

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Niagara-on-the-Lake Hydro Inc.														Version 2009.1
4	Reporting period: 2005														
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		132,560		99,501		72,336		45,611		-76,065		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	132,560		319,178		451,738		352,318		79,795		79,271		1,414,861
13	PILs proxy from April 1, 2005 - input 9/12 of amount										178,361				178,361
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			2,338										2,338
15	True-up Variance Adjustment (3)	+/-					-8,274		-25,398		-59,268		-58,348		-151,288
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-			-18,818		-12,918		-20,816		-55,644		-21,637		-129,833
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-			3,251		5,574		3,131		-1,806		-1,886		8,264
20	PILs billed to (collected from) customers (8)	-	0		-339,008		-463,286		-335,960		-263,114		-97,099		-1,498,467
21															
22	Ending balance: # 1562		132,560		99,501		72,336		45,611		-76,065		-175,764		-175,764
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:														Method 1 (I.e. Alternative 1 per APH FAQ April 2003 Q.1)
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 tax														
75	will have to include amounts from 1562 and from 1590.														

	A	B	C	D	E	F	G
1	EB-XXXX-XX						
2	Board Approved Proxy	Case	Decision	Effective	Submitted	Board	Approved
3		Reference	Date	Date of	Proxy	Adjustments	Proxy
4	Utility Name: Niagara-on-the-Lake Hydro Inc.			Rates	Amount		Amount
5							
6							
7							
8	2001 Proxy	RP-2002-0090 / EB-2002-0099	26-Feb-02	1-Mar-02	\$ 134,847	\$ (2,371)	\$ 132,476
9							
10	2002 Proxy	RP-2002-0090 / EB-2002-0099	26-Feb-02	1-Mar-02	\$ 324,093	\$ (4,915)	\$ 319,178
11							
12	2005 Proxy	RP-2005-0013 / EB-2005-0055	21-Mar-05	1-Mar-05	\$ 237,814	\$ -	\$ 237,814
13							
14							
15							
16							
17							
18							
19							
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21							
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23							
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28							
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	A	B	C	D	E	F	G	H	I	J	K	L
1	EB-XXXX-XX											
2	Board Approved Proxy	Number	Year	Number	Amount	APH						
3	Included in Rates for the Year Shown	of months	of recovery	of months	Included	Proxy		Proxy Amount by Recovery Year				
4	Utility Name: Niagara-on-the-Lake Hydro Inc.	of proxy		of	in Rates	Amount		2002	2003	2004	2005	2006
5				Collection								
6												
7												
8	2001 Fourth Quarter Proxy	3	2002	10	\$ 132,476	\$ 132,476		\$ 132,476				
9												
10	2001 Fourth Quarter Proxy	3	2003	12	\$ 132,476	\$ 132,476			\$ 132,476			
11												
12	2001 Fourth Quarter Proxy	3	2004	3	\$ 132,476	\$ 33,119				\$ 33,119		
13												
14												
15	2002 Proxy	12	2002	10	\$ 319,178	\$ 319,178		\$ 319,178				
16												
17	2002 Proxy	12	2003	12	\$ 319,178	\$ 319,178			\$ 319,178			
18												
19	2002 Proxy	12	2004	12	\$ 319,178	\$ 319,178				\$ 319,178		
20												
21	2002 Proxy	12	2005	3	\$ 319,178	\$ 79,795					\$ 79,795	
22												
23												
24	2005 Proxy	12	2005	9	\$ 237,814	\$ 178,361					\$ 178,361	
25												
26	2005 Proxy	12	2006	4	\$ 237,814	\$ 79,271						\$ 79,271
27							Totals	451,654	451,654	352,297	258,155	79,271
28												
29												
30	NOTES:											
31	1) Rate recovery is based on a monthly rate derived for a 12-month period.											
32	2) For APH purposes, the 4th quarter 2001 PILs proxy starts on October 1, 2001.											
33	3) For APH purposes, the 2002 PILs proxy starts on January 1, 2002.											

	A	B	C	D	E	F	G	H	I
1									
2	Month	Opening Balance	Billed Amount	PILs Proxy Accrual	True-up Variance Adjustment	Deferral Account Variance Adjustment	Ending Balance	Interest Rate	Carrying Charge
3	Mar-02	-	(15,131)	45,165			30,035	7.25%	
4	Apr-02	30,035	(41,981)	45,165			33,219	7.25%	181
5	May-02	33,219	(11,581)	45,165			66,804	7.25%	201
6	Jun-02	66,804	(37,587)	45,165	2,338	(18,818)	57,902	7.25%	404
7	Jul-02	57,902	(36,086)	45,165			66,982	7.25%	350
8	Aug-02	66,982	(40,535)	45,165			71,612	7.25%	405
9	Sep-02	71,612	(52,077)	45,165			64,701	7.25%	433
10	Oct-02	64,701	(40,559)	45,165			69,307	7.25%	391
11	Nov-02	69,307	(36,991)	45,165			77,481	7.25%	419
12	Dec-02	77,481	(26,481)	45,165			96,166	7.25%	468
13	Annual		(339,008)	451,654	2,338	(18,818)			3,251
14									
15									
16									
17	Jan-03	96,166	(49,430)	37,638			84,374	7.25%	581
18	Feb-03	84,374	(36,282)	37,638			85,730	7.25%	510
19	Mar-03	85,730	(38,367)	37,638			85,000	7.25%	518
20	Apr-03	85,000	(34,374)	37,638			88,264	7.25%	514
21	May-03	88,264	(36,554)	37,638			89,348	7.25%	533
22	Jun-03	89,348	(37,283)	37,638	(8,274)	(12,918)	68,511	7.25%	540
23	Jul-03	68,511	(39,827)	37,638			66,321	7.25%	414
24	Aug-03	66,321	(36,613)	37,638			67,346	7.25%	401
25	Sep-03	67,346	(39,851)	37,638			65,133	7.25%	407
26	Oct-03	65,133	(40,375)	37,638			62,396	7.25%	394
27	Nov-03	62,396	(36,003)	37,638			64,031	7.25%	377
28	Dec-03	64,031	(38,326)	37,638			63,343	7.25%	387
29	Annual		(463,286)	451,654	(8,274)	(12,918)			5,574
30									
31									
32									
33	Jan-04	63,343	(37,655)	37,638			63,326	7.25%	383
34	Feb-04	63,326	(37,723)	37,638			63,241	7.25%	383
35	Mar-04	63,241	(38,308)	37,638			62,571	7.25%	382
36	Apr-04	62,571	(30,323)						
37	Apr-04		(1,539)	26,598			57,307	7.25%	378
38	May-04	57,307	(6,364)						
39	May-04		(16,237)	26,598			61,304	7.25%	346
40	Jun-04	61,304	(877)						
41	Jun-04		(18,901)	26,598	(25,398)	(20,816)	21,910	7.25%	370
42	Jul-04	21,910	(22,890)	26,598			25,618	7.25%	132
43	Aug-04	25,618	(27,748)	26,598			24,468	7.25%	155
44	Sep-04	24,468	(27,521)	26,598			23,545	7.25%	148
45	Oct-04	23,545	(25,975)	26,598			24,168	7.25%	142
46	Nov-04	24,168	(23,356)	26,598			27,411	7.25%	146
47	Dec-04	27,411	(20,544)	26,598			33,465	7.25%	166
48	Annual		(335,960)	352,297	(25,398)	(20,816)			3,131
49									
50									
51									
52	Jan-05	33,465	(23,056)	26,598			37,007	7.25%	202
53	Feb-05	37,007	(26,359)	26,598			37,246	7.25%	224
54	Mar-05	37,246	(26,119)	26,598			37,725	7.25%	225
55	Apr-05	37,725	(17,566)						

	A	B	C	D	E	F	G	H	I
1									
2	Month	Opening Balance	Billed Amount	PILs Proxy Accrual	True-up Variance Adjustment	Deferral Account Variance Adjustment	Ending Balance	Interest Rate	Carrying Charge
56	Apr-05		(2,646)	19,818			37,332	7.25%	228
57	May-05	37,332	(5,412)						
58	May-05		(16,971)	19,818			34,767	7.25%	226
59	Jun-05	34,767	521						
60	Jun-05		(18,009)	19,818	(59,268)	(55,644)	(77,816)	7.25%	210
61	Jul-05	(77,816)	81						
62	Jul-05		(21,095)	19,818			(79,012)	7.25%	(470)
63	Aug-05	(79,012)	(26,639)	19,818			(85,833)	7.25%	(477)
64	Sep-05	(85,833)	(25,087)	19,818			(91,102)	7.25%	(519)
65	Oct-05	(91,102)	(20,651)	19,818			(91,935)	7.25%	(550)
66	Nov-05	(91,935)	(18,588)	19,818			(90,705)	7.25%	(555)
67	Dec-05	(90,705)	(15,519)	19,818			(86,406)	7.25%	(548)
68	Annual		(263,114)	258,155	(59,268)	(55,644)			(1,806)
69									
70									
71									
72	Jan-06	(86,406)	(20,495)	19,818			(87,083)	7.25%	(522)
73	Feb-06	(87,083)	(21,089)	19,818			(88,354)	7.25%	(526)
74	Mar-06	(88,354)	(19,585)	19,818			(88,121)	7.25%	(534)
75	Apr-06	(88,121)	(18,614)	19,818			(86,918)	4.14%	(304)
76			(79,783)	79,271	-	-			(1,886)
77									
78									
79									
80	May-06	(86,918)	(15,452)	-			(102,370)	4.14%	(300)
81	Jun-06	(102,370)	(1,770)	-	(58,348)	(21,637)	(184,125)	4.14%	(353)
82	Jul-06	(184,125)	(340)	-			(184,465)	4.59%	(704)
83	Aug-06	(184,465)	247	-			(184,218)	4.59%	(706)
84	Sep-06	(184,218)	-	-			(184,218)	4.59%	(705)
85	Oct-06	(184,218)					(184,218)	4.59%	(705)
86	Nov-06	(184,218)					(184,218)	4.59%	(705)
87	Dec-06	(184,218)					(184,218)	4.59%	(705)
88	Subtotal		(17,316)	-	(58,348)	(21,637)			(4,881)
89									
90	Annual		(97,099)	79,271	(58,348)	(21,637)			(6,767)
91									
92									
93	GRAND TOTAL TO DEC 2006		(1,498,467)	1,593,031	(148,950)	(129,833)			3,383
94									
95	Checksum		-	(191)	-	-	(191)		-
96									
97									
98									
99	Jan-07	(184,218)					(184,218)	4.59%	(705)
100	Feb-07	(184,218)					(184,218)	4.59%	(705)
101	Mar-07	(184,218)					(184,218)	4.59%	(705)
102	Apr-07	(184,218)					(184,218)	4.59%	(705)
103	May-07	(184,218)					(184,218)	4.59%	(705)

	A	B	C	D	E	F	G	H	I
1									
2	Month	Opening Balance	Billed Amount	PILs Proxy Accrual	True-up Variance Adjustment	Deferral Account Variance Adjustment	Ending Balance	Interest Rate	Carrying Charge
104	Jun-07	(184,218)					(184,218)	4.59%	(705)
105	Jul-07	(184,218)					(184,218)	4.59%	(705)
106	Aug-07	(184,218)					(184,218)	4.59%	(705)
107	Sep-07	(184,218)					(184,218)	4.59%	(705)
108	Oct-07	(184,218)					(184,218)	5.14%	(789)
109	Nov-07	(184,218)					(184,218)	5.14%	(789)
110	Dec-07	(184,218)					(184,218)	5.14%	(789)
111	Annual								(8,709)
112									
113									
114									
115	Jan-08	(184,218)					(184,218)	5.14%	(789)
116	Feb-08	(184,218)					(184,218)	5.14%	(789)
117	Mar-08	(184,218)					(184,218)	5.14%	(789)
118	Apr-08	(184,218)					(184,218)	4.08%	(626)
119	May-08	(184,218)					(184,218)	4.08%	(626)
120	Jun-08	(184,218)					(184,218)	4.08%	(626)
121	Jul-08	(184,218)					(184,218)	3.35%	(514)
122	Aug-08	(184,218)					(184,218)	3.35%	(514)
123	Sep-08	(184,218)					(184,218)	3.35%	(514)
124	Oct-08	(184,218)					(184,218)	3.35%	(514)
125	Nov-08	(184,218)					(184,218)	3.35%	(514)
126	Dec-08	(184,218)					(184,218)	3.35%	(514)
127	Annual								(7,332)
128									
129									
130									
131	Jan-09	(184,218)					(184,218)	2.45%	(376)
132	Feb-09	(184,218)					(184,218)	2.45%	(376)
133	Mar-09	(184,218)					(184,218)	2.45%	(376)
134	Apr-09	(184,218)					(184,218)	1.00%	(154)
135	May-09	(184,218)					(184,218)	1.00%	(154)
136	Jun-09	(184,218)					(184,218)	1.00%	(154)
137	Jul-09	(184,218)					(184,218)	0.55%	(84)
138	Aug-09	(184,218)					(184,218)	0.55%	(84)
139	Sep-09	(184,218)					(184,218)	0.55%	(84)
140	Oct-09	(184,218)					(184,218)	0.55%	(84)
141	Nov-09	(184,218)					(184,218)	0.55%	(84)
142	Dec-09	(184,218)					(184,218)	0.55%	(84)
143	Annual								(2,095)
144									
145									
146									
147	Jan-10	(184,218)					(184,218)	0.55%	(84)
148	Feb-10	(184,218)					(184,218)	0.55%	(84)
149	Mar-10	(184,218)					(184,218)	0.55%	(84)
150	Apr-10	(184,218)					(184,218)	0.55%	(84)
151	May-10	(184,218)					(184,218)	0.55%	(84)
152	Jun-10	(184,218)					(184,218)	0.55%	(84)
153	Jul-10	(184,218)					(184,218)	0.89%	(137)
154	Aug-10	(184,218)					(184,218)	0.89%	(137)
155	Sep-10	(184,218)					(184,218)	0.89%	(137)
156	Oct-10	(184,218)					(184,218)	1.20%	(184)

	A	B	C	D	E	F	G	H	I
1									
2	Month	Opening Balance	Billed Amount	PILs Proxy Accrual	True-up Variance Adjustment	Deferral Account Variance Adjustment	Ending Balance	Interest Rate	Carrying Charge
157	Nov-10	(184,218)					(184,218)	1.20%	(184)
158	Dec-10	(184,218)					(184,218)	1.20%	(184)
159	Annual								(1,469)
160									
161									
162									
163	Jan-11	(184,218)					(184,218)	1.47%	(226)
164	Feb-11	(184,218)					(184,218)	1.47%	(226)
165	Mar-11	(184,218)					(184,218)	1.47%	(226)
166	Apr-11	(184,218)					(184,218)	1.47%	(226)
167	May-11	(184,218)					(184,218)	1.47%	(226)
168	Jun-11	(184,218)					(184,218)	1.47%	(226)
169	Jul-11	(184,218)					(184,218)	1.47%	(226)
170	Aug-11	(184,218)					(184,218)	1.47%	(226)
171	Sep-11	(184,218)					(184,218)	1.47%	(226)
172	Oct-11	(184,218)					(184,218)	1.47%	(226)
173	Nov-11	(184,218)					(184,218)	1.47%	(226)
174	Dec-11	(184,218)					(184,218)	1.47%	(226)
175	Annual								(2,708)
176									
177									
178									
179	Jan-12	(184,218)					(184,218)	1.47%	(226)
180	Feb-12	(184,218)					(184,218)	1.47%	(226)
181	Mar-12	(184,218)					(184,218)	1.47%	(226)
182	Apr-12	(184,218)					(184,218)	1.47%	(226)
183	Period								(903)
184									
185	Balance at April 30, 2012						\$ (184,218)		\$ (19,833)

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Niagara-on-the-Lake Hydro Inc.			<u>Colour Code</u>	
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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		97%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		97%	
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)			13,859,589	
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			1,187,074	
42					
43	1999 return from RUD Sheet #7			591,755	591,755
44					
45	Total Incremental revenue			595,319	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			198,440	198,440
48	Amount allowed in 2002			198,440	198,440
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			198,440	198,440
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				1,187,075
55					
56	Equity			6,929,795	
57					
58	Return at target ROE			684,664	
59					
60	Debt			6,929,795	
61					
62	Deemed interest amount in 100% of MARR			502,410	
63					
64	Phase-in of interest - Year 1 (2001)			334,437	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			418,424	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			418,424	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			502,410	
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Niagara-on-the-Lake Hydro Inc.							
7	Reporting period: 2005							
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	1,187,075		164,993		1,352,068	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	689,379		443,185		1,132,564	
21	Employee Benefit Plans - Accrued, Not Paid	3			15,780		15,780	
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"				2,777		2,777	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	784,044		497,187		1,281,231	
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	502,410		196,984		699,394	
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	CDM 2005 incremental O&M&A expenses per 2005 PILs model NOTL	12	\$13,333		-13,333		0	
46	Other Deductions (not "Material") "TAXREC"	12			0		0	
47	"Material" Items from "TAXREC 2" worksheet	12			0		0	
48	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
49	Items on which true-up does not apply "TAXREC 3"				17,989		17,989	
50								
51	TAXABLE INCOME/ (LOSS)		576,667		(72,092)		504,575	
52								
53	BLENDED INCOME TAX RATE							
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	27.50%		-2.8700%		24.63%	
55								
56	REGULATORY INCOME TAX		158,583		23,670		182,253	
57								
58								
59	Miscellaneous Tax Credits	14			0		0	
60								
61	Total Regulatory Income Tax		158,583		23,670		182,253	
62								
63								
64	III) CAPITAL TAXES							
65								
66	Ontario							
67	Base	15	13,859,589		6,261,316		20,120,905	
68	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		-235,168		7,264,832	
69	Taxable Capital		6,359,589		6,026,148		12,856,073	
70								
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
72								
73	Ontario Capital Tax		19,079		19,489		38,568	
74								
75	Federal Large Corporations Tax							
76	Base	18	13,859,589		6,989,947		20,849,536	
77	Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		-3,210,000		46,790,000	
78	Taxable Capital		0		3,779,947		0	
79								
80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
81								
82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
83	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
84								
85	Net LCT		0		0		0	
86								
87	III) INCLUSION IN RATES							
88								
89	Income Tax Rate used for gross- up (exclude surtax)		27.50%					
90								
91	Income Tax (proxy tax is grossed-up)	22	218,736			Actual 2005	182,253	
92	LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	19,079			Actual 2005	38,568	
94								
95								
96	Total PILs for Rate Adjustment -- MUST AGREE WITH 2005 RAM DECISION	25	237,814			Actual 2005	220,821	
97								
98								
99								
100	IV) FUTURE TRUE-UPS							
101	IV a) Calculation of the True-up Variance				DR/(CR)			
102	In Additions:							
103	Employee Benefit Plans - Accrued, Not Paid	3			15,780			
104	Tax reserves deducted in prior year	4			0			
105	Reserves from financial statements-end of year	4			0			
106	Regulatory Adjustments	5			0			
107	Other additions "Material" Items TAXREC	6			0			
108	Other additions "Material" Items TAXREC 2	6			0			
109	In Deductions - positive numbers							
110	Employee Benefit Plans - Paid Amounts	8			0			
111	Items Capitalized for Regulatory Purposes	9			0			
112	Regulatory Adjustments	10			0			
113	Interest Adjustment for tax purposes (See Below - cell I206)	11			196,984			
114	Tax reserves claimed in current year	4			0			
115	Reserves from F/S beginning of year	4			0			
116	Contributions to deferred income plans	3			0			
117	Contributions to pension plans	3			0			
118	Other deductions "Material" Items TAXREC	12			0			
119	Other deductions "Material" Item TAXREC 2	12			0			
120								
121	Total TRUE-UPS before tax effect	26			-181,204			
122								

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Niagara-on-the-Lake Hydro Inc.							
7	Reporting period: 2005							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
123	Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	24.63%			
124								
125	Income Tax Effect on True-up adjustments			=	-44,631			
126								
127	Less: Miscellaneous Tax Credits	14			0			
128								
129	Total Income Tax on True-ups				-44,631			
130								
131	Income Tax Rate used for gross-up (exclude surtax)				23.51%			
132								
133	TRUE-UP VARIANCE ADJUSTMENT				(58,348)			
134								
135	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
136								
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	576,667			
138								
139	REVISED CORPORATE INCOME TAX RATE			x	24.63%			
140								
141	REVISED REGULATORY INCOME TAX			=	142,033			
142								
143	Less: Revised Miscellaneous Tax Credits			-	0			
144								
145	Total Revised Regulatory Income Tax			=	142,033			
146								
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	158,583			
148								
149	Regulatory Income Tax Variance			=	(16,550)			
150								
151	Ontario Capital Tax							
152	Base			=	13,859,589			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
154	Revised deemed taxable capital			=	6,359,589			
155								
156	Rate - Tab Tax Rates cell C54			x	0.3000%			
157								
158	Revised Ontario Capital Tax			=	19,079			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	19,079			
160	Regulatory Ontario Capital Tax Variance			=	0			
161								
162	Federal LCT							
163	Base			=	13,859,589			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
165	Revised Federal LCT			=	(36,140,411)			
166								
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
168								
169	Gross Amount				0			
170	Less: Federal surtax			-	0			
171	Revised Net LCT			=	0			
172								
173	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
174	Regulatory Federal LCT Variance			=	0			
175								
176	Actual Income Tax Rate used for gross-up (exclude surtax)				23.51%			
177								
178	Income Tax (grossed-up)			+	(21,637)			
179	LCT (grossed-up)			+	0			
180	Ontario Capital Tax			+	0			
181								
182	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(21,637)			
183								
184	TRUE-UP VARIANCE (from cell I132)			+	(58,348)			
185								
186	Total Deferral Account Entry (Positive Entry = Debit)			=	(79,985)			
187	(Deferral Account Variance + True-up Variance)							
188								
189								
190								
191	V) INTEREST PORTION OF TRUE-UP							
192	Variance Caused By Phase-in of Deemed Debt							
193								
194	Total deemed interest (REGINFO)				502,410			
195	Interest phased-in (Cell C36)				418,424			
196								
197	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				83,986			
198								
199								
200	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				699,394			
202	Total deemed interest				502,410			
203								
204	Variance caused by excess debt				196,984			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				196,984			
207								
208	Total Interest Variance				-112,998			
209								
210								
211								
212								

	A	B	C	D	E	F	G
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
6	Section A: Identification:						
7	Utility Name: Niagara-on-the-Lake 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 :		17,324	< - 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	+	13,518,266		13,518,266		
32	Distribution Revenue	+	3,622,925		3,622,925		
33	Other Income	+	90,998		90,998		
34	Miscellaneous income	+			0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	13,363,281		13,363,281		
40	Administration	-	583,612		583,612		
41	Customer billing and collecting	-	297,737		297,737		
42	Operations and maintenance	-	502,927		502,927		
43	Amortization	-	1,132,564		1,132,564		
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	=	1,352,068	0	1,352,068		
51	Less: Interest expense for accounting purposes	-	699,394		699,394		
52	Provision for payments in lieu of income taxes	-	220,588		220,588		
53	Net Income (loss)	=	432,086	0	432,086		
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	+	220,588	0	220,588		
60	Federal large corporation tax	+			0		
61	Depreciation & Amortization	+	1,132,564	0	1,132,564		
62	Employee benefit plans-accrued, not paid	+	15,780	0	15,780		
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"		2,777	0	2,777		
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		1,371,709	0	1,371,709		
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	=	1,371,709	0	1,371,709		
83							
84	Recap Material Additions:						

	A	B	C	D	E	F	G
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
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	-	1,279,910		1,279,910		
98	Cumulative eligible capital deduction	-	1,321		1,321		
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"		17,989	0	17,989		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	0	0	0		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	1,299,220	0	1,299,220		
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	=	1,299,220	0	1,299,220		
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	=	504,575	0	504,575		
135	DEDUCT:						
136	Non-capital loss applied positive number	-			0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	504,575	0	504,575		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	111,612		111,612		
143	Net Ontario Income Tax (Must agree with tax return)	+	70,641		70,641		
144	Subtotal	=	182,253	0	182,253		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0		
146	Total Income Tax	=	182,253	0	182,253		
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
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%		Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		36.12%		36.12%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	182,253	0	182,253		
157	Ontario Capital Tax	+	38,568		38,568		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	220,821	0	220,821		
161							

	A	B	C	D	E	F
1	PILs TAXES	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: Niagara-on-the-Lake 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	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		17,324			
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	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		17,324			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
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	PILs TAXES					
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: Niagara-on-the-Lake 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	+			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		2,777		2,777	
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	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	2,777	0	2,777	
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	-	13,678		13,678	
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	-	4,311		4,311	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	17,989	0	17,989	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Niagara-on-the-Lake Hydro Inc.									
5	Reporting period: 2005									
6										
7	Table 1									
8	Rates Used in 2005 RAM PILs Applications for 2005									
9	Income Range		0		400,001					
10	RAM 2005		to		to				>1,128,000	
11		Year	400,000		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	7,500,000							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to				>1,128,000	
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	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	Table 3									
44	Input Information from Utility's Actual 2005 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to				>1,128,000	
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	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	7,264,832							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	46,790,000							
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	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Niagara-on-the-Lake Hydro Inc.														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		132,560		99,501		72,336		45,611		-76,065		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	132,560		319,178		451,738		352,318		79,795		79,271		1,414,861
13	PILs proxy from April 1, 2005 - input 9/12 of amount										178,361				178,361
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			2,338										2,338
15	True-up Variance Adjustment (3)	+/-					-8,274		-25,398		-59,268		-58,348		-151,288
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-			-18,818		-12,918		-20,816		-55,644		-21,637		-129,833
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-			3,251		5,574		3,131		-1,806		-1,886		8,264
20	PILs billed to (collected from) customers (8)	-	0		-339,008		-463,286		-335,960		-263,114		-97,099		-1,498,467
21															
22	Ending balance: # 1562		132,560		99,501		72,336		45,611		-76,065		-175,764		-175,764
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:										Method 1 (I.e. Alternative 1 per APH FAQ April 2003 Q.1)				
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, kWts, Kva) for the period (including net unbilled at period end), multiplied													
64		by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;													
65		plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.													
66															
67		In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,													
68		for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.													
69															
70		In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,													
71		for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used													
72		to calculate the recovery for the period January 1 to March 31, 2005.													
73															
74	(9)	Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes													
75		will have to include amounts from 1562 and from 1590.													
76															
77															

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Niagara-on-the-Lake Hydro Inc.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		98%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		98%	
23					
24	Accounting Year End		Date	12-31-2004	
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)			13,859,589	
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			1,187,074	
42					
43	1999 return from RUD Sheet #7			591,755	591,755
44					
45	Total Incremental revenue			595,319	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			198,440	198,440
48	Amount allowed in 2002			198,440	198,440
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			198,440	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				988,635
55					
56	Equity			6,929,795	
57					
58	Return at target ROE			684,664	
59					
60	Debt			6,929,795	
61					
62	Deemed interest amount in 100% of MARR			502,410	
63					
64	Phase-in of interest - Year 1 (2001)			334,437	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			418,424	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			418,424	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			502,410	
71					
72					

A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial	M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS	Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)			Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5	0					Version 2009.1	
6	Utility Name: Niagara-on-the-Lake Hydro Inc.						
7	Reporting period: 2004						
8						Column	
9	Days in reporting period:	366	days			Brought	
10	Total days in the calendar year:	366	days			From	
11						TAXREC	
12		\$		\$		\$	
13							
14	II CORPORATE INCOME TAXES						
15							
16	Regulatory Net Income REGINFO E53	1	988,635	-227,255		761,380	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	Additions:						
20	Depreciation & Amortization	2	689,379	442,006		1,131,385	
21	Employee Benefit Plans - Accrued, Not Paid	3		16,509		16,509	
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"		92,205	647,980		740,185	
31							
32	Deductions: Input positive numbers						
33	Capital Cost Allowance and CEC	7	784,044	531,655		1,315,699	
34	Employee Benefit Plans - Paid Amounts	8		0		0	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0	0		0	
37	Interest Expense Deemed/ Incurred	11	418,424	260,437		678,861	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		0		0	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	Items on which true-up does not apply "TAXREC 3"			0		0	
49							
50	TAXABLE INCOME/ (LOSS)		567,751	87,148		654,899	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%	-6.7800%		27.34%	
54							
55	REGULATORY INCOME TAX		193,717	25,366		219,083	
56							
57							
58	Miscellaneous Tax Credits	14		0		0	
59							
60	Total Regulatory Income Tax		193,717	25,366		219,083	
61							
62							
63	III CAPITAL TAXES						
64							
65	Ontario						
66	Base	15	13,859,589	3,589,430		17,449,019	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-99,432		4,900,568	
68	Taxable Capital		8,859,589	3,489,998		12,548,451	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		26,579	11,067		37,645	
73							
74	Federal Large Corporations Tax						
75	Base	18	13,859,589	-13,859,589			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	39,000,000		49,000,000	
77	Taxable Capital		3,859,589	25,140,411		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)		8,684	-8,684		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	6,359	-6,359		0	
83							
84	Net LCT		2,325	-2,325		0	
85							
86	III) INCLUSION IN RATES						
87							
88	Income Tax Rate used for gross- up (exclude surtax)		33.00%				
89							
90	Income Tax (proxy tax is grossed-up)	22	289,129		Actual 2004	219,083	
91	LCT (proxy tax is grossed-up)	23	3,471		Actual 2004	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	26,579		Actual 2004	37,645	
93							
94							
95	Total PILs for Rate Adjustment - MUST AGREE WITH 2002	25	319,179		Actual 2004	256,728	
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		16,509			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		0			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		0			
108	In Deductions - positive numbers						
109	Employee Benefit Plans - Paid Amounts	8		0			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		176,451			
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		-159,942			

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Niagara-on-the-Lake Hydro Inc.							
7	Reporting period: 2004							
8							Column	
9	Days in reporting period:	366	days				Brought	
10	Total days in the calendar year:	366	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
121								
122	Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x	27.34%			
123								
124	Income Tax Effect on True-up adjustments			=	-43,728			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-43,728			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				26.22%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(59,268)			
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)			=	567,751			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	27.34%			
139								
140	REVISED REGULATORY INCOME TAX			=	155,223			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	155,223			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	193,717			
147								
148	Regulatory Income Tax Variance			=	(38,494)			
149								
150	Ontario Capital Tax							
151	Base			=	13,859,589			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	8,859,589			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	26,579			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	26,579			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				13,859,589			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(36,140,411)			
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)			-	2,325			
173	Regulatory Federal LCT Variance			=	(2,325)			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				26.22%			
176								
177	Income Tax (grossed-up)			+	(52,173)			
178	LCT (grossed-up)			+	(3,471)			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(55,644)			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	(59,268)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(114,912)			
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)				502,410			
194	Interest phased-in (Cell C36)				418,424			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				83,986			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200	Interest deducted on MoF filing (Cell K36+K41)				678,861			
201	Total deemed interest				502,410			
202								
203	Variance caused by excess debt				176,451			
204								
205	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				176,451			
206								
207								
208	Total Interest Variance				-92,465			
209								
210								
211								

A	B	C	D	E	F
PILs TAXES	LINE	M of F	Non-wires	Wires-only	
TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	0	Return			
				Version 2009.1	
Section A: Identification:					
Utility Name: Niagara-on-the-Lake Hydro Inc.					
Reporting period: 2004					
Taxation Year's start date:					
Taxation Year's end date:					
Number of days in taxation year:		366	days		
Please enter the Materiality Level :		17,324	< - enter materiality level		
(0.25% x Rate Base x CER)	Y/N				
(0.25% x Net Assets)	Y/N				
Or other measure (please provide the basis of the amount)	Y/N				
Does the utility carry on non-wires related operation?	Y/N				
(Please complete the questionnaire in the Background questionnaire worksheet.)					
Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
Section B: Financial statements data:					
Input unconsolidated financial statement data submitted with Tax returns.					
The actual categories of the income statements should be used.					
If required please change the descriptions except for amortization, interest expense and provision for income tax					
Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
Income:					
Energy Sales	+	11,562,575		11,562,575	
Distribution Revenue	+	3,072,589		3,072,589	
Other Income	+	126,991		126,991	
Miscellaneous income	+			0	
	+			0	
Revenue should be entered above this line					
Costs and Expenses:					
Cost of energy purchased	-	11,451,066		11,451,066	
Administration	-	568,627		568,627	
Customer billing and collecting	-	294,158		294,158	
Operations and maintenance	-	555,539		555,539	
Amortization	-	1,131,385		1,131,385	
Ontario Capital Tax	-			0	
Recovery of regulatory assets - expense	-			0	
	-			0	
	-			0	
	-			0	
Net Income Before Interest & Income Taxes EBIT	=	761,380	0	761,380	
Less: Interest expense for accounting purposes	-	678,861		678,861	
Provision for payments in lieu of income taxes	-	179,500		179,500	
Net Income (loss)	=	-96,981	0	-96,981	
(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.)					
Section C: Reconciliation of accounting income to taxable income					
From T2 Schedule 1					
BOOK TO TAX ADDITIONS:					
Provision for income tax	+	179,500	0	179,500	
Federal large corporation tax	+	0		0	
Depreciation & Amortization	+	1,131,385	0	1,131,385	
Employee benefit plans-accrued, not paid	+	16,509	0	16,509	
Tax reserves - beginning of year	+	0	0	0	
Reserves from financial statements- end of year	+	0	0	0	
Regulatory adjustments on which true-up may apply (see A66)	+			0	
Items on which true-up does not apply "TAXREC 3"		740,185	0	740,185	
Material addition items from TAXREC 2	+	0	0	0	
Other addition items (not Material) from TAXREC 2	+	0	0	0	
Subtotal		2,067,579	0	2,067,579	
Other Additions: (Please explain the nature of the additions)					
Recapture of CCA	+			0	
Non-deductible meals and entertainment expense	+			0	
Capital items expensed	+			0	
	+			0	
	+			0	
	+			0	
Total Other Additions	=	0	0	0	
Total Additions	=	2,067,579	0	2,067,579	
Recap Material Additions:					
		0	0	0	

	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
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	-	1,314,278		1,314,278	
98	Cumulative eligible capital deduction	-	1,421		1,421	
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"	-	0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,315,699	0	1,315,699	
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	=	1,315,699	0	1,315,699	
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	=	654,899	0	654,899	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	654,899	0	654,899	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	144,864	0	144,864	
143	Net Ontario Income Tax (Must agree with tax return)	+	74,219	0	74,219	
144	Subtotal	=	219,083	0	219,083	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	Total Income Tax	=	219,083	0	219,083	
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)		11.33%		11.33%	
151	Blended Income Tax Rate		33.45%		33.45%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	219,083	0	219,083	
157	Ontario Capital Tax	+	37,645		37,645	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	256,728	0	256,728	
161						

	A	B	C	D	E	F
1	PILs TAXES	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: Niagara-on-the-Lake Hydro Inc.					
8	Reporting period: 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	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		17,324			
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	+			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	

	A	B	C	D	E	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		17,324			
12						
13						
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-			0	
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	PILs TAXES					
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: Niagara-on-the-Lake Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 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	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	11,995		11,995	
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		1,894		1,894	
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	+	726,296		726,296	
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	=	740,185	0	740,185	
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	Ontario capital tax adjustments to current or prior year	-			0	
61		-			0	
62	Changes in Regulatory Asset balances	-			0	
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	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Niagara-on-the-Lake Hydro Inc.									
5	Reporting period: 2004									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to			>700000		
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%			26.12%		
15	and Ontario blended		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 2004 and Capital Tax Exemptions for 2004									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to			>1,128,000		
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%			22.12%		
33	Ontario	2004	5.50%	5.50%	9.75%			14.00%		
34	Blended rate	2004	18.62%	27.62%	31.87%			36.12%		
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	1.12%							
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2004 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to			>1,128,000		
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.29%			22.29%		
51	Ontario		5.50%	5.50%	13.77%			13.77%		
52	Blended rate		18.62%	27.62%	36.06%			36.06%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,900,568							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	49,000,000							
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	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Niagara-on-the-Lake Hydro Inc.														Version 2009.1
4	Reporting period: 2004														0
5	Sign Convention: + for increase; - for decrease														
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											-59,268		-59,268
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-55,644		-55,644
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-114,912		-114,912
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Niagara-on-the-Lake Hydro Inc.			Colour Code	
4	Reporting period: 2003			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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
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)			13,859,589	
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			1,187,074	
42					
43	1999 return from RUD Sheet #7			591,755	591,755
44					
45	Total Incremental revenue			595,319	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			198,440	198,440
48	Amount allowed in 2002			198,440	198,440
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			198,440	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				988,635
55					
56	Equity			6,929,795	
57					
58	Return at target ROE			684,664	
59					
60	Debt			6,929,795	
61					
62	Deemed interest amount in 100% of MARR			502,410	
63					
64	Phase-in of interest - Year 1 (2001)			334,437	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			418,424	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			418,424	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			502,410	
71					
72					

A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial	M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate	Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)			Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5	0					Version 2009.1	
6	Utility Name: Niagara-on-the-Lake Hydro Inc.						
7	Reporting period: 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	II CORPORATE INCOME TAXES						
15							
16	Regulatory Net Income REGINFO E53	1	988,635	41,191		1,029,826	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	Additions:						
20	Depreciation & Amortization	2	689,379	310,850		1,000,229	
21	Employee Benefit Plans - Accrued, Not Paid	3		34,777		34,777	
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"		92,205	-90,225		1,980	
31							
32	Deductions: Input positive numbers						
33	Capital Cost Allowance and CEC	7	784,044	449,854		1,233,898	
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	418,424	174,716		593,140	
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"			346,565		346,565	
49							
50	TAXABLE INCOME/ (LOSS)		567,751	(674,542)		(106,791)	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%	-2.5500%		31.57%	
54							
55	REGULATORY INCOME TAX		193,717	-176,250		17,467	
56							
57							
58	Miscellaneous Tax Credits	14		0		0	
59	Total Regulatory Income Tax		193,717	-176,250		17,467	
60							
61							
62							
63	III CAPITAL TAXES						
64							
65	Ontario						
66	Base	15	13,859,589	4,064,237		17,923,826	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-84,503		4,915,497	
68	Taxable Capital		8,859,589	3,979,734		13,008,329	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		26,579	12,446		39,025	
73							
74	Federal Large Corporations Tax						
75	Base	18	13,859,589	4,583,681		18,443,270	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	-9,331		9,990,669	
77	Taxable Capital		3,859,589	4,574,350		8,452,601	
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)		8,684	10,334		19,018	
82	Less: Federal Surtax 1.12% x Taxable Income	21	6,359	-6,359		0	
83							
84	Net LCT		2,325	16,693		19,018	
85							
86	III INCLUSION IN RATES						
87							
88	Income Tax Rate used for gross- up (exclude surtax)		33.00%				
89							
90	Income Tax (proxy tax is grossed-up)	22	289,129		Actual 2003	17,467	
91	LCT (proxy tax is grossed-up)	23	3,471		Actual 2003	19,018	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	26,579		Actual 2003	39,025	
93							
94							
95	Total PILs for Rate Adjustment - MUST AGREE WITH 2002	25	319,179		Actual 2003	75,510	
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		34,777			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		0			
105	Regulatory Adjustments	5		0			
106	Other additions "Material" Items TAXREC	6		0			
107	Other additions "Material" Items TAXREC 2	6		0			
108	In Deductions - positive numbers						
109	Employee Benefit Plans - Paid Amounts	8		0			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		90,730			
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	=	-55,953			
121							
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return		x	31.57%			

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Niagara-on-the-Lake Hydro Inc.							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
123								
124	Income Tax Effect on True-up adjustments			=	-17,664			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-17,664			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				30.45%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(25,398)			
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)			=	567,751			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	31.57%			
139								
140	REVISED REGULATORY INCOME TAX			=	179,239			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	179,239			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	193,717			
147								
148	Regulatory Income Tax Variance			=	(14,478)			
149								
150	Ontario Capital Tax							
151	Base			=	13,859,589			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	8,859,589			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	26,579			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	26,579			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base			=	13,859,589			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	3,859,589			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			=	0.2250%			
167								
168	Gross Amount			=	8,684			
169	Less: Federal surtax			-	6,359			
170	Revised Net LCT			=	2,325			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	2,325			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				30.45%			
176								
177	Income Tax (grossed-up)			+	(20,816)			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(20,816)			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	(25,398)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(46,214)			
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)				502,410			
194	Interest phased-in (Cell C36)				418,424			
195								
196	Variance due to phase-in of debt component of MARR in rates				83,986			
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)				593,140			
202	Deemed interest				502,410			
203								
204	Variance caused by excess debt				90,730			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				90,730			
207								
208	Total Interest Variance				-6,744			
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Niagara-on-the-Lake Hydro Inc.					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		17,324	< - 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	+	11,254,956		11,254,956	
32	Distribution Revenue	+	3,046,478		3,046,478	
33	Other Income	+	219,783		219,783	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	11,200,473		11,200,473	
40	Administration	-	526,018		526,018	
41	Customer billing and collecting	-	313,858		313,858	
42	Operations and maintenance	-	450,813		450,813	
43	Amortization	-	1,000,229		1,000,229	
44	Ontario Capital Tax	-			0	
45	Reg Asset movement	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	1,029,826	0	1,029,826	
51	Less: Interest expense for accounting purposes	-	593,140		593,140	
52	Provision for payments in lieu of income taxes	-	10,173		10,173	
53	Net Income (loss)	=	426,513	0	426,513	
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	+	10,173	0	10,173	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,000,229	0	1,000,229	
62	Employee benefit plans-accrued, not paid	+	34,777	0	34,777	
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"		1,980	0	1,980	
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		1,047,159	0	1,047,159	
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	=	1,047,159	0	1,047,159	
83						
84	Recap Material Additions:					
85			0	0	0	

	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
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	-	1,232,370		1,232,370	
98	Cumulative eligible capital deduction	-	1,528		1,528	
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"		346,565	0	346,565	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,580,463	0	1,580,463	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	1,580,463	0	1,580,463	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	-106,791	0	-106,791	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(106,791)	0	(106,791)	
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)	+	17,467		17,467	
144	Subtotal	=	17,467	0	17,467	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	17,467	0	17,467	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		-16.36%		-16.36%	
151	Blended Income Tax Rate		-16.36%		-16.36%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	17,467	0	17,467	
157	Ontario Capital Tax	+	39,025		39,025	
158	Federal Large Corporations Tax	+	19,018		19,018	
159						
160	Total income and capital taxes	=	75,510	0	75,510	
161						

	A	B	C	D	E	F
1	PILs TAXES	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: Niagara-on-the-Lake Hydro Inc.					
8	Reporting period: 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	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		17,324			
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	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		17,324			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES					
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: Niagara-on-the-Lake Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 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	+			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		1,980		1,980	
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	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	1,980	0	1,980	
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	-	55,209		55,209	
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	-	2,174		2,174	
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	-	289,182		289,182	
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	=	346,565	0	346,565	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Niagara-on-the-Lake Hydro Inc.									
5	Reporting period: 2003									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%			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		200,001					
28	Expected Rates		to		to					
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2003								
32	Federal (Includes surtax)	2003	13.12%					24.12%		
33	Ontario	2003	6.00%					12.50%		
34	Blended rate	2003	19.12%					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		200,001					
46			to		to					
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2003								
50	Federal (Includes surtax)		13.12%		0.00%			24.12%		
51	Ontario		6.00%		0.00%			12.54%		
52	Blended rate		19.12%		0.00%			36.66%		
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,915,497							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	9,990,669							
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	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Niagara-on-the-Lake Hydro Inc.														Version 2009.1
4	Reporting period: 2003				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											-25,398		-25,398
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-20,816		-20,816
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-46,214		-46,214
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWts, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Niagara-on-the-Lake Hydro Inc.			Colour Code	
4	Reporting period: 2002			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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
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)			13,859,589	
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			1,187,074	
42					
43	1999 return from RUD Sheet #7			591,755	591,755
44					
45	Total Incremental revenue			595,319	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			198,440	198,440
48	Amount allowed in 2002			198,440	198,440
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			198,440	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				988,634
55					
56	Equity			6,929,795	
57					
58	Return at target ROE			684,664	
59					
60	Debt			6,929,795	
61					
62	Deemed interest amount in 100% of MARR			502,410	
63					
64	Phase-in of interest - Year 1 (2001)			334,437	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			418,424	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			418,424	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			502,410	
71					
72					

	A	B	C	D	E	F	G
1	PILs TAXES	ITEM	Initial Estimate		M of F	M of F	Tax
2	PILs DEFERRAL AND VARIANCE ACCOUNTS				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: Niagara-on-the-Lake Hydro Inc.						
7	Reporting period: 2002						
8							
9	Days in reporting period:	365	days				Column 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	988,634		296,139		1,284,773
17							
18	BOOK TO TAX ADJUSTMENTS						
19	Additions:						
20	Depreciation & Amortization	2	689,379		244,518		933,897
21	Employee Benefit Plans - Accrued, Not Paid	3			21,783		21,783
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"		92,205		24,690		116,895
31							
32	Deductions: Input positive numbers						
33	Capital Cost Allowance and CEC	7	784,044		443,285		1,227,329
34	Employee Benefit Plans - Paid Amounts	8			0		0
35	Items Capitalized for Regulatory Purposes	9	0		0		0
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0
37	Interest Expense Deemed/ Incurred	11	418,424		123,191		541,615
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"				149,229		149,229
49							
50	TAXABLE INCOME/ (LOSS)		567,751		(128,576)		439,175
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-1.5600%		32.56%
54							
55	REGULATORY INCOME TAX		193,716		-115,311		78,405
56							
57							
58	Miscellaneous Tax Credits	14			0		0
59							
60	Total Regulatory Income Tax		193,716		-115,311		78,405
61							
62							
63	II) CAPITAL TAXES						
64							
65	Ontario						
66	Base	15	13,859,589		275,416		14,135,005
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-62,875		4,937,125
68	Taxable Capital		8,859,589		212,541		9,197,880
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%
71							
72	Ontario Capital Tax		26,579		1,015		27,594
73							
74	Federal Large Corporations Tax						
75	Base	18	13,859,589		595,416		14,455,005
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-10,598		9,989,402
77	Taxable Capital		3,859,589		584,818		4,465,603
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)		8,684		1,364		10,048
82	Less: Federal Surtax 1.12% x Taxable Income	21	6,359		-6,359		0
83							
84	Net LCT		2,325		7,722		10,048
85							

	A	B	C	D	E	F	G
1	PILs TAXES	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns
2	PILs DEFERRAL AND VARIANCE ACCOUNTS						
3	TAX CALCULATIONS (TAXCALC)						
4	("Wires-only" business - see Tab TAXREC)						
5	0						Version 2009.1
6	Utility Name: Niagara-on-the-Lake Hydro Inc.						
7	Reporting period: 2002						
8							
9	Days in reporting period:	365	days				Column Brought
10	Total days in the calendar year:	365	days				From TAXREC
11							\$
12			\$		\$		
13							
14							
15	III) INCLUSION IN RATES						
16							
17							
18	Income Tax Rate used for gross- up (exclude surtax)		33.00%				
19							
20	Income Tax (proxy tax is grossed-up)	22	289,129			Actual 2002	78,405
21	LCT (proxy tax is grossed-up)	23	3,471			Actual 2002	5,997
22	Ontario Capital Tax (no gross-up since it is deductible)	24	26,579			Actual 2002	27,594
23							
24							
25	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	319,178			Actual 2002	111,996
26							
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			21,783		
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			39,205		
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		=	-17,422		
51							
52	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	32.56%		
53							
54	Income Tax Effect on True-up adjustments			=	-5,673		
55							
56	Less: Miscellaneous Tax Credits	14			0		
57							
58	Total Income Tax on True-ups				-5,673		
59							
60	Income Tax Rate used for gross-up (exclude surtax)				31.44%		
61							
62	TRUE-UP VARIANCE ADJUSTMENT				(8,274)		
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)			=	567,751		
67							
68	REVISED CORPORATE INCOME TAX RATE			x	32.56%		
69							
70	REVISED REGULATORY INCOME TAX			=	184,860		
71							
72	Less: Revised Miscellaneous Tax Credits			-	0		
73							
74	Total Revised Regulatory Income Tax			=	184,860		
75							
76	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	193,716		
77							
78	Regulatory Income Tax Variance			=	(8,857)		
79							

	A	B	C	D	E	F	G
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	
5		0					Version 2009.1
6	Utility Name: Niagara-on-the-Lake Hydro Inc.						
7	Reporting period: 2002						
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			=	13,859,589		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000		
153	Revised deemed taxable capital			=	8,859,589		
154							
155	Rate - Tab Tax Rates cell C54			x	0.3000%		
156							
157	Revised Ontario Capital Tax			=	26,579		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	26,579		
159	Regulatory Ontario Capital Tax Variance			=	0		
160							
161	Federal LCT						
162	Base			=	13,859,589		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000		
164	Revised Federal LCT			=	3,859,589		
165							
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%		
167							
168	Gross Amount				8,684		
169	Less: Federal surtax			-	6,359		
170	Revised Net LCT			=	2,325		
171							
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	2,325		
173	Regulatory Federal LCT Variance			=	0		
174							
175	Actual Income Tax Rate used for gross-up (exclude surtax)				31.44%		
176							
177	Income Tax (grossed-up)			+	(12,918)		
178	LCT (grossed-up)			+	0		
179	Ontario Capital Tax			+	0		
180							
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(12,918)		
182							
183	TRUE-UP VARIANCE (from cell I130)			+	(8,274)		
184							
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(21,192)		
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)				502,410		
194	Interest phased-in (Cell C36)				418,424		
195							
196	Variance due to phase-in of debt component of MARR in rates				83,986		
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)				541,615		
202	Total deemed interest (REGINFO CELL D61)				502,410		
203							
204	Variance caused by excess debt				39,205		
205							
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				39,205		
207							
208	Total Interest Variance				44,782		

	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Niagara-on-the-Lake Hydro Inc.					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		17,324	< - 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	+	12,408,346		12,408,346	
32	Distribution Revenue	+	3,424,723		3,424,723	
33	Other Income	+	77,043		77,043	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	12,406,161		12,406,161	
40	Administration	-	495,935		495,935	
41	Customer billing and collecting	-	316,079		316,079	
42	Operations and maintenance	-	473,267		473,267	
43	Amortization	-	933,897		933,897	
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	=	1,284,773	0	1,284,773	
51	Less: Interest expense for accounting purposes	-	541,615		541,615	
52	Provision for payments in lieu of income taxes	-	110,706		110,706	
53	Net Income (loss)	=	632,452	0	632,452	
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	+	110,706	0	110,706	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	933,897	0	933,897	
62	Employee benefit plans-accrued, not paid	+	21,783	0	21,783	
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"		116,895	0	116,895	
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		1,183,281	0	1,183,281	
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	=	1,183,281	0	1,183,281	
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	
91			0	0	0	

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

	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,225,686		1,225,686	
98	Cumulative eligible capital deduction	-	1,643		1,643	
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"		149,229	0	149,229	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,376,558	0	1,376,558	
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	=	1,376,558	0	1,376,558	
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	=	439,175	0	439,175	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	77,446		77,446	
137	Net capital loss applied positive number	-	0		0	
138					0	
139	NET TAXABLE INCOME	=	361,729	0	361,729	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	63,109		63,109	
143	Net Ontario Income Tax (Must agree with tax return)	+	15,296		15,296	
144	Subtotal	=	78,405	0	78,405	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	78,405	0	78,405	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		17.45%		17.45%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		4.23%		4.23%	
151	Blended Income Tax Rate		21.68%	*****	21.68%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	78,405	0	78,405	
157	Ontario Capital Tax	+	27,594		27,594	
158	Federal Large Corporations Tax	+	5,997		5,997	
159						
160	Total income and capital taxes	=	111,996	0	111,996	
161						

	A	B	C	D	E	F
1	PILs TAXES	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: Niagara-on-the-Lake Hydro Inc.					
8	Reporting period: 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	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		17,324			
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	+			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	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		17,324			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
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	Other deductions: (Please explain in detail the nature of the item)	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES					
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: Niagara-on-the-Lake Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 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	+	2,175		2,175	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	108,503		108,503	
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	<i>Pre-Pil's expenses</i>	+	6,217		6,217	
44		+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	116,895	0	116,895	
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	-	149,229		149,229	
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	=	149,229	0	149,229	
74						
75						

	A	B	C	D	E	F	G
1	PILs TAXES						
2	Corporate Tax Rates Version 2009.1						
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Niagara-on-the-Lake Hydro Inc.						
5	Reporting period: 2002						
6							
7	Table 1						
8	Rates Used in 2002 RAM PILs Applications for 2002						
9	Income Range		0 to 200,000		200,001 to 700,000		>700,000
10	RAM 2002						
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 2002 and Capital Tax Exemptions for 2002						
27	Income Range		0 to 200,000		200,001 to 700,000		>700,000
28	Expected Rates						
29		Year					
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	Table 3						
44	Input Information from Utility's Actual 2002 Tax Returns						
45	Income Range		0 to 200,000		200,001 to 700,000		>700,000
46							
47		Year					
48	Income Tax Rate						
49	Current year	2002					
50	Federal (Includes surtax)		13.12%		22.12%		17.45%
51	Ontario		6.00%		9.75%		4.23%
52	Blended rate		19.12%		31.87%		21.68%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,937,125				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	9,989,402				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							
61							
62							
63							
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Niagara-on-the-Lake Hydro Inc.														Version 2009.1
4	Reporting period: 2002														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											-8,274		-8,274
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-12,918		-12,918
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-21,192		-21,192
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Niagara-on-the-Lake Hydro Inc.			Colour Code	
4	Reporting period: 2001			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	92	days	2001 RAM approval was based on 1/4 of year. Cell B6 here is adjusted to match 2001 RAM decision	
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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2001	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			13,859,589	
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			1,187,074	
42					
43	1999 return from RUD Sheet #7			591,755	591,755
44					
45	Total Incremental revenue			595,319	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			198,440	198,440
48	Amount allowed in 2002			198,440	0
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			198,440	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				790,195
55					
56	Equity			6,929,795	
57					
58	Return at target ROE			684,664	
59					
60	Debt			6,929,795	
61					
62	Deemed interest amount in 100% of MARR			502,410	
63					
64	Phase-in of interest - Year 1 (2001)			334,437	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			418,424	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			418,424	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			502,410	
71					
72					

A	B	C	D	E	F	G	H
1 PILS TAXES	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS				Variance	Variance		
3 TAX CALCULATIONS (TAXCALC)				G-C	Explanation		
4 ("Wires-only" business - see Tab TAXREC)							
5 0						Version 2009.1	
6 Utility Name: Niagara-on-the-Lake Hydro Inc.							
7 Reporting period: 2001							
8							
9 Days in reporting period:	92	days				Column Brought From	
10 Total days in the calendar year:	365	days				TAXREC	
11						\$	
12						\$	
13						\$	
14 II) CORPORATE INCOME TAXES							
15							
16 Regulatory Net Income REGINFO E53	1	197,549		-275,279		-77,730	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 Additions:							
20 Depreciation & Amortization	2	172,345		68,772		241,117	
21 Employee Benefit Plans - Accrued, Not Paid	3			4,644		4,644	
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"				206,456		206,456	
31							
32 Deductions: Input positive numbers							
33 Capital Cost Allowance and CEC	7	99,052		182,635		281,687	
34 Employee Benefit Plans - Paid Amounts	8			0		0	
35 Items Capitalized for Regulatory Purposes	9	0		0		0	
36 Regulatory Adjustments - deduction for tax purposes in item 5	10	0		0		0	
37 Interest Expense Deemed/ Incurred	11	83,609		48,129		131,738	
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			8,000		8,000	
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"				30,508		30,508	
49							
50 TAXABLE INCOME/ (LOSS)		187,232		(264,678)		(77,446)	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1: Actual from Table 3	13	40.62%		-6.7600%		33.86%	
54							
55 REGULATORY INCOME TAX		76,054		-76,054		0	
56							
57							
58 Miscellaneous Tax Credits	14			0		0	
59							
60 Total Regulatory Income Tax		76,054		-76,054		0	
61							
62							
63 III) CAPITAL TAXES							
64							
65 Ontario							
66 Base	15	13,859,589		236,591		14,096,180	
67 Less: Exemption -Tax Rates - Regulatory, Table 1: Actual, Table 3	16	5,000,000		-69,979		4,930,021	
68 Taxable Capital		8,859,589		166,612		9,166,159	
69							
70 Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71							
72 Ontario Capital Tax		6,699		232		6,931	
73							
74 Federal Large Corporations Tax							
75 Base	18	13,859,589		546,739		14,406,328	
76 Less: Exemption -Tax Rates - Regulatory, Table 1: Actual, Table 3	19	10,000,000		-13,585		9,986,415	
77 Taxable Capital		3,859,589		533,154		4,419,913	
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)		2,189		318		2,507	
82 Less: Federal Surtax 1.12% x Taxable Income	21	2,097		-2,097		0	
83							
84 Net LCT		92		2,415		2,507	
85							
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	125,709			Actual 2001	0	
91 LCT (proxy tax is grossed-up)	23	152			Actual 2001	2,507	
92 Ontario Capital Tax (no gross-up since it is deductible)	24	6,699			Actual 2001	6,931	
93							
94							
95 Total PILs for Rate Adjustment -- MUST AGREE WITH 2001	25	132,560			Actual 2001	9,438	
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			4,644			
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			4,644			
121							
122 Income Tax Rate (excluding surtax) from 2001 Utility's tax return			x	33.86%			
123							
124 Income Tax Effect on True-up adjustments			=	1,572			

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	(Wires-only) business - see Tab TAXREC				G-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Niagara-on-the-Lake Hydro Inc.							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				1,672			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				32.74%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				2,338			
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)			=	187,232			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	33.86%			
139								
140	REVISED REGULATORY INCOME TAX			=	63,397			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	63,397			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	76,054			
147								
148	Regulatory Income Tax Variance			=	(12,657)			
149								
150	Ontario Capital Tax							
151	Base				13,859,589			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	8,859,589			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	6,699			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	6,699			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				13,859,589			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	3,859,589			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				2,189			
169	Less: Federal surtax			-	2,097			
170	Revised Net LCT			=	92			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	92			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				32.74%			
176								
177	Income Tax (grossed-up)			+	(18,818)			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(18,818)			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	2,338			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(16,480)			
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)				502,410			
194	Interest phased-in (Cell C37)				334,437			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				167,973			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200								
201	Interest deducted on MoF filing (Cell G36+G41)				131,738			
202	Total deemed interest (REGINFO CELL D61)				502,410			
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				167,973			
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Niagara-on-the-Lake Hydro Inc.					
8	Reporting period: 2001					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		92	days		
12						
13	Please enter the Materiality Level :		17,324	< - 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	+	3,629,273		3,629,273	
32	Distribution Revenue	+			0	
33	Other Income	+	-18,620		-18,620	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	2,969,026		2,969,026	
40	Administration	-	136,372		136,372	
41	Customer billing and collecting	-	163,048		163,048	
42	Operations and maintenance	-	178,820		178,820	
43	Amortization	-	241,117		241,117	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	-77,730	0	-77,730	
51	Less: Interest expense for accounting purposes	-	131,738		131,738	
52	Provision for payments in lieu of income taxes	-			0	
53	Net Income (loss)	=	-209,468	0	-209,468	
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	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	241,117	0	241,117	
62	Employee benefit plans-accrued, not paid	+	4,644	0	4,644	
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"		206,456	0	206,456	
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		452,217	0	452,217	
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	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	452,217	0	452,217	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	

	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
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	-	281,266		281,266	
98	Cumulative eligible capital deduction	-	421		421	
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"		30,508	0	30,508	
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	=	312,195	0	312,195	
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	NOTL Deduct non-capital additions to transition costs				0	
119	NOTL Deduct provincial capital tax	-	8,000		8,000	
120	Total Other Deductions	=	8,000	0	8,000	
121						
122	Total Deductions	=	320,195	0	320,195	
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		8,000	0	8,000	
132	Total Other Deductions		8,000	0	8,000	
133						
134	TAXABLE INCOME	=	-77,446	0	-77,446	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(77,446)	0	(77,446)	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	0	0	0	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%		0.00%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP FROM ABOVE:					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	6,931		6,931	
158	Federal Large Corporations Tax	+	2,507		2,507	
159						
160	Total income and capital taxes	=	9,438	0	9,438	
161						

	A	B	C	D	E	F
1	PILs TAXES	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: Niagara-on-the-Lake Hydro Inc.					
8	Reporting period: 2001					
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	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		17,324			
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	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36		+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item,	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Niagara-on-the-Lake Hydro Inc.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		17,324			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES					
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: Niagara-on-the-Lake Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2001					
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	+				
36	Interest and penalties on unpaid taxes	+				
37	Management bonuses unpaid after 180 days of year end	+				
38	Ontario Capital Tax per books	+				
39		+			0	
40	Changes in Regulatory Asset balances	+	194,077		194,077	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	<i>Other Additions: Pre-PILs period expenses</i>	+	12,379		12,379	
44	Capital contributions - s.12(1)(x)	+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	206,456	0	206,456	
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	Ontario Capital Tax per tax return	-			0	
61		-			0	
62	Changes in Regulatory Asset balances	-	30,508		30,508	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69	Capital contributions s.13(7.4) Election	-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	30,508	0	30,508	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Niagara-on-the-Lake Hydro Inc.									
5	Reporting period: 2001									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2001 Q4									
9	Income Range		0		50,000		>175,000			
10	RAM 2002		to		to					
11		Year	50,000		175,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		28.12%		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%							
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 2001 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001									
27	Income Range		0		50,000		>175,000			
28	Expected Rates		to		to					
29		Year	50,000		175,000					
30	Income Tax Rate									
31	Current year	2001								
32	Federal (Includes surtax)	2001	13.12%		28.12%		28.12%			
33	Ontario	2001	6.00%		6.00%		12.50%			
34	Blended rate	2001	19.12%		34.12%		40.62%			
35										
36	Capital Tax Rate	2001	0.300%							
37	LCT rate	2001	0.225%							
38	Surtax	2001	1.12%							
39	Ontario Capital Tax Exemption *** 2001	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2001	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 2001 Tax Returns									
45	Income Range		0		50,000		>175,000			
46			to		to					
47		Year	50,000		175,000					
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%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,930,021							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	9,986,415							
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	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Niagara-on-the-Lake Hydro Inc.														Version 2009.1
4	Reporting period: 2001				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											2,338		2,338
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											-18,818		-18,818
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-16,480		-16,480
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															