	\$ 1.4571
Cost of Power	(per kW)	\$ 23.84

Sentinel Lights Non-Time of Use

Monthly Service Charge	(per connection)	\$ 1.09
Distribution Volumetric Rate	(per kW)	\$ 1.4555
Cost of Power	(per kW)	\$ 23.48

Un-metered Scattered Loads (Excluding Street Lights)

All non-metered loads including billboards, traffic signals, bus kiosks, cable power supplies, and pay telephone booths, to be billed on an individual location basis under the General Service less than 50 kilowatt rate. Usage to be measured using kilowatts as estimated or determined by portable meters and kilowatt hours as determined by the number of hours per day of operation.

Transformer Ownership Allowance

60 cents per kW per month credit for customer owned transformers

Specific Service Charges

Customer Administration

Account Set Up Charge	\$ 8.80
Arrears Certificate	\$10.50

Non-payment of Account

Late Payment *	5%
Returned Cheque Charge (includes Bank Charges)	\$ 13.00
Collection of Account Charge	\$ 9.00
Reconnection - during regular working hours	\$ 20.00
Reconnection after regular working hours	\$ 50.00

*** Late Payment Policy**

The company is currently considering changes to its late payment policy. Until such changes are reviewed, the existing policy will continue. The company will impose a one time charge on amounts in arrears equal to 5% of the amount in arrears. Customer payments are applied to the oldest outstanding amounts owing.

APPENDIX B

Haldimand Hydro-Electric Commission
Contingency Rate Arrangements
EB-2002-0301

*(Decision and Order
Dated April 30, 2002)*

Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie
de l'Ontario
C.P. 2319
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2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

April 30, 2002

Michael Price
General Manager and Secretary
Haldimand Hydro-Electric Commission
1 Greendale Drive
Caledonia ON
N3W-2J3

Inability to "unbundle"
rates/bills @ May 1/02

Approval to continue
with April 2002
Rate Order

Dear Mr. Price:

Re: **Haldimand Hydro-Electric Commission
Contingency Rate Arrangements
Board File No. EB-2002-0301/RP-2002-0082**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,



Peter H. O'Dell
Assistant Board Secretary

Encl.



RP-2002-0082
EB-2002-0301

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by
Haldimand County Hydro Inc. for an order or orders
approving or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

Bob Betts
Member

DECISION AND ORDER

On March 18, 2002 the Ontario Energy Board ("the Board") issued a letter to all licensed electricity distributors that set out the retail contingency rates framework for those distributors that anticipated not being capable of billing fully unbundled rates by the date of market opening, May 1, 2002.

Haldimand County Hydro Inc. ("the Applicant") filed a letter ("the letter" or "the Application"), dated March 14, 2002, asking the Board for the contingency rate arrangement with respect to its rates for the distribution of electricity, effective May 1, 2002.

A copy of the letter is available for review at the Board's offices.

On April 23, 2002, the Board issued a letter to all licensed electricity distributors regarding its understanding concerning the inability of distributors to pro-rate their bills in transitioning from the bundled to the unbundled cost of power. The Board indicated that it has commenced a proceeding upon its own motion to amend the rate orders of all distributors (EB-2002-0244).

Board Findings

The Board is satisfied that the Applicant is unlikely to be able to bill its customers using fully unbundled rates as of May 1, 2002. Therefore the Board accepts that the Applicant should be allowed to continue to charge its existing rates.

The Board notes that it is important that the fully unbundled rates be implemented as soon as possible after May 1, 2002, and that a deadline be set.

The Board also notes from the Board letter of April 23, 2002 that most distributors are unable to charge for two different sets of rates within a single billing cycle. The Board is prepared to allow the implementation of the unbundled bills in the same manner as was outlined in its letter of April 23, 2002 adjusted to the post May 1, 2002 implementation date.

The Board cautions that this Order does not relieve the Applicant of its obligation to comply with any legislative requirements or its licence, the Retail Settlement Code and the Standard Supply Service Code. The Applicant may still be subject to administrative penalties as determined by the Director of Licensing, or other compliance action by the Board itself.

THE BOARD ORDERS THAT:

1. The Applicant's Rates and Charges approved by the Board in effect as of April 30, 2002 shall remain in effect until the date established by notification to the Board that the Applicant is capable of generating the fully unbundled rates or August 1, 2002 whichever is earlier ("the Expiry Date").
 2. The Applicant shall notify the Board, in advance, of the date when it will introduce fully unbundled billings.
 3. Despite paragraph 1, the Applicant may, up to the first day of a customer's first billing cycle commencing after the Expiry Date, continue to charge customers the rates in effect on April 30, 2002.
 4. Paragraph 3 does not apply with respect to customers who have a MIST meter as defined in the Retail Settlement Code.
 5. The Applicant shall notify its customers of the application of the contingency rate arrangement coincident with the issuance of the first bill following May 1, 2002.
 6. The Applicant shall notify its customers of the discontinuance of the application of the contingency rate arrangement coincident with the issuance of the first bill following the date the Applicant is market ready.
-

7. The Applicant shall follow the accounting procedures, as set out in Appendix "A" of this Order during the period from May 1, 2002 until such time as the Applicant is no longer charging the rates in effect on April 30, 2002. The accounting procedures established in Article 490 of the Accounting Procedures Handbook will apply thereafter.

DATED at Toronto, April 30, 2002.

ONTARIO ENERGY BOARD



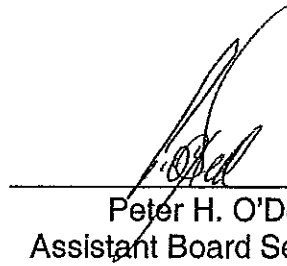
Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0082
EB-2002-0301

April 30, 2002

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

**ACCOUNTING PROCEDURES AND GUIDELINES ON
CALCULATING THE RETAIL SETTLEMENT VARIANCE ACCOUNT -
CONTINGENCY BILLING ARRANGEMENTS
FOR NOT MARKET READY DISTRIBUTORS**

PURPOSE

This information sheet is for an electric distributor that is not bill ready upon market opening, May 1, 2002. Because this distributor will be continuing to charge its customers using a bundled cost of power but will be charged by the Independent Electricity Market Operator ("IMO") based on unbundled costs, it will have to calculate the variances between its bundled commodity sales and the unbundled IMO costs, using the same accounting guidelines and procedures found in Article 490.

CONTENT OF GUIDELINES

These guidelines contain the procedures and an example.

PART 1 - PROCEDURES

Step 1 will be to calculate the individual IMO costs (e.g. wholesale market service charges, wholesale market one-time charge, retail transmission network charges, retail transmission connection charges and energy/commodity costs - Weighted Average Hourly Spot Price ("WAHSP")).

Step 2 will be to "unbundle" the total bundled cost of power revenues into the total of each appropriate IMO cost components using the approved Other Regulated Rates with the residual amount allocated to the energy/commodity component.

Step 3 will match each of the unbundled revenue components with the unbundled IMO cost to calculate the individual retail settlement variances.

Details of these 3 steps are provided in this package.

To **unbundle** their **bundled** revenues, **not market ready** participants have to prepare some preliminary calculations in a supplementary spreadsheet. This calculation starts with the total **unbundled** energy billing for **not market ready** participants. From the total unbundled energy billing, each known component (wholesale market service revenue including Rural Rate Assistance ("RRA"), wholesale market one time revenue, retail transmission network revenue, retail transmission connection revenue, etc.) will be deducted to obtain the **residual** relating to the **commodity** revenue.

PART 1 - PROCEDURES

LEGEND:

C = Calculate

K = Known

U = Unknown

Using the spreadsheet in the Part 2 - Example, calculate the following to compute the variance for each revenue and expense items:

STEP	SUB-STEP	PROCEDURE	RATE	UNIT	TOTAL \$	CHECK
1		UNBUNDLE THE TOTAL (BUNDLED) REVENUE BILL				
	1.1	Take the total bundled revenue for the billing cycle.	U	U	K	
	1.2	Calculate the sum of the wholesale market service revenue (i.e. kWh usage x Board approved rate) and also the Rural Rate Assistance (i.e. kWh usage x Board approved rate). This is the total wholesale market service revenue. Note: RRA is a passthrough.	K	K	C	
	1.3	Calculate the total wholesale market one time revenue (refer to IMO bill)	K	K	C	
	1.4	Calculate the total retail transmission network revenue (i.e. kWh usage x Board approved rate)	K	K	C	
	1.5	Calculate the total retail transmission connection revenue (i.e. kWh usage x Board approved rate)	K	K	C	
	1.6	Calculate the total distribution volumetric revenue (i.e. kWh usage x Board approved rate)	K	K	C	
	1.7	Calculate the total distribution monthly service revenue (i.e. customers x Board approved rate)	K	K	C	
	1.8	Calculate the total distribution SSS administrative revenue (i.e. customers x Board approved rate)	K	K	C	
	1.9	Calculate the total DRC due (i.e. kWh usage x Board determined rate)	K	K	C	
	1.10	Add the total of steps 1.2 to 1.9 to get all the components of bundled revenue except the energy costs.	K	K	C	
	1.11	Calculate the difference between Step 1.1 and 1.10 to obtain the total energy sales. THIS IS THE RESIDUAL.	K	K	C	
	1.12	As an independent check, add the totals of steps 1.10 and 1.11 to get the total of Step 1.1.	K	K	C	

STEP	SUB-STEP	PROCEDURE	RATE	UNIT	TOTAL \$	CHECK
2		CALCULATE THE COMPONENTS OF THE UNBUNDLED IMO COSTS				
	2.1	Compute the total IMO wholesale service charges which includes the RRA charges [Wholesale service charges (kWh x IMO wholesale service charge/kwh) plus RRA charges (i.e. kWh usage x Board approved rate)]	K	K	C	
	2.2	Obtain the total IMO wholesale one-time charge. (Application fee)			K	
	2.3	Compute the total IMO retail transmission network charges. (kWh x IMO retail transmission network charge/kWh)	K	K	C	
	2.4	Compute the total IMO retail transmission connection charges. (kWh x IMO retail transmission connection charge/kWh)	K	K	C	
	2.5	Compute the total energy cost (kWh x WAHSP).	K	K	C	
	2.6	As an independent check, add totals of steps 2.1 through 2.5 and compare to IMO charge.			K	
3		CALCULATE THE RETAIL SETTLEMENT VARIANCES				
	3.1	Using the spreadsheet format, calculate the RSVA-WMS by subtracting the wholesale market services revenue from the IMO wholesale market service charges.	K	K	C	
	3.2	Calculate the RSVA- One Time by subtracting the wholesale market one time revenue if any, from the IMO wholesale market one time charge.	K	K	C	
	3.3	Calculate the RSVA- NW by subtracting the retail transmission network revenue from the IMO retail transmission network charge.	K	K	C	
	3.4	Calculate the RSVA- CN by subtracting the retail transmission connection revenue from the IMO retail transmission connection charge.	K	K	C	
	3.5	Calculate the RSVA- Power by subtracting the total energy sales from the IMO energy costs.	K	K	C	
	3.6	As an independent check, compare the total of the totals in steps 3.1 through 3.5 to the difference between the total revenue bill for the period and the total IMO charge for the period.			C	

PART 2 - ILLUSTRATIVE EXAMPLE

The example uses the given data in Article 490, pages 20 and 21. The Debt Retirement Charge ("DRC"), as well as the Rural Rate Assistance ("RRA") which is incorporated in the Wholesale Market Service, have been added as the bundled bill is deemed to include these two upon market opening. The Power Purchase Variance account ("PPVA") was excluded as it would not be applicable to a utility that did not have an unbundled bill (i.e. no distinction between default and retail customers, only one category of customers).

ASSUMPTIONS (Refer to Article 490 detailed accounting example):

1. All distributors have energy only meters. Line losses are nil.
2. There are 20,000 customers in the distributor's franchise area. One half of these customers are on default supply and consume one half of the total energy usage
3. The period covered by the billing period coincides with that of the settlement invoice and IMO charged usage is equal to the customer metered usage.

GIVEN:

TYPE OF ITEM	UNIT OF MEASURE	UNIT COST	BOARD APPROVED RATES	TOTAL UNITS	TOTAL
IMO UNBUNDLED BILL/INVOICE:					
Wholesale market service charges	Per kWh	\$.0096**		13,500,000**	\$129,600**
Wholesale market one-time charge	Application fee				\$ 50,000**
Retail transmission network charges	Per kWh	\$.012**		13,500,000**	\$162,000**
Retail transmission connection charges	Per kWh	\$.0095**		13,500,000**	\$128,250**
Energy costs - WAHSP	Per kWh	\$.024**		13,500,000**	\$324,000**
TOTAL					\$793,850
BUNDLED ENERGY BILLING					
Energy consumption(kWh) for the month				13,500,000**	\$1,138,050 ^A
Approved Board Rates:					
Wholesale market service charges	Per kWh		\$.0090***	13,500,000**	Unknown*
Wholesale market one-time charge	Per kWh		N/A		Unknown*
Retail transmission network charges	Per kWh		\$.0098***	13,500,000**	Unknown*
Retail transmission connection charges	Per kWh		\$.0105***	13,500,000**	Unknown*
	Per kWh		\$.0100***	13,500,000**	Unknown*
	Per month		\$10.00***	20,000**	Unknown*
Distribution volumetric charge	Per customer per month		\$.2500***	10,000**	Unknown*
Distribution monthly service charge	kWh				UNKNOWN*-
SSS Administration Charge					RESIDUAL
Energy Revenues	Per kWh		\$.0070***	13,500,000**	Unknown*
Debt Retirement Charge per kWh	Per kWh		\$.0010***	13,500,000**	Unknown*
Rural Assistance Rate per kWh					

**CALCULATION OF THE VARIANCE BETWEEN THE BUNDLED ENERGY REVENUES AND UNBUNDLED IMO COSTS
FOR NOT-MARKET READY PARTICIPANTS**

TYPE OF ITEM	ACCOUNT	ACCOUNT NAME	RATE- \$ (1)	UNITS (2)	SUB-TOTAL (3=1x2)	TOTAL BUNDLED REVENUE (4) 1,138,050
1 TOTAL BUNDLED REVENUE BILLING						
2 UNBUNDLING THE BUNDLED REVENUE BILL:						
3 Wholesale market services revenue	4062	Billed-WMS	0.0090	13,500,000	121,500	
4 RRA	4062	Billed-WMS	0.0010	13,500,000	13,500	
5 Wholesale market one-time revenue - N/A	4064	Billed-One Time				A
6 Retail transmission network revenue	4066	Billed-NW	0.0098	13,500,000	132,300	B
7 Retail transmission connection revenue	4068	Billed-CN	0.0105	13,500,000	141,750	C
		Distribution Service Revenue-subaccount:				D
8 Distribution volumetric revenue	4080	Volumetric charge	0.0100	13,500,000	135,000	
		Distribution Service Revenue-subaccount:				
9 Distribution monthly service revenue	4080	Monthly service charge	10.0000	20,000	200,000	
10 Distribution SS Administrative revenue	4080	Distribution Service Revenue-subaccount:				
11 Debt retirement charge (DRC)	2250	SSS Administrative charge	0.2500	10,000	2,500	
12 Total excluding energy sales		DRC Payable	0.0070	13,500,000	94,500	
13 BALANCE - ENERGY SALES (RESIDUAL FIGURE)						
					841,050	E
					237,000	

* Assumed that the IMO bill to the utility includes the RRA in the wholesale market service charge

TYPE OF ITEM	ACCOUNT	ACCOUNT NAME	RATE- \$ (5)	UNITS (6)	TOTAL UNBUNDLED IMO COSTS (7=5x6)	ACCOUNT	ACCOUNT NAME	RETAIL SETTLEMENT VARIANCES (8=3+4-7)
14 TOTAL UNBUNDLED IMO CHARGES/COSTS								
15 Wholesale market service charges*	4708	Charges, WMS	0.0096	13500000	128,600	1580	RSVA -WMS	(8,100) A-F
16 RRA *	4708	Charges, WMS	0.0010	13500000	13,500	1582	RSVA-One Time	(50,000) F
17 Wholesale market one-time charges	4712	Charges, One-time				1584	RSVA-NW	(29,700)
18 Retail transmission network charges	4714	Charges, NW	0.012	13500000	162,000	1586	RSVA-CN	13,500 D-I
19 Retail transmission connection charges	4716	Charges, CN	0.0095	13500000	128,250	1588	RSVA-Power	(27,000) E-J
20 Energy Costs - WAHSP	4705		0.024	13500000	324,000			
21 TOTAL UNBUNDLED IMO COSTS					807,350			

* Unknown but can be calculated

** Given

*** Known

A- Total Unbundled Revenue	\$1,138,050
Less: DRC	(94,500)
RRA	<u>(13,500)</u>
Net	\$1,030,050
Add: PPVA-not applicable here	<u>24,975</u>
Total revenue- agrees to Art. 490, p.21	<u>\$1,055,025</u>

APPENDIX C

Haldimand County Hydro Inc.
Distribution Rate Application
EB-2002-0091

*(Letter dated January 14, 2003
Deeming “Interim” Rate Order issued in EB-2002-0091
as “Final”)*

JAN 15 2003

Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie
de l'Ontario
C.P. 2319
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2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

January 14, 2003

Mr. Michael Price
General Manager and Secretary
Haldimand County Hydro Inc.
1 Greendale Drive
Caledonia, ON
N3W 2J3

COPY

Dear Mr. Price:

Re: Haldimand County Hydro Inc.
Distribution Rate Application/
Board File No. RP-2002-0082/EB-2002-0091.

As a result of the passage of Bill 210 on December 9, 2002, if an interim order under section 78 was in effect on November 11, 2002, the order shall be deemed to be a final order as per subsection 4(11) of Bill 210, which amends the *Ontario Energy Board Act, 1998* with the addition of subsection 79.3 (2). Therefore the rates approved as "Interim" on June 12, 2002 are now considered final.

Also as a result of the passage of Bill 210 on December 9, 2002, this application has been discontinued and considered closed as per subsection 4(11) of Bill 210, which amends the *Ontario Energy Board Act, 1998* with the addition of subsection 79.3 (5). This subsection provides that any applications made under section 78 and commenced before December 9, 2002 are discontinued on December 9, 2002.

Therefore, the rates, excluding cost of power rates, as set out in the Rate Order issued in RP-2002-0082/EB-2002-0091 are the rates which are currently in effect. The cost of power rates shown on this rate order are no longer valid as power costs ceased to be regulated when the electricity market opened for competition in May 2002.

If you would like to reapply in this matter, the legislation now requires you to obtain the written approval of the Minister of Energy before you make a new application to the Board under section 78.

Yours truly,

A handwritten signature in cursive script that reads "Paul B. Pudge".

Paul B. Pudge
Board Secretary

APPENDIX D

Haldimand County Hydro Inc.
Market Readiness Update

*(Letter dated June 21, 2002
Informing Board of
Ability to Fully Unbundle Rates)*



Haldimand County Hydro
1 Greendale Drive,
Caledonia, Ontario N3W 2J3
Tel: (905) 765-5211 Fax: (905) 765-8211

June 21, 2002

WITHOUT PREJUDICE

Paul Pudge
Board Secretary
Ontario Energy Board
26th Floor/P.O. Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Re: Haldimand County Hydro Market Readiness Update

Dear Mr. Pudge:

Haldimand County Hydro is pleased to inform you that we are able to provide a fully unbundled Standard Supply Service bill.

Haldimand County Hydro has received authorization to participate in the IMO administered markets and to convey electricity into, through or out of the IMO-controlled grid.

We are completing testing of the EBTs required on the attached form M6 to interact with retailers according to the requirements specified in the Retail Settlement Code and the EBT standards. We anticipate that we will be able to meet these requirements within the next week.

Thank you for your continued co-operation.

Yours truly

A handwritten signature in black ink, appearing to read 'Michael Price', with a horizontal line drawn underneath it.

Michael Price, MBA, P.Eng.
President and CEO

cc. Sahar Mishriki

APPENDIX E

Haldimand County Hydro Inc. Distribution Rates

(Rate Card effective April 1, 2002)

Distribution Rates

Effective April 1st, 2002

Residential - Urban Service

Monthly Service Charge	\$11.66
Distribution Volumetric Rate	\$0.0178/kWh

Residential - Rural Service

Monthly Service Charge	\$13.31
Distribution Volumetric Rate	\$0.0189/kWh

General Service (< 50kW) Urban

Monthly Service Charge	\$15.79
Distribution Volumetric Rate	\$0.0162/kWh

General Service (< 50kW) Rural

Monthly Service Charge	\$17.02
Distribution Volumetric Rate	\$0.0146/kWh

General Service (> 50kW) Urban - Non Time of Use

Monthly Service Charge	\$29.50
Distribution Volumetric Rate	\$4.5087/kW

General Service (> 50kW) Rural - Non Time of Use

Monthly Service Charge	\$29.99
Distribution Volumetric Rate	\$4.9189/kW

Sentinel Lights (Non Time of Use)

Monthly Service Charge	\$1.64
Distribution Volumetric Rate	\$2.0728/kW

Miscellaneous Charges

Account Set-up Charge	\$8.80
Arrears Certificate	\$10.50
Late Payment	1.5% per month
Returned Cheque Charge (includes bank charges)	\$13.00
Collection of Account Charge	\$9.00
Reconnection During Regular Working Hours	\$20.00
Reconnection After Regular Working Hours	\$50.00
Transformer Ownership Allowance	\$0.60/kW



We Can Explain.

The rate adjustments, effective April 1st, represent an overall increase of approximately 9.07%. However, the actual impact on your bill depends on your rate classification and electricity use. For the **average residential (urban) customer**, the rate adjustment will add \$8.68* (8.4%) a month to your total bill. For the **average residential (rural) customer**, the rate adjustment will add \$8.62* (8.7%) to your total bill. A **Rate Harmonization Plan** has been introduced to achieve a single fixed rate for all urban customers and a single fixed rate for all rural customers by March 2003. *based on 1000 kWh.

Why the Increase?

1. To cover the cost of the Ontario Government's restructuring of the electricity industry. In fact, more than 80% of the overall increase is the result of **transition costs, new fees and corporate taxes** that must be paid by electricity distribution companies like Haldimand County Hydro under restructuring.

2. Ongoing maintenance and improvement of Haldimand County's electrical system. A reliable supply of electricity is one of the most important needs we have in our day to day lives. As a result, Haldimand County Hydro has budgeted approximately \$2.3 million in 2002 for capital improvements to the County's vital electrical system. It's important to remember that the distribution charges you pay Haldimand County Hydro **only represent approximately 25% of a total residential bill**, but must cover the cost of delivery of electricity to homes and businesses, maintenance and improvements, 24 hour emergency service, and the day to day administration of the utility. **Remember that if you do not sign with an energy retailer the actual electricity you use is passed on to you with no mark-up for profit.**

Questions?

Information on deregulation of the electrical industry is available from the Ontario Energy Board at 1-877-632-2727 or the Ministry of Energy at 1-888-668-4636.

**905-765-5211 or
905-774-6767**

APPENDIX F

Haldimand County Hydro Inc. SIMPIL Models

(2001 SIMPIL Model)
(2002 SIMPIL Model)
(2003 SIMPIL Model)
(2004 SIMPIL Model)
(2005 SIMPIL Model)

	A	B	C	D	E
1	SIMPIL MODEL				Version 2009.1
2	(Halton Hills Version per Board Decision in EB-2008-0381)				
3	REGULATORY INFORMATION (REGINFO)				
4	Utility Name: HALDIMAND COUNTY HYDRO INC.			Colour Code	
5	Reporting period: October 1, 2001 to December 31, 2001 (Q4)			Input Cell	
6	Days in reporting period:	92	days	Formula in Cell	
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	31-Dec-01	
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)			33,509,753	
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			2,870,110	
42					
43	1999 return from RUD Sheet #7			1,557,675	389,419
44					
45	Total Incremental revenue			1,312,435	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			437,478	
48	Amount allowed in 2002			437,478	
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			437,478	
50	unless authorized by the Minister and the Board)				
51					
52	Total Regulatory Income				389,419
53					
54	Equity			16,754,877	
55					
56	Return at target ROE			1,655,382	
57					
58	Debt			16,754,877	
59					
60	Deemed interest amount in 100% of MARR			1,214,729	
61					
62	Phase-in of interest - Year 1 (2001)			844,417	
63	$((D43+D47)/D41)*D61$				
64	Phase-in of interest - Year 2 (2002)			1,029,572	
65	$((D43+D47+D48)/D41)*D61$				
66	Phase-in of interest - Year 3 (2003) and forward			1,214,729	
67	(D60)				
68					
69					

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	0						Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: October 1, 2001 to December 31, 2001 (Q4)							
9	Days in reporting period:	92	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	389,419		532,928		922,347	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	469,788		12,154		481,942	
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			2,426		2,426	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				0		0	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	248,175		298,486		546,661	
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	164,815		88,276		253,091	
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			3,853		3,853	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				1,377,621		1,377,621	
49								
50	TAXABLE INCOME/ (LOSS)		446,216		-1,220,727	Before loss C/F	-774,511	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		0.0000%		40.62%	
54								
55	REGULATORY INCOME TAX		181,253		-181,253	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		181,253		-181,253	Actual	0	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	33,509,753		2,610,040		36,119,793	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-56,124		4,943,876	
68	Taxable Capital		28,509,753		2,553,916		31,175,917	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		21,558		2,016	Overpaid	23,574	
73								
74	Federal Large Corporations Tax							
75	Base	18	33,509,753		3,863,926		37,373,679	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		23,509,753		3,863,926		27,373,679	
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)		13,333		2,191		15,524	
82	Less: Federal Surtax 1.12% x Taxable Income	21	4,998		-4,998		0	
83								
84	Net LCT		8,335		7,189		15,524	
85								

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	Utility Name: HALDIMAND COUNTY HYDRO INC.						Version 2009.1	
7	Reporting period: October 1, 2001 to December 31, 2001 (Q4)							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12							\$	
13								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	299,592			Actual 2001	0	
91	LCT (proxy tax is grossed-up)	23	13,777			Actual 2001	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	21,558			Actual 2001	0	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	334,927			Actual 2001	0	
96	RAM DECISION							
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 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 from 2001 Utility's tax return			x	40.62%			
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				39.50%			
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)			=	446,216			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	40.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	181,253			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	181,253			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	181,253			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	0						Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: October 1, 2001 to December 31, 2001 (Q4)							
9	Days in reporting period:	92	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
150	Ontario Capital Tax							
151	Base			=	33,509,753			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	28,509,753			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	21,558			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	21,558			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				33,509,753			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	23,509,753			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				13,333			
169	Less: Federal surtax			-	4,998			
170	Revised Net LCT			=	8,335			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	8,335			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				39.50%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	0			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	0			
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)				1,214,729			
194	Interest phased-in (Cell C36)				164,815			
195								
196	Variance due to phase-in of debt component of MARR in rates				1,049,913			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				253,091			
202	Total deemed interest (REGINFO CELL D60)				1,214,729			
203								
204	Variance caused by excess debt				961,638			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
207								
208	Total Interest Variance				88,276			
209								
210								
211								

	A	B	C	D	E	F
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
2	(Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return			
6	Section A: Identification:				Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: October 1, 2001 to December 31, 2001 (Q4)					
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 :		0	< - 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	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	5,920,095		5,920,095	
32	Distribution Revenue	+	1,745,010		1,745,010	
33	Other Income	+	551,600		551,600	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	5,920,095		5,920,095	
40	Administration	-	278,134		278,134	
41	Customer billing and collecting	-	216,762		216,762	
42	Operations and maintenance	-	397,425		397,425	
43	Amortization	-	481,942		481,942	
44	Ontario Capital Tax	-	0		0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	922,347	0	922,347	
51	Less: Interest expense for accounting purposes	-	253,091		253,091	
52	Provision for payments in lieu of income taxes	-	87,939		87,939	
53	Net Income (loss)	=	581,317	0	581,317	
54	<i>(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.)</i>					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	87,939	0	87,939	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	481,942	0	481,942	
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	Items on which true-up does not apply "TAXREC 3"		0	0	0	
67	Material addition items from TAXREC 2	+	2,426	0	2,426	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		572,307	0	572,307	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					
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	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	572,307	0	572,307	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	

	A	B	C	D	E	F
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
2	(Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5		0	Return			
6					Version 2009.1	
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	-	535,850		535,850	
98	Cumulative eligible capital deduction	-	10,811		10,811	
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		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	Items on which true-up does not apply "TAXREC 3"		1,377,621	0	1,377,621	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	3,853	0	3,853	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,928,135	0	1,928,135	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-	0		0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,928,135	0	1,928,135	
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	=	-774,511	0	-774,511	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	-774,511	0	-774,511	
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)		28.12%		28.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		40.62%	*****	40.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	0		0	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	0	0	0	
161						

	A	B	C	D	E	F
	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
	(Halton Hills Version per Board Decision in EB-2008-0381)					
1						
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: October 1, 2001 to December 31, 2001 (Q4)					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8	Utility Name: HALDIMAND COUNTY HYDRO INC.					
9	Reporting period: October 1, 2001 to December 31, 2001 (Q4)					
10	Number of days in taxation year:		92			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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	+	2,426		2,426	
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	=	2,426	0	2,426	
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	Debt issue expense		2,426	0	2,426	
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		2,426	0	2,426	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		2,426	0	2,426	

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8						
9	Utility Name: HALDIMAND COUNTY HYDRO INC.					
10	Reporting period: October 1, 2001 to December 31, 2001 (Q4)					
11	Number of days in taxation year:		92			
12	Materiality Level:		0			
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	
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	Financing Costs	-	3,853		3,853	
97	Enerconnect Limited Partnership Loss	-	0		0	
98		-			0	
99	Total Deductions	=	3,853	0	3,853	
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	Financing Costs		3,853	0	3,853	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		3,853	0	3,853	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		3,853	0	3,853	
122						

	A	B	C	D	E	F
1						
2	SIMPIL MODEL					
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 3)					
5	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
6	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
7	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
8	0		Return			
9	Utility Name: HALDIMAND COUNTY HYDRO INC.				Version 2009.1	
10						
11	Reporting period: October 1, 2001 to December 31, 2001 (Q4)					
12	Number of days in taxation year:		92			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				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	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+			0	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44		+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	0	0	0	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	11,000		11,000	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-	412		412	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66	Changes in Regulatory Asset balances	-	1,366,209		1,366,209	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	1,377,621	0	1,377,621	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	SIMPIL MODEL (Halton Hills Version per Board Decision in EB-2008-0381)									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: HALDIMAND COUNTY HYDRO INC.									
5	Reporting period: October 1, 2001 to December 31, 2001 (Q4)									
6										
7										
8	Rates Used in 2002 RAM PILs Applications for Q4 2001					Table 1				
9	Income Range		0		200,001					
10	RAM 2002		to		to					>700,000
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2001								
14	Federal (Includes surtax)		13.12%		26.12%					28.12%
15	and Ontario blended		6.00%		6.00%					12.50%
16	Blended rate		19.12%		34.12%					40.62%
17										
18	Capital Tax Rate		0.300%							0.300%
19	LCT rate		0.225%							0.225%
20	Surtax		1.12%							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										
26	Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001					Table 2				
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	2001								
32	Federal (Includes surtax)	2001	13.12%		26.12%					28.12%
33	Ontario	2001	6.00%		6.00%					12.50%
34	Blended rate	2001	19.12%		32.12%					40.62%
35										
36	Capital Tax Rate	2001	0.300%							0.300%
37	LCT rate	2001	0.225%							0.225%
38	Surtax	2001	1.12%							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										
44	Input Information from Utility's Actual 2001 Tax Returns					Table 3				
45	Income Range		0		200,001					
46			to		to					>700,000
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2001								
50	Federal (Includes surtax)		13.12%		22.12%					28.12%
51	Ontario		6.00%		9.75%					12.50%
52	Blended rate		19.12%		31.87%					40.62%
53										
54	Capital Tax Rate		0.300%							0.300%
55	LCT rate		0.225%							0.225%
56	Surtax		1.12%							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										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SIMPIL MODEL														
2	(Halton Hills Version per Board Decision in EB-2008-0381)														
3	Analysis of PILs Tax Account 1562:														
4	Utility Name: HALDIMAND COUNTY HYDRO INC.														
5	Reporting period: October 1, 2001 to December 31, 2001 (Q4)														
6	Sign Convention: + for increase; - for decrease														
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		336,951		336,951		336,951		336,951		336,951		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	334,927												334,927
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)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	2,024												2,024
20	PILs billed to (collected from) customers (8)	-													0
21															
22	Ending balance: # 1562		336,951		336,951		336,951		336,951		336,951		336,951		336,951
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	SIMPIL MODEL				Version 2009.1
2	(Halton Hills Version per Board Decision in EB-2008-0381)				
3	REGULATORY INFORMATION (REGINFO)				
4	Utility Name: HALDIMAND COUNTY HYDRO INC.			Colour Code	
5	Reporting period: January 2, 2002 to December 31, 2002			Input Cell	
6	Days in reporting period:	365	days	Formula in Cell	
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	12-31-2002	
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)			33,509,753	
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			2,870,110	
42					
43	1999 return from RUD Sheet #7			1,557,675	1,557,675
44					
45	Total Incremental revenue			1,312,435	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			437,478	437,478
48	Amount allowed in 2002			437,478	437,478
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51					0
52	Total Regulatory Income				2,432,631
53					
54	Equity			16,754,877	
55					
56	Return at target ROE			1,655,382	
57					
58	Debt			16,754,877	
59					
60	Deemed interest amount in 100% of MARR			1,214,729	
61					
62	Phase-in of interest - Year 1 (2001)			844,417	
63	$((D43+D47)/D41)*D61$				
64	Phase-in of interest - Year 2 (2002)			1,029,572	
65	$((D43+D47+D48)/D41)*D61$				
66	Phase-in of interest - Year 3 (2003) and forward			1,029,572	
67	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
68					
69					

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	Utility Name: HALDIMAND COUNTY HYDRO INC.	0					Version 2009.1	
7	Reporting period: January 2, 2002 to December 31, 2002							
8							Column	
9	Days in reporting period:	365	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	2,432,631		720,053		3,152,684	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	1,863,832		195,707		2,059,539	
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	Items on which true-up does not apply "TAXREC 3"		214,577		1,253,587		1,468,164	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,903,327		-64,153		1,839,174	
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	1,029,572		50,872		1,080,444	
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"		34,503		3,092,998		3,127,501	
49								
50	TAXABLE INCOME/ (LOSS)		1,543,638		-910,370	Before loss C/F	633,268	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	
54								
55	REGULATORY INCOME TAX		596,153		-596,153	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		596,153		-596,153	Actual	0	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	33,509,753		4,328,260		37,838,013	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-50,939		4,949,061	
68	Taxable Capital		28,509,753		4,277,321		32,888,952	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		85,529		13,138	Overpaid	98,667	
73								
74	Federal Large Corporations Tax							
75	Base	18	33,509,753		6,478,541		39,988,294	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		23,509,753		6,478,541		29,988,294	
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)		52,897		14,577		67,474	
82	Less: Federal Surtax 1.12% x Taxable Income	21	17,289		-17,289		0	
83								
84	Net LCT		35,608		31,865		67,474	
85								

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	0						Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: January 2, 2002 to December 31, 2002							
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
14								
15	III) INCLUSION IN RATES							
16								
17								
18	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
19								
20	Income Tax (proxy tax is grossed-up)	22	953,845			Actual 2002	0	
21	LCT (proxy tax is grossed-up)	23	56,973			Actual 2002	67,474	
22	Ontario Capital Tax (no gross-up since it is deductible)	24	85,529			Actual 2002	98,667	
23								
24								
25	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,096,347			Actual 2002	166,141	
26	RAM DECISION							
27								
28								
29	IV) FUTURE TRUE-UPS							
30	IV a) Calculation of the True-up Variance				DR/(CR)			
31	In Additions:							
32	Employee Benefit Plans - Accrued, Not Paid	3			0			
33	Tax reserves deducted in prior year	4			0			
34	Reserves from financial statements-end of year	4			0			
35	Regulatory Adjustments	5			0			
36	Other additions "Material" Items TAXREC	6			0			
37	Other additions "Material" Items TAXREC 2	6			0			
38	In Deductions - positive numbers							
39	Employee Benefit Plans - Paid Amounts	8			0			
40	Items Capitalized for Regulatory Purposes	9			0			
41	Regulatory Adjustments	10			0			
42	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
43	Tax reserves claimed in current year	4			0			
44	Reserves from F/S beginning of year	4			0			
45	Contributions to deferred income plans	3			0			
46	Contributions to pension plans	3			0			
47	Other deductions "Material" Items TAXREC	12			0			
48	Other deductions "Material" Item TAXREC 2	12			0			
49								
50	Total TRUE-UPS before tax effect	26		=	0			
51								
52	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	38.62%			
53								
54	Income Tax Effect on True-up adjustments			=	0			
55								
56	Less: Miscellaneous Tax Credits	14			0			
57								
58	Total Income Tax on True-ups				0			
59								
60	Income Tax Rate used for gross-up (exclude surtax)				37.50%			
61								
62	TRUE-UP VARIANCE ADJUSTMENT				0			
63								
64	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
65								
66	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,543,638			
67								
68	REVISED CORPORATE INCOME TAX RATE			x	38.62%			
69								
70	REVISED REGULATORY INCOME TAX			=	596,153			
71								
72	Less: Revised Miscellaneous Tax Credits			-	0			
73								
74	Total Revised Regulatory Income Tax			=	596,153			
75								
76	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	596,153			
77								
78	Regulatory Income Tax Variance			=	0			
79								

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6		0					Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: January 2, 2002 to December 31, 2002							
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13							\$	
150	Ontario Capital Tax							
151	Base			=	33,509,753			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	28,509,753			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	85,529			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	85,529			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				33,509,753			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	23,509,753			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				52,897			
169	Less: Federal surtax			-	17,289			
170	Revised Net LCT			=	35,608			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	35,608			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	0			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	0			
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)				1,214,729			
194	Interest phased-in (Cell C36)				1,029,572			
195								
196	Variance due to phase-in of debt component of MARR in rates				185,156			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				1,080,444			
202	Total deemed interest (REGINFO CELL D60)				1,214,729			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
207								
208	Total Interest Variance				185,156			
209								
210								
211								

	A	B	C	D	E	F
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
2	(Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return			
6	Section A: Identification:				Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: January 2, 2002 to December 31, 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 :		0	< - 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	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	28,696,538		28,696,538	
32	Distribution Revenue	+	8,769,204		8,769,204	
33	Other Income	+	1,556,342		1,556,342	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	28,696,538		28,696,538	
40	Administration	-	1,371,699		1,371,699	
41	Customer billing and collecting	-	1,162,754		1,162,754	
42	Operations and maintenance	-	2,578,870		2,578,870	
43	Amortization	-	2,059,539		2,059,539	
44	Ontario Capital Tax	-	0		0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,152,684	0	3,152,684	
51	Less: Interest expense for accounting purposes	-	1,080,444		1,080,444	
52	Provision for payments in lieu of income taxes	-	110,403		110,403	
53	Net Income (loss)	=	1,961,837	0	1,961,837	
54	<i>(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.)</i>					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	110,403	0	110,403	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	2,059,539	0	2,059,539	
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	Items on which true-up does not apply "TAXREC 3"		1,468,164	0	1,468,164	
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		3,638,106	0	3,638,106	
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	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	3,638,106	0	3,638,106	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	

	A	B	C	D	E	F
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
2	(Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5		0	Return			
6					Version 2009.1	
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	-	1,804,659		1,804,659	
98	Cumulative eligible capital deduction	-	34,515		34,515	
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	Items on which true-up does not apply "TAXREC 3"		3,127,501	0	3,127,501	
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	=	4,966,675	0	4,966,675	
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	=	4,966,675	0	4,966,675	
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	=	633,268	0	633,268	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	633,268		633,268	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	0	0	0	
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)		26.12%		26.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		38.62%	*****	38.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	98,667		98,667	
158	Federal Large Corporations Tax	+	67,474		67,474	
159						
160	Total income and capital taxes	=	166,141	0	166,141	
161						

	A	B	C	D	E	F
	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
	(Halton Hills Version per Board Decision in EB-2008-0381)					
1						
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: January 2, 2002 to December 31, 2002					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8						
9	Utility Name: HALDIMAND COUNTY HYDRO INC.					
10	Reporting period: January 2, 2002 to December 31, 2002					
11	Number of days in taxation year:		365			
12	Materiality Level:		0			
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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		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	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8						
9	Utility Name: HALDIMAND COUNTY HYDRO INC.					
10	Reporting period: January 2, 2002 to December 31, 2002					
11	Number of days in taxation year:		365			
12	Materiality Level:		0			
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	
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	
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	SIMPIL MODEL					
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 3)					
5	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
6	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
7	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
8	0		Return			
9	Utility Name: HALDIMAND COUNTY HYDRO INC.				Version 2009.1	
10						
11	Reporting period: January 2, 2002 to December 31, 2002					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+	209,767		209,767	
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	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				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	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+	1,197,579		1,197,579	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+	60,818		60,818	
44						
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	1,468,164	0	1,468,164	
48						
49	Deduct:					
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	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66	Changes in Regulatory Asset balances	-	3,127,501		3,127,501	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69						
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	3,127,501	0	3,127,501	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	SIMPIL MODEL (Halton Hills Version per Board Decision in EB-2008-0381)									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: HALDIMAND COUNTY HYDRO INC.									
5	Reporting period: January 2, 2002 to December 31, 2002									
6										
7										
8	Rates Used in 2002 RAM PILs Applications for 2002					Table 1				
9	Income Range		0		200,001					
10	RAM 2002		to		to			>700,000		
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		6.00%		6.00%			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										
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002					Table 2				
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%		6.00%			12.50%		
34	Blended rate	2002	19.12%		32.12%			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										
44	Input Information from Utility's Actual 2002 Tax Returns					Table 3				
45	Income Range		0		200,001					
46			to		to			>700,000		
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		22.12%			26.12%	26.12%	0.00%
51	Ontario		6.00%		9.75%			12.50%	12.50%	0.00%
52	Blended rate		19.12%		31.87%			38.62%	38.62%	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	4,949,061							
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% 0.00%
 12.50% 0.00%
 38.62% 0.00%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SIMPIL MODEL														
2	(Halton Hills Version per Board Decision in EB-2008-0381)														
3	Analysis of PILs Tax Account 1562:														
4	Utility Name: HALDIMAND COUNTY HYDRO INC.														
5	Reporting period: January 2, 2002 to December 31, 2002														
6	Sign Convention: + for increase; - for decrease														
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		336,951		763,072		763,072		763,072		763,072		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	334,927		1,096,347										1,431,274
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)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	2,024		47,824										49,848
20	PILs billed to (collected from) customers (8)	-	0		(718,050)										(718,050)
21															
22	Ending balance: # 1562		336,951		763,072		763,072		763,072		763,072		763,072		763,072
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	SIMPIL MODEL				Version 2009.1
2	(Halton Hills Version per Board Decision in EB-2008-0381)				
3	REGULATORY INFORMATION (REGINFO)				
4	Utility Name: HALDIMAND COUNTY HYDRO INC.			Colour Code	
5	Reporting period: January 1, 2003 to December 31, 2003			Input Cell	
6	Days in reporting period:	365	days	Formula in Cell	
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	
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	12-31-2003	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
31	Rate Base (wires-only)			33,509,753	
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			2,870,110	
43	1999 return from RUD Sheet #7			1,557,675	1,557,675
45	Total Incremental revenue			1,312,435	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			437,478	437,478
48	Amount allowed in 2002			437,478	437,478
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					0
52	Total Regulatory Income				2,432,631
54	Equity			16,754,877	
56	Return at target ROE			1,655,382	
58	Debt			16,754,877	
60	Deemed interest amount in 100% of MARR			1,214,729	
62	Phase-in of interest - Year 1 (2001)			844,417	
63	$((D43+D47)/D41)*D61$				
64	Phase-in of interest - Year 2 (2002)			1,029,572	
65	$((D43+D47+D48)/D41)*D61$				
66	Phase-in of interest - Year 3 (2003) and forward			1,029,572	
67	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
68					
69					

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	Utility Name: HALDIMAND COUNTY HYDRO INC.	0					Version 2009.1	
7	Reporting period: January 1, 2003 to December 31, 2003							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
14	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	2,432,631		-536,240		1,896,391	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	1,863,832		290,276		2,154,108	
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			1,000		1,000	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"		214,577		3,055,218		3,269,795	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,903,327		-319,819		1,583,508	
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	1,029,572		40,670		1,070,242	
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"		34,503		2,368,475		2,402,978	
49								
50	TAXABLE INCOME/ (LOSS)		1,543,638		720,928	Before loss C/F	2,264,566	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.0000%		36.62%	
54								
55	REGULATORY INCOME TAX		596,153		70,066	Actual	666,219	
56								
57								
58	Miscellaneous Tax Credits	14			5,361	Actual	5,361	
59								
60	Total Regulatory Income Tax		596,153		64,705	Actual	660,858	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	33,509,753		4,006,160		37,515,913	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-51,035		4,948,965	
68	Taxable Capital		28,509,753		3,955,125		32,566,948	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		85,529		12,172		97,701	
73								
74	Federal Large Corporations Tax							
75	Base	18	33,509,753		5,458,103		38,967,856	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		23,509,753		5,458,103		28,967,856	
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)		52,897		12,281		65,178	
82	Less: Federal Surtax 1.12% x Taxable Income	21	17,289		-17,289		0	
83								
84	Net LCT		35,608		29,569		65,178	
85								

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6		0					Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: January 1, 2003 to December 31, 2003							
9	Days in reporting period:	365	days				Column Brought From	
10	Total days in the calendar year:	365	days				TAXREC	
11							\$	
12								
13								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	953,845			Actual 2003	660,858	
91	LCT (proxy tax is grossed-up)	23	56,973			Actual 2003	41,396	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	85,529			Actual 2003	97,701	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,096,347			Actual 2003	799,955	
96	RAM DECISION							
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			1,000			
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			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		=	1,000			
121								
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return			x	36.62%			
123								
124	Income Tax Effect on True-up adjustments			=	366			
125								
126	Less: Miscellaneous Tax Credits	14			5,361			
127								
128	Total Income Tax on True-ups				-4,995			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				-7,744			
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)			=	1,543,638			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	565,280			
141								
142	Less: Revised Miscellaneous Tax Credits			-	5,361			
143								
144	Total Revised Regulatory Income Tax			=	559,919			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	596,153			
147								
148	Regulatory Income Tax Variance			=	-36,234			
149								

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	0						Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: January 1, 2003 to December 31, 2003							
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
150	Ontario Capital Tax							
151	Base			=	33,509,753			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	28,509,753			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	85,529			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	85,529			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				33,509,753			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	23,509,753			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				52,897			
169	Less: Federal surtax			-	17,289			
170	Revised Net LCT			=	35,608			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	35,608			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.50%			
176								
177	Income Tax (grossed-up)			+	-56,176			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-56,176			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	-7,744			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-63,920			
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)				1,214,729			
194	Interest phased-in (Cell C36)				1,029,572			
195								
196	Variance due to phase-in of debt component of MARR in rates				185,156			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				1,070,242			
202	Total deemed interest (REGINFO CELL D60)				1,214,729			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207								
208	Total Interest Variance				185,156			
209								
210								
211								

	A	B	C	D	E	F
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
2	(Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return		Version 2009.1	
6	Section A: Identification:					
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: January 1, 2003 to December 31, 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 :		0	< - 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	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	17,056,486		17,056,486	
32	Distribution Revenue	+	7,226,884		7,226,884	
33	Other Income	+	1,463,463		1,463,463	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	17,056,486		17,056,486	
40	Administration	-	1,314,005		1,314,005	
41	Customer billing and collecting	-	1,008,436		1,008,436	
42	Operations and maintenance	-	2,317,407		2,317,407	
43	Amortization	-	2,154,108		2,154,108	
44	Ontario Capital Tax	-			0	
45	Reg Asset movement	-	0		0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	1,896,391	0	1,896,391	
51	Less: Interest expense for accounting purposes	-	1,070,242		1,070,242	
52	Provision for payments in lieu of income taxes	-	735,000		735,000	
53	Net Income (loss)	=	91,149	0	91,149	
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	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	735,000	0	735,000	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	2,154,108	0	2,154,108	
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	Items on which true-up does not apply "TAXREC 3"		3,269,795	0	3,269,795	
67	Material addition items from TAXREC 2	+	1,000	0	1,000	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		6,159,903	0	6,159,903	
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		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	6,159,903	0	6,159,903	
83						

	A	B	C	D	E	F
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
2	(Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5		0	Return			
5					Version 2009.1	
84	Recap Material Additions:					
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	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	-	1,551,409		1,551,409	
98	Cumulative eligible capital deduction	-	32,099		32,099	
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	Items on which true-up does not apply "TAXREC 3"		2,402,978	0	2,402,978	
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	=	3,986,486	0	3,986,486	
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	=	3,986,486	0	3,986,486	
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	=	2,264,566	0	2,264,566	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	141,243		141,243	
137	Net capital loss applied positive number	-	8,264		8,264	
138					0	
139	NET TAXABLE INCOME	=	2,115,059	0	2,115,059	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	512,497		512,497	
143	Net Ontario Income Tax (Must agree with tax return)	+	153,722		153,722	
144	Subtotal	=	666,219	0	666,219	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	5,361		5,361	
146	Total Income Tax	=	660,858	0	660,858	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		36.62%		36.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	660,858	0	660,858	
157	Ontario Capital Tax	+	97,701		97,701	
158	Federal Large Corporations Tax	+	41,396		41,396	
159						
160	Total income and capital taxes	=	799,955	0	799,955	
161						

	A	B	C	D	E	F
1	SIMPIL MODEL (Halton Hills Version per Board Dec	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: January 1, 2003 to December 31, 2003					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
8	Utility Name: HALDIMAND COUNTY HYDRO INC.					
9	Reporting period: January 1, 2003 to December 31, 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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		0	
22	Loss for tax purposes - joint ventures or partnerships	+	0		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	Ontario Specified Tax Credits	+	1,000		1,000	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	1,000	0	1,000	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53	Taxable capital gains		0	0	0	
54	Loss for tax purposes - joint ventures or partnerships		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	Ontario Specified Tax Credits		1,000	0	1,000	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		1,000	0	1,000	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		1,000	0	1,000	

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
8	Utility Name: HALDIMAND COUNTY HYDRO INC.					
9	Reporting period: January 1, 2003 to December 31, 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per t/s	-	0		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		-			0	
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	SIMPIL MODEL					
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 3)					
5	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
6	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
7	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
8	0		Return			
9	Utility Name: HALDIMAND COUNTY HYDRO INC.				Version 2009.1	
10						
11	Reporting period: January 1, 2003 to December 31, 2003					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+	6,960		6,960	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	28,367		28,367	
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	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				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	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+	3,234,468		3,234,468	
42		+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	3,269,795	0	3,269,795	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	58,400		58,400	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66	Changes in Regulatory Asset balances	-	2,344,578		2,344,578	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	2,402,978	0	2,402,978	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	SIMPIL MODEL (Halton Hills Version per Board Decision in EB-2008-0381)									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: HALDIMAND COUNTY HYDRO INC.									
5	Reporting period: January 1, 2003 to December 31, 2003									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0 to		200,001 to					
10	RAM 2002		200,000		700,000				>700000	
11		Year								
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%		6.00%			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 2003 and Capital Tax Exemptions for 2003									
27	Income Range		0 to		200,001 to					
28	Expected Rates		200,000		700,000				>700000	
29		Year								
30	Income Tax Rate									
31	Current year	2003								
32	Federal (Includes surtax)	2003	13.12%					24.12%		
33	Ontario	2003	6.00%					12.50%		
34	Blended rate	2003	19.12%		34.12%			36.62%		
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 to		200,001 to					
46			200,000		700,000				>700,000	
47		Year								
48	Income Tax Rate									
49	Current year	2003								
50	Federal (Includes surtax)		13.12%		0.00%		24.12%			
51	Ontario		6.00%		0.00%		12.50%			
52	Blended rate		19.12%		0.00%		36.62%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,948,965							
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	SIMPIL MODEL														
2	(Halton Hills Version per Board Decision in EB-2008-0381)														
3	Analysis of PILs Tax Account 1562:														
4	Utility Name: HALDIMAND COUNTY HYDRO INC.														
5	Reporting period: January 1, 2003 to December 31, 2003														
6	Sign Convention: + for increase; - for decrease														
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		336,951		763,072		812,552		812,552		812,552		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	334,927		1,096,347		1,431,274								2,862,548
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)	+/-					0								0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	2,024		47,824		50,336								100,184
20	PILs billed to (collected from) customers (8)	-	0		(718,050)		(1,432,130)								(2,150,180)
21															
22	Ending balance: # 1562		336,951		763,072		812,552		812,552		812,552		812,552		812,552
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
	SIMPIL MODEL				Version 2009.1
1	(Halton Hills Version per Board Decision in EB-2008-0381)				
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: HALDIMAND COUNTY HYDRO INC.			Colour Code	
4	Reporting period: January 1, 2004 to December 31, 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	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	
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	12-31-2004	
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)			33,509,753	
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			2,870,110	
43	1999 return from RUD Sheet #7			1,557,675	1,557,675
45	Total Incremental revenue			1,312,435	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			437,478	437,478
48	Amount allowed in 2002			437,478	437,478
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51					0
52	Total Regulatory Income				2,432,631
53					
54	Equity			16,754,877	
55					
56	Return at target ROE			1,655,382	
57					
58	Debt			16,754,877	
59					
60	Deemed interest amount in 100% of MARR			1,214,729	
61					
62	Phase-in of interest - Year 1 (2001)			844,417	
63	((D43+D47)/D41)*D61				
64	Phase-in of interest - Year 2 (2002)			1,029,572	
65	((D43+D47+D48)/D41)*D61				
66	Phase-in of interest - Year 3 (2003) and forward			1,029,572	
67	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
68					
69					

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS	Estimate			Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	0						Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: January 1, 2004 to December 31, 2004							
9	Days in reporting period:	366	days				Column	
10	Total days in the calendar year:	366	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	2,432,631		173,927		2,606,558	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	1,863,832		375,538		2,239,370	
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			2,659		2,659	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"		214,577		3,752,226		3,966,803	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,903,327		-239,130		1,664,197	
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	1,029,572		-10,495		1,019,077	
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"		34,503		1,913,047		1,947,550	
49								
50	TAXABLE INCOME/ (LOSS)		1,543,638		2,640,928	Before loss C/F	4,184,566	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5000%		36.12%	
54								
55	REGULATORY INCOME TAX		596,153		916,539	Actual	1,512,692	
56								
57								
58	Miscellaneous Tax Credits	14			2,659	Actual	2,659	
59								
60	Total Regulatory Income Tax		596,153		913,880	Actual	1,510,033	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	33,509,753		6,144,208		39,653,961	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-8,742		4,991,258	
68	Taxable Capital		28,509,753		6,135,466		34,662,703	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		85,529		18,459		103,988	
73								
74	Federal Large Corporations Tax							
75	Base	18	33,509,753		-16,364,957		17,144,796	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		23,509,753		23,635,043		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)		52,897		-52,897		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	17,289		-17,289		0	
83								
84	Net LCT		35,608		-35,608		0	
85								

	A	B	C	D	E	F	G	H
1	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
2	(Halton Hills Version per Board Decision in EB-2008-0381)							
3	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
4	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
6	0						Version 2009.1	
7	Utility Name: HALDIMAND COUNTY HYDRO INC.							
8	Reporting period: January 1, 2004 to December 31, 2004							
9	Days in reporting period:	366	days				Column	
10	Total days in the calendar year:	366	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	953,845			Actual 2004	1,510,033	
91	LCT (proxy tax is grossed-up)	23	56,973			Actual 2004	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	85,529			Actual 2004	103,988	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,096,347			Actual 2004	1,614,021	
96	RAM DECISION							
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			2,659			
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			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		=	2,659			
121								
122	Income Tax Rate (includes surtax - no LCT) from 2004 Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	960			
125								
126	Less: Miscellaneous Tax Credits	14			2,659			
127								
128	Total Income Tax on True-ups				-1,699			
129								
130	Income Tax Rate used for gross-up (includes surtax)				35.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				-2,613			
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)			=	1,543,638			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	557,562			
141								
142	Less: Revised Miscellaneous Tax Credits			-	2,659			
143								
144	Total Revised Regulatory Income Tax			=	554,903			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	596,153			
147								
148	Regulatory Income Tax Variance			=	-41,250			
149								

	A	B	C	D	E	F	G	H
	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
1	(Halton Hills Version per Board Decision in EB-2008-0381)							
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: HALDIMAND COUNTY HYDRO INC.							
7	Reporting period: January 1, 2004 to December 31, 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								
150	Ontario Capital Tax							
151	Base			=	33,509,753			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	28,509,753			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	85,529			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	85,529			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				33,509,753			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-16,490,247			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
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)			-	35,608			
173	Regulatory Federal LCT Variance			=	-35,608			
174								
175	Actual Income Tax Rate used for gross-up (includes surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	-63,461			
178	LCT (grossed-up)			+	-56,973			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-120,435			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	-2,613			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	-123,048			
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)				1,214,729			
194	Interest phased-in (Cell C36)				1,029,572			
195								
196	Variance due to phase-in of debt component of MARR in rates				185,156			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				1,019,077			
202	Total deemed interest (REGINFO CELL D60)				1,214,729			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207								
208	Total Interest Variance				185,156			
209								
210								
211								

	A	B	C	D	E	F
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
2	(Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	0		Return			
6					Version 2009.1	
7	Section A: Identification:					
8	Utility Name: HALDIMAND COUNTY HYDRO INC.					
9	Reporting period: January 1, 2004 to December 31, 2004					
10	Taxation Year's start date:					
11	Taxation Year's end date:					
12	Number of days in taxation year:		366	days		
13	Please enter the Materiality Level :		0	< - 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	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense 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	Income:					
31	Energy Sales	+	19,447,557		19,447,557	
32	Distribution Revenue	+	9,260,239		9,260,239	
33	Other Income	+	729,482		729,482	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	19,447,557		19,447,557	
40	Administration	-	1,531,811		1,531,811	
41	Customer billing and collecting	-	1,096,343		1,096,343	
42	Operations and maintenance	-	2,515,639		2,515,639	
43	Amortization	-	2,239,370		2,239,370	
44	Ontario Capital Tax	-			0	
45	Recovery of regulatory assets - expense	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	2,606,558	0	2,606,558	
51	Less: Interest expense for accounting purposes	-	1,019,077		1,019,077	
52	Provision for payments in lieu of income taxes	-	1,433,350		1,433,350	
53	Net Income (loss)	=	154,131	0	154,131	
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	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	1,433,350	0	1,433,350	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	2,239,370	0	2,239,370	
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	Items on which true-up does not apply "TAXREC 3"		3,966,803		3,966,803	
67	Material addition items from TAXREC 2	+	2,659	0	2,659	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		7,642,182	0	7,642,182	
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		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	7,642,182	0	7,642,182	
83						

	A	B	C	D	E	F
	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
1	(Halton Hills Version per Board Decision in EB-2008-0381)					
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4			Return			
5		0			Version 2009.1	
84	Recap Material Additions:					
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	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	-	1,634,345		1,634,345	
98	Cumulative eligible capital deduction	-	29,852		29,852	
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	Items on which true-up does not apply "TAXREC 3"		1,947,550	0	1,947,550	
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	=	3,611,747	0	3,611,747	
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	=	3,611,747	0	3,611,747	
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	=	4,184,566	0	4,184,566	
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	=	4,184,566	0	4,184,566	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	926,853	0	926,853	
143	Net Ontario Income Tax (Must agree with tax return)	+	585,839	0	585,839	
144	Subtotal	=	1,512,692	0	1,512,692	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	2,659		2,659	
146	Total Income Tax	=	1,510,033	0	1,510,033	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	1,510,033	0	1,510,033	
157	Ontario Capital Tax	+	103,988		103,988	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	1,614,021	0	1,614,021	
161						

	A	B	C	D	E	F
	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
	(Halton Hills Version per Board Decision in EB-2008-0381)					
1						
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: January 1, 2004 to December 31, 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Please describe				0	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8	Utility Name: HALDIMAND COUNTY HYDRO INC.					
9	Reporting period: January 1, 2004 to December 31, 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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		0	
22	Loss for tax purposes - joint ventures or partnerships	+	0		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	Ontario Specified Tax Credits	+	2,659		2,659	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	2,659	0	2,659	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53	Taxable capital gains		0	0	0	
54	Loss for tax purposes - joint ventures or partnerships		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	Ontario Specified Tax Credits		2,659	0	2,659	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		2,659	0	2,659	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		2,659	0	2,659	

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8	Utility Name: HALDIMAND COUNTY HYDRO INC.					
9	Reporting period: January 1, 2004 to December 31, 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	0		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	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	SIMPIL MODEL					
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 3)					
5	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
6	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
7	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
8	Utility Name: HALDIMAND COUNTY HYDRO INC.	0	Return		Version 2009.1	
9						
10						
11	Reporting period: January 1, 2004 to December 31, 2004					
12	Number of days in taxation year:		366			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+	3,156		3,156	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	8,980		8,980	
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	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+	3,954,667		3,954,667	
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		+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	3,966,803	0	3,966,803	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	23,474		23,474	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	
61		-			0	
62	Changes in Regulatory Asset balances	-	1,924,076		1,924,076	
63		-			0	
64	Assessment Notice	-			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	Total Deductions on which true-up does not apply	=	1,947,550	0	1,947,550	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	SIMPIL MODEL									
2	(Halton Hills Version per Board Decision in EB-2008-0381)									
3	Corporate Tax Rates					Version 2009.1				
4	Exemptions, Deductions, or Thresholds									
5	Utility Name: HALDIMAND COUNTY HYDRO INC.									
6	Reporting period: January 1, 2004 to December 31, 2004									
7										
8	Rates Used in 2002 RAM PILs Applications for 2002					Table 1				
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000		>700000			
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%		6.00%		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	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004					Table 2				
26	Income Range		0	250,001	400,001					
27	Expected Rates		to	to	to					
28		Year	250,000	400,000	1,128,000		>1,128,000			
29	Income Tax Rate									
30	Current year	2004								
31	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%		22.12%			
32	Ontario	2004	5.50%	5.50%	9.75%		14.00%			
33	Blended rate	2004	18.62%	27.62%	31.87%		36.12%			
34										
35	Capital Tax Rate	2004	0.300%							
36	LCT rate	2004	0.200%							
37	Surtax	2004	1.12%							
38	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
39	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
40										
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Input Information from Utility's Actual 2004 Tax Returns					Table 3				
44	Income Range		0	250,001	400,001					
45			to	to	to					
46		Year	250,000	400,000	1,128,000		>1,128,000			
47	Income Tax Rate									
48	Current year	2004								
49	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.12%		22.12%	0.00%
50	Ontario		5.50%	5.50%	13.77%		14.00%		14.00%	0.00%
51	Blended rate		18.62%	27.62%	36.06%		36.12%		36.12%	0.00%
52										
53	Capital Tax Rate		0.300%							
54	LCT rate		0.200%							
55	Surtax		1.12%							
56	Ontario Capital Tax Exemption *	MAX \$5MM	4,991,258							
57	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
58										
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

22.12% 0.00%
14.00% 0.00%
36.12% 0.00%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SIMPIL MODEL														
2	(Halton Hills Version per Board Decision in EB-														
3	Analysis of PILs Tax Account 1562:														
4	Utility Name: HALDIMAND COUNTY HYDRO INC.														
5	Reporting period: January 1, 2004 to December 31, 2004														
6	Sign Convention: + for increase; - for decrease														
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		336,951		763,072		812,552		718,209		718,209		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	334,927		1,096,347		1,431,274		1,180,079						4,042,627
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		(7,744)						(7,744)
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-					0		(56,176)						(56,176)
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	2,024		47,824		50,336		44,874						145,058
20	PILs billed to (collected from) customers (8)	-	0		(718,050)		(1,432,130)		(1,255,376)						(3,405,556)
21															
22	Ending balance: # 1562		336,951		763,072		812,552		718,209		718,209		718,209		718,209
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
	SIMPIL MODEL				Version 2009.1
1	(Halton Hills Version per Board Decision in EB-2008-0381)				
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: HALDIMAND COUNTY HYDRO INC.			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	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	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)			33,509,753	
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			2,870,110	
42					
43	1999 return from RUD Sheet #7			1,557,675	1,557,675
44					
45	Total Incremental revenue			1,312,435	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			437,478	437,478
48	Amount allowed in 2002			437,478	437,478
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			437,478	437,478
52	Other Board-approved changes to MARR or incremental revenue			184,653	184,653
53					0
54	Total Regulatory Income				3,054,762
55					
56	Equity			16,754,877	
57					
58	Return at target ROE			1,655,382	
59					
60	Debt			16,754,877	
61					
62	Deemed interest amount in 100% of MARR			1,214,729	
63					
64	Phase-in of interest - Year 1 (2001)			844,417	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			1,029,572	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			1,029,572	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,214,729	
71					
72					

	A	B	C	D	E	F	G	H
	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
1	(Halton Hills Version per Board Decision in EB-2008-0381)							
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: HALDIMAND COUNTY HYDRO INC.							
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	3,054,762		-1,182,564		1,872,198	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	1,863,832		491,191		2,355,023	
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			15,575		15,575	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"		214,577		3,297,858		3,512,435	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,903,327		-154,311		1,749,016	
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	1,214,729		-246,503		968,226	
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	CDM 2005 incremental OM&A expenses per 2005 PILs model	12	33,333		-33,333		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"		34,503		2,938,430		2,972,933	
49								
50	TAXABLE INCOME/ (LOSS)		1,947,279		117,777	Before loss C/F	2,065,056	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		0.0000%		36.12%	
54								
55	REGULATORY INCOME TAX		703,357		42,541	Actual	745,898	
56								
57								
58	Miscellaneous Tax Credits	14			5,870	Actual	5,870	
59								
60	Total Regulatory Income Tax		703,357		36,671	Actual	740,028	
61								
62								
63	III) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	33,509,753		6,660,616		40,170,369	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,425,000		62,139		7,487,139	
68	Taxable Capital		26,084,753		6,722,755		32,683,230	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		78,254		19,795		98,050	
73								
74	Federal Large Corporations Tax							
75	Base	18	33,509,753		6,660,616		40,170,369	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	49,500,000		500,000		50,000,000	
77	Taxable Capital		0		7,160,616		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		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								

	A	B	C	D	E	F	G	H
	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
1	(Halton Hills Version per Board Decision in EB-2008-0381)							
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: HALDIMAND COUNTY HYDRO INC.							
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							\$	
13								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		36.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,101,060			Actual 2005	740,028	
91	LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	78,254			Actual 2005	98,050	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	1,179,315			Actual 2005	838,078	
96	RAM DECISION							
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			15,575			
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			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			-33,333			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	48,908			
121								
122	Income Tax Rate () from 2005 Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	17,666			
125								
126	Less: Miscellaneous Tax Credits	14			5,870			
127								
128	Total Income Tax on True-ups				11,796			
129								
130	Income Tax Rate used for gross-up ()				35.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				18,147			
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)			=	1,947,279			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	703,357			
141								
142	Less: Revised Miscellaneous Tax Credits			-	5,870			
143								
144	Total Revised Regulatory Income Tax			=	697,487			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	703,357			
147								
148	Regulatory Income Tax Variance			=	-5,870			
149								

	A	B	C	D	E	F	G	H
	SIMPIL MODEL	ITEM	Initial		M of F	M of F	Tax	
1	(Halton Hills Version per Board Decision in EB-2008-0381)							
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: HALDIMAND COUNTY HYDRO INC.							
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							\$	
150	Ontario Capital Tax							
151	Base			=	33,509,753			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	26,009,753			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	78,029			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	78,254			
159	Regulatory Ontario Capital Tax Variance			=	-225			
160								
161	Federal LCT							
162	Base				33,509,753			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-16,490,247			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
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 (I)				35.00%			
176								
177	Income Tax (grossed-up)			+	-9,031			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	-225			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-9,256			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	18,147			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	8,891			
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)				1,214,729			
194	Interest phased-in (Cell C36)				1,029,572			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				185,156			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				968,226			
202	Total deemed interest (REGINFO CELL D62)				1,214,729			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207								
208	Total Interest Variance				185,156			
209								
210								
211								

	A	B	C	D	E	F	G
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only		
2	(Halton Hills Version per Board Decision in EB-2008-0381)						
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
5	0		Return		Version 2009.1		
6	Section A: Identification:						
7	Utility Name: HALDIMAND COUNTY HYDRO INC.						
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 :		0	< - 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	Section B: Financial statements data:						
23	Input unconsolidated financial statement data submitted with Tax returns.						
24	The actual categories of the income statements should be used.						
25	If required please change the descriptions except for amortization, interest expense 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	Income:						
31	Energy Sales	+	22,495,462		22,495,462		
32	Distribution Revenue	+	8,939,611		8,939,611		
33	Other Income	+	646,545		646,545		
34	Miscellaneous income	+			0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	22,495,462		22,495,462		
40	Administration	-	1,568,731		1,568,731		
41	Customer billing and collecting	-	1,144,673		1,144,673		
42	Operations and maintenance	-	2,645,531		2,645,531		
43	Amortization	-	2,355,023		2,355,023		
44	Ontario Capital Tax	-			0		
45	Capitalized	-			0		
46	Recovery of Regulatory Assets	-			0		
47		-			0		
48		-			0		
49							
50	Net Income Before Interest & Income Taxes EBIT	=	1,872,198	0	1,872,198		
51	Less: Interest expense for accounting purposes	-	968,226		968,226		
52	Provision for payments in lieu of income taxes	-	747,049		747,049		Does this include LCT? N
53	Net Income (loss)	=	156,923	0	156,923		
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	Section C: Reconciliation of accounting income to taxable income						
57	From T2 Schedule 1						
58	BOOK TO TAX ADDITIONS:						
59	Provision for income tax	+	747,049	0	747,049		Does this include LCT? N
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	2,355,023	0	2,355,023		
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	Items on which true-up does not apply "TAXREC 3"		3,512,435	0	3,512,435		
67	Material addition items from TAXREC 2	+	15,575	0	15,575		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	Subtotal		6,630,082	0	6,630,082		
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		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	0	0	0		
81							
82	Total Additions	=	6,630,082	0	6,630,082		
83							

	A	B	C	D	E	F	G
1	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only		
2	(Halton Hills Version per Board Decision in EB-2008-0381)						
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
5	0		Return		Version 2009.1		
84	Recap Material Additions:						
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	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	-	1,721,254		1,721,254		
98	Cumulative eligible capital deduction	-	27,762		27,762		
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	Items on which true-up does not apply "TAXREC 3"		2,972,933	0	2,972,933		
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	=	4,721,949	0	4,721,949		
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	=	4,721,949	0	4,721,949		
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	=	2,065,056	0	2,065,056		
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	=	2,065,056	0	2,065,056		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	456,790		456,790		
143	Net Ontario Income Tax (Must agree with tax return)	+	289,108		289,108		
144	Subtotal	=	745,898	0	745,898		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	5,870		5,870		
146	Total Income Tax	=	740,028	0	740,028		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%		Divide federal income tax by the taxable income
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%		Divide Ontario income tax by the taxable income
151	Blended Income Tax Rate		36.12%		36.12%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	740,028	0	740,028		
157	Ontario Capital Tax	+	98,050		98,050		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	838,078	0	838,078		
161							

	A	B	C	D	E	F
1	SIMPIL MODEL (Halton Hills Version per Board Dec	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: HALDIMAND COUNTY HYDRO INC.					
8	Reporting period: 2005					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		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	0	0	
51						
52	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8	Utility Name: HALDIMAND COUNTY HYDRO INC.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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	+	9,705		9,705	
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	Ontario Specified Tax Credits	+	5,870		5,870	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	15,575	0	15,575	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51	Loss on disposal of assets		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	Debt issue expense		9,705	0	9,705	
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	Ontario Specified Tax Credits		5,870	0	5,870	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		15,575	0	15,575	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		15,575	0	15,575	

	A	B	C	D	E	F
1						
2	SIMPIL MODEL	LINE	M of F	Non-wires	Wires-only	
3	(Halton Hills Version per Board Decision in EB-2008-0381)					
4	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
5	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
6	RATEPAYERS ONLY		Return			
7	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
8						
9	Utility Name: HALDIMAND COUNTY HYDRO INC.					
10	Reporting period: 2005					
11	Number of days in taxation year:		365			
12	Materiality Level:		0			
13						
80						
81	Deduct:					
82	Gain on disposal of assets per t/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	Income for tax purposes - joint ventures or partnerships	-	0		0	
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	SIMPIL MODEL (Halton Hills Version per Board Decision in EB-2008-0381)					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: HALDIMAND COUNTY HYDRO INC.				Version 2009.1	
9						
10						
11	Reporting period: 2005					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	+	36,727		36,727	
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	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+	3,475,708		3,475,708	
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	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	3,512,435	0	3,512,435	
48						
49	Deduct:					
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	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-	869		869	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	
61		-			0	
62	Changes in Regulatory Asset balances	-	2,972,064		2,972,064	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	2,972,933	0	2,972,933	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	SIMPIL MODEL (Halton Hills Version per Board Decision in EB-2008-0381)									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: HALDIMAND COUNTY HYDRO INC.									
5	Reporting period: 2005									
6										
7										
8	Rates Used in 2005 RAM PILs Applications for 2005					Table 1				
9	Income Range		0		400,001					
10	RAM 2005		to		to					
11		Year	400,000		1,128,000				>1,128,000	
12	Income Tax Rate									
13	Proxy Tax Year	2005								
14	Federal (Includes surtax)		13.12%		17.75%				22.12%	
15	and Ontario blended		5.50%		9.75%				14.00%	
16	Blended rate		18.62%		27.50%				36.12%	
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.175%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,425,000							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	49,500,000							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25										
26	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005					Table 2				
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to					
29		Year	250,000	400,000	1,128,000				>1,128,000	
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%				22.12%	
33	Ontario	2005	5.50%	5.50%	9.75%				14.00%	
34	Blended rate	2005	18.62%	27.62%	31.87%				36.12%	
35										
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	Input Information from Utility's Actual 2005 Tax Returns					Table 3				
45	Income Range		0	250,001	400,001					
46			to	to	to					
47		Year	250,000	400,000	1,128,000				>1,128,000	
48	Income Tax Rate									
49	Current year	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%				22.12%	
51	Ontario		5.50%	5.50%	14.00%				14.00%	
52	Blended rate		18.62%	27.62%	36.12%				36.12%	
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,487,139							
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	SIMPIL MODEL														
2	(Halton Hills Version per Board Decision in EB-														
3	Analysis of PILs Tax Account 1562:														
4	Utility Name: HALDIMAND COUNTY HYDRO INC.														
5	Reporting period: 2005														
6	Sign Convention: + for increase; - for decrease														
7															
8	Year start:		10/01/01		01/01/02		01/01/03		01/01/04		01/01/05		01/01/06		
9	Year end:		12/31/01		12/31/02		12/31/03		12/31/04		12/31/05		04/30/06		Total
10															
11	Opening balance:	=	0		336,951		763,072		812,552		718,209		587,572		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	334,927		1,096,347		1,431,274		1,180,079		1,158,573		393,105		5,594,304
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		(7,744)		(2,613)		18,147		7,790
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-					0		(56,176)		(120,435)		(9,256)		(185,867)
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	2,024		47,824		50,336		44,874		34,896		18,496		198,450
20	PILs billed to (collected from) customers (8)	-	0		(718,050)		(1,432,130)		(1,255,376)		(1,201,057)		(517,856)		(5,124,469)
21															
22	Ending balance: # 1562		336,951		763,072		812,552		718,209		587,572		490,209		490,209
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, kWs, 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															

APPENDIX G

Haldimand County Hydro Inc.
Account 1562 Deferred PILs Balance

(Continuity Schedule)

2001	2001 January	2001 February	2001 March	2001 April	2001 May	2001 June	2001 July	2001 August	2001 September	2001 October	2001 November	2001 December	2001 TOTAL
PRINCIPAL													
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,642	\$ 223,285	
Additions / Adjustments													
2001 Deferred (Oct. to Dec.)										\$111,642	\$111,642	\$111,642	\$334,927
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,642	\$111,642	\$111,642	\$334,927
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,642	\$223,285	\$334,927	
INTEREST											7.25%	7.25%	
Opening Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$675	
Carrying Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$675	\$1,349	\$2,024
Closing Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$675	\$2,024	
2002	2002 January	2002 February	2002 March	2002 April	2002 May	2002 June	2002 July	2002 August	2002 September	2002 October	2002 November	2002 December	2002 TOTAL
PRINCIPAL													
Opening Balance	\$334,927	\$426,289	\$517,652	\$609,014	\$700,376	\$791,738	\$823,108	\$791,522	\$759,572	\$732,569	\$721,254	\$707,595	
Additions / Adjustments													
2002 Proxy (Jan. to Dec.)	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$1,096,347
	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$1,096,347
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	(\$59,992)	(\$122,949)	(\$123,312)	(\$118,365)	(\$102,677)	(\$105,021)	(\$85,734)	(\$718,050)
Closing Balance	\$426,289	\$517,652	\$609,014	\$700,376	\$791,738	\$823,108	\$791,522	\$759,572	\$732,569	\$721,254	\$707,595	\$713,224	
INTEREST	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Opening Balance	\$2,024	\$4,047	\$6,623	\$9,750	\$13,429	\$17,661	\$22,444	\$27,417	\$32,199	\$36,788	\$41,214	\$45,572	
Carrying Charges	\$2,024	\$2,575	\$3,127	\$3,679	\$4,231	\$4,783	\$4,973	\$4,782	\$4,589	\$4,426	\$4,358	\$4,275	\$47,824
Closing Balance	\$4,047	\$6,623	\$9,750	\$13,429	\$17,661	\$22,444	\$27,417	\$32,199	\$36,788	\$41,214	\$45,572	\$49,847	

2003	2003 January	2003 February	2003 March	2003 April	2003 May	2003 June	2003 July	2003 August	2003 September	2003 October	2003 November	2003 December	2003 TOTAL
PRINCIPAL													
Opening Balance	\$713,224	\$702,003	\$682,356	\$675,904	\$673,559	\$678,372	\$693,317	\$702,799	\$700,950	\$698,513	\$703,588	\$706,906	
Additions / Adjustments													
2001 Deferred (Jan. to Dec.)	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$27,911	\$334,927
2003 Proxy (Jan. to Dec.)	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$1,096,347
2002 SIMPIL Model True-Ups						\$0							\$0
	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$119,273	\$1,431,274
Rate Recoveries	(\$130,494)	(\$138,920)	(\$125,725)	(\$121,618)	(\$114,459)	(\$104,328)	(\$109,791)	(\$121,122)	(\$121,710)	(\$114,197)	(\$115,955)	(\$113,811)	(\$1,432,130)
Closing Balance	\$702,003	\$682,356	\$675,904	\$673,559	\$678,372	\$693,317	\$702,799	\$700,950	\$698,513	\$703,588	\$706,906	\$712,368	
INTEREST	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Opening Balance	\$49,847	\$54,156	\$58,397	\$62,520	\$66,604	\$70,673	\$74,771	\$78,960	\$83,206	\$87,441	\$91,661	\$95,912	
Carrying Charges	\$4,309	\$4,241	\$4,123	\$4,084	\$4,069	\$4,098	\$4,189	\$4,246	\$4,235	\$4,220	\$4,251	\$4,271	\$50,336
Closing Balance	\$54,156	\$58,397	\$62,520	\$66,604	\$70,673	\$74,771	\$78,960	\$83,206	\$87,441	\$91,661	\$95,912	\$100,183	
2004	2004 January	2004 February	2004 March	2004 April	2004 May	2004 June	2004 July	2004 August	2004 September	2004 October	2004 November	2004 December	2004 TOTAL
PRINCIPAL													
Opening Balance	\$712,368	\$703,196	\$683,780	\$671,237	\$637,912	\$630,357	\$560,801	\$565,726	\$562,385	\$564,171	\$567,271	\$568,266	
Additions / Adjustments													
2001 Deferred (Jan. to Mar.)	\$27,911	\$27,911	\$27,911										\$83,732
2004 Proxy (Jan. to Dec.)	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$1,096,347
2003 SIMPIL Model True-Ups						(\$63,920)							(\$63,920)
	\$119,273	\$119,273	\$119,273	\$91,362	\$91,362	\$27,442	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$91,362	\$1,116,159
Rate Recoveries	(\$128,445)	(\$138,689)	(\$131,816)	(\$124,687)	(\$98,917)	(\$96,998)	(\$86,438)	(\$94,703)	(\$89,576)	(\$88,262)	(\$90,368)	(\$86,477)	(\$1,255,376)
Closing Balance	\$703,196	\$683,780	\$671,237	\$637,912	\$630,357	\$560,801	\$565,726	\$562,385	\$564,171	\$567,271	\$568,266	\$573,151	
INTEREST	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Opening Balance	\$100,183	\$104,487	\$108,735	\$112,867	\$116,922	\$120,776	\$124,584	\$127,973	\$131,391	\$134,788	\$138,197	\$141,624	
Carrying Charges	\$4,304	\$4,248	\$4,131	\$4,055	\$3,854	\$3,808	\$3,388	\$3,418	\$3,398	\$3,409	\$3,427	\$3,433	\$44,874
Closing Balance	\$104,487	\$108,735	\$112,867	\$116,922	\$120,776	\$124,584	\$127,973	\$131,391	\$134,788	\$138,197	\$141,624	\$145,057	

2005	2005 January	2005 February	2005 March	2005 April	2005 May	2005 June	2005 July	2005 August	2005 September	2005 October	2005 November	2005 December	2005 TOTAL
PRINCIPAL													
Opening Balance	\$573,151	\$566,185	\$548,299	\$536,720	\$542,466	\$549,796	\$435,001	\$434,969	\$398,012	\$391,225	\$397,351	\$402,740	
Additions / Adjustments													
2002 Proxy (Jan. to Mar.)	\$91,362	\$91,362	\$91,362										\$274,087
2005 Proxy (Apr. to Dec.)				\$98,276	\$98,276	\$98,276	\$98,276	\$98,276	\$98,276	\$98,276	\$98,276	\$98,276	\$884,486
2004 SIMPIL Model True-Ups						(\$123,048)							(\$123,048)
	\$91,362	\$91,362	\$91,362	\$98,276	\$98,276	(\$24,772)	\$98,276	\$98,276	\$98,276	\$98,276	\$98,276	\$98,276	\$1,035,525
Rate Recoveries	(\$98,328)	(\$109,248)	(\$102,941)	(\$92,531)	(\$90,946)	(\$90,023)	(\$98,308)	(\$135,233)	(\$105,064)	(\$92,150)	(\$92,887)	(\$93,397)	(\$1,201,057)
Closing Balance	\$566,185	\$548,299	\$536,720	\$542,466	\$549,796	\$435,001	\$434,969	\$398,012	\$391,225	\$397,351	\$402,740	\$407,619	
INTEREST	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Opening Balance	\$145,057	\$148,520	\$151,941	\$155,254	\$158,496	\$161,774	\$165,095	\$167,723	\$170,351	\$172,756	\$175,120	\$177,520	
Carrying Charges	\$3,463	\$3,421	\$3,313	\$3,243	\$3,277	\$3,322	\$2,628	\$2,628	\$2,405	\$2,364	\$2,401	\$2,433	\$34,896
Closing Balance	\$148,520	\$151,941	\$155,254	\$158,496	\$161,774	\$165,095	\$167,723	\$170,351	\$172,756	\$175,120	\$177,520	\$179,954	
2006	2006 January	2006 February	2006 March	2006 April	2006 May	2006 June	2006 July	2006 August	2006 September	2006 October	2006 November	2006 December	2006 TOTAL
PRINCIPAL													
Opening Balance	\$407,619	\$393,745	\$387,508	\$373,561	\$386,403	\$297,725	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
Additions / Adjustments													
2005 Proxy (Jan. to Apr.)	\$98,276	\$98,276	\$98,276	\$98,276									\$393,105
2005 SIMPIL Model True-Ups						\$8,891							\$8,891
	\$98,276	\$98,276	\$98,276	\$98,276	\$0	\$8,891	\$0	\$0	\$0	\$0	\$0	\$0	\$401,996
Rate Recoveries	(\$112,150)	(\$104,514)	(\$112,223)	(\$85,434)	(\$88,678)	(\$14,857)							(\$517,856)
Closing Balance	\$393,745	\$387,508	\$373,561	\$386,403	\$297,725	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
INTEREST	7.25%	7.25%	7.25%	7.25%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Opening Balance	\$179,954	\$182,416	\$184,795	\$187,136	\$189,393	\$190,726	\$191,754	\$192,869	\$193,985	\$195,101	\$196,217	\$197,333	
Carrying Charges	\$2,463	\$2,379	\$2,341	\$2,257	\$1,333	\$1,027	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$18,496
Closing Balance	\$182,416	\$184,795	\$187,136	\$189,393	\$190,726	\$191,754	\$192,869	\$193,985	\$195,101	\$196,217	\$197,333	\$198,449	

2007	2007 January	2007 February	2007 March	2007 April	2007 May	2007 June	2007 July	2007 August	2007 September	2007 October	2007 November	2007 December	2007 TOTAL
PRINCIPAL													
Opening Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
Additions / Adjustments													\$0
													\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Recoveries													\$0
Closing Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
INTEREST	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Opening Balance	\$198,449	\$199,565	\$200,681	\$201,797	\$202,913	\$204,029	\$205,145	\$206,261	\$207,377	\$208,493	\$209,743	\$210,993	
Carrying Charges	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,250	\$1,250	\$1,250	\$13,793
Closing Balance	\$199,565	\$200,681	\$201,797	\$202,913	\$204,029	\$205,145	\$206,261	\$207,377	\$208,493	\$209,743	\$210,993	\$212,242	
2008	2008 January	2008 February	2008 March	2008 April	2008 May	2008 June	2008 July	2008 August	2008 September	2008 October	2008 November	2008 December	2008 TOTAL
PRINCIPAL													
Opening Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
Additions / Adjustments													\$0
													\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Recoveries													\$0
Closing Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
INTEREST	5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Opening Balance	\$212,242	\$213,492	\$214,742	\$215,991	\$216,983	\$217,975	\$218,967	\$219,782	\$220,596	\$221,411	\$222,225	\$223,040	
Carrying Charges	\$1,250	\$1,250	\$1,250	\$992	\$992	\$992	\$814	\$814	\$814	\$814	\$814	\$814	\$11,612
Closing Balance	\$213,492	\$214,742	\$215,991	\$216,983	\$217,975	\$218,967	\$219,782	\$220,596	\$221,411	\$222,225	\$223,040	\$223,854	

2009	2009 January	2009 February	2009 March	2009 April	2009 May	2009 June	2009 July	2009 August	2009 September	2009 October	2009 November	2009 December	2009 TOTAL
PRINCIPAL													
Opening Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
Additions / Adjustments													\$0
													\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Recoveries													\$0
Closing Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
INTEREST	2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Opening Balance	\$223,854	\$224,450	\$225,046	\$225,641	\$225,884	\$226,128	\$226,371	\$226,504	\$226,638	\$226,772	\$226,906	\$227,039	
Carrying Charges	\$596	\$596	\$596	\$243	\$243	\$243	\$134	\$134	\$134	\$134	\$134	\$134	\$3,318
Closing Balance	\$224,450	\$225,046	\$225,641	\$225,884	\$226,128	\$226,371	\$226,504	\$226,638	\$226,772	\$226,906	\$227,039	\$227,173	
2010	2010 January	2010 February	2010 March	2010 April	2010 May	2010 June	2010 July	2010 August	2010 September	2010 October	2010 November	2010 December	2010 TOTAL
PRINCIPAL													
Opening Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
Additions / Adjustments													\$0
													\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Recoveries													\$0
Closing Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
INTEREST	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Opening Balance	\$227,173	\$227,307	\$227,440	\$227,574	\$227,708	\$227,842	\$227,975	\$228,192	\$228,408	\$228,625	\$228,916	\$229,208	
Carrying Charges	\$134	\$134	\$134	\$134	\$134	\$134	\$216	\$216	\$216	\$292	\$292	\$292	\$2,327
Closing Balance	\$227,307	\$227,440	\$227,574	\$227,708	\$227,842	\$227,975	\$228,192	\$228,408	\$228,625	\$228,916	\$229,208	\$229,500	

2011	2011 January	2011 February	2011 March	2011 April	2011 May	2011 June	2011 July	2011 August	2011 September	2011 October	2011 November	2011 December	2011 TOTAL
PRINCIPAL													
Opening Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
Additions / Adjustments													\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Recoveries													\$0
Closing Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
INTEREST	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Opening Balance	\$229,500	\$229,857	\$230,215	\$230,572	\$230,929	\$231,287	\$231,644	\$232,002	\$232,359	\$232,716	\$233,074	\$233,431	
Carrying Charges	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$4,289
Closing Balance	\$229,857	\$230,215	\$230,572	\$230,929	\$231,287	\$231,644	\$232,002	\$232,359	\$232,716	\$233,074	\$233,431	\$233,789	
2012 Projected	2012 January	2012 February	2012 March	2012 April	2012 May	2012 June	2012 July	2012 August					2012 TOTAL
PRINCIPAL													
Opening Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
Additions / Adjustments													\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Recoveries													\$0
Closing Balance	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	\$291,759	
INTEREST	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%					
Opening Balance	\$233,789	\$234,146	\$234,503	\$234,861	\$235,218	\$235,576	\$235,933	\$236,291	\$236,648	\$236,648	\$236,648	\$236,648	
Carrying Charges	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$0	\$0	\$0	\$0	\$2,859
Closing Balance	\$234,146	\$234,503	\$234,861	\$235,218	\$235,576	\$235,933	\$236,291	\$236,648	\$236,648	\$236,648	\$236,648	\$236,648	