



Entegrus Powerlines Inc.
320 Queen St. (P.O. Box 70)
Chatham, ON N7M 5K2
Phone: (519) 352-6300
Toll Free: 1-866-804-7325
entegrus.com

July 20, 2012

Ms. Kirsten Walli
Ontario Energy Board
PO Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario M4P 1E4

Re: Account 1562 Deferred PILs, Interrogatory Responses
Rate Zone: Chatham-Kent
Board File No.: EB-2012-0097

Dear Ms. Walli,

Please find enclosed the responses of Entegrus to Board Staff interrogatories relating to the above mentioned file.

If you have any further questions, please do not hesitate to contact me at (519) 352-6300, extension 243 or regulatory@entegrus.com.

Regards,

[Original Signed By]

Andrya Eagen
Senior Regulatory Specialist
Phone: 519-352-6300 Ext 243
Email: andrya.eagen@entegrus.com

cc: Dan Charron, President
Chris Cowell, Chief Financial and Regulatory Officer
David Ferguson, Director of Regulatory and Risk Management

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Disposition of Account 1562 – Deferred PILs

Interrogatory Responses
Rate Zone: Chatham-Kent
Board File No.: EB-2012-0097
Date Filed: July 20, 2012

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Board Staff – Question 1

Reference: Appendix 25 PILs Recovery Worksheet, PILs Recoveries from Customers

A standard RAM provides the rate slivers associated with the PILs proxy amount approved by the Board for recovery from customers. CKH did not file a standard 2002 and 2004 RAM. The RAM provided separate rate slivers for each distribution area by rate class. Board staff was unable to verify the fixed and volumetric rate slivers used in the PILs revenue recovery sheets with the corresponding rate slivers from the Board-approved RAM.

CKH stated in the Manager's Summary that:

“During the 2001 to 2006 period when PILs rates were in effect, CKH had up to 11 different rate zones per rate class, with each rate zone having a different distribution rates per rate class. However, the billing determinants for that time period are available internally only in aggregate. For this reason, CKH has adopted a weighted average approach to each rate class. Specifically, a weighted average PILs sliver rate was determined for each rate class and applied to the aggregate billing determinants corresponding to each rate class.”¹

Appendix 26 Rate Calculation Support provides the calculation of approved PILs in rates in PDF. Board staff was unable to confirm that the Board-approved service charge and variable rates calculated in the 2002, 2004 and 2005 RAM were used.

- A. Please provide a rate calculation model in active Excel format that shows how the weighted average rates were calculated using the Board-approved service charge and variable rates for the 11 distribution service areas from the RAM.

In the application evidence filed in 2002, 2004 and 2005, CKH provided statistics of demand data. In 2006 EDR, CKH also provided statistics for 2002-2004. The trend for the majority of distributors is that the PILs recoveries exceed the proxies for the full years of 2003, 2004 and 2005. PILs rates slivers were derived in 2002 using billing determinants estimated for the 2001 fiscal year. As demand and population grew, the PILs dollar amounts recovered were higher than the proxy set using 2001 billing determinants. The table below shows CKH's evidence from 2002 to 2006.

PILs Proxies vs. Recoveries	2002 partial	2003	2004	2005	2006 partial
PILs Proxies in Rates	1,497,696	1,979,328	1,618,104	1,660,188	571,451
PILs Recovery Calculations	1,664,343	1,986,025	1,540,603	1,693,936	562,759
Difference	-166,647	-6,697	77,501	-33,748	8,692

- B. Please explain why the PILs recoveries are much lower than one would expect in each year 2003 through 2006 as seen in the table below.

In the 2006 EDR, CKH also provided statistics for 2002-2004. The volumetric billing determinants for 10 months of 2002 appear to be lower than the full year statistics would indicate. Board staff prorated (10/12) the 2002 statistics as filed in the 2006 EDR application and compared the prorated volumes with those used in the PILs recovery calculations. The volumetric billing determinant statistics for 2003 and 2004 used in the recovery calculations do not agree with the statistics provided in previous applications.

Customer Class	Billing Parameter	Billed Consumption Mar. 1/02 to Dec 31/02	Prorated 2002 Statistics Filed in 2006 EDR	2002 Statistics Filed in 2006 EDR
Residential	kWh's	196,330,750	211,374,603	253,649,524
General Service < 50 KW	kWh's	85,095,554	94,780,059	113,736,071

Customer Class	Billing Parameter	Billed Consumption 2003	2003 Statistics Filed in 2006 EDR
Residential	kWh's	237,293,717	248,336,123
General Service < 50 KW	kWh's	102,379,732	113,875,682
General Service > 50 KW (inc. Interval)	kW's	1,011,896	1,024,013

Customer Class	Billing Parameter	Billed & Unbilled Consumption Jan 1/04 to Mar 31/04	Billed Consumption Apr 1/04 to Dec 31/04	Total Actual 2004	2004 Statistics Filed in 2006 EDR
Residential	kWh's	66,625,171	169,385,847	236,011,018	246,887,434
General Service < 50 KW	kWh's	26,883,447	75,080,743	101,964,190	113,339,502
General Service > 50 KW (inc. Interval)	kW's	246,115	782,577	1,028,691	1,043,301

- C. Please explain why the volumes shown as billed in 2002 are much lower than pro-rated actual volumes for the entire 2002 year.
- D. Please explain why CKH did not use the actual data filed in previous applications in the calculations of recoveries in this account 1562 PILs application for 2003 and 2004.
- E. If there are any adjustments that need to be made to the PILs recovery calculations, please update and file the revised PILs continuity schedule in active Excel format.
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Response

- A. Please see enclosed spreadsheet titled “Entegrus-CK_PILsRecoveryRates_20120720.xls” for an active Excel copy of Attachment 26 of the application.
- B. Entegrus notes that for the Application period, the amount of PILs collected by CKH (\$7.4 mil) did exceed the amount of PILs proxies in CKH rates (\$7.3 mil) by 1.7%. Entegrus is not familiar with the circumstances that may have led to other distributors collecting amounts for 2003-2005 in excess of their PILs proxies in rates. However, it has considered its own circumstances and can confirm that a historical error related to the billing determinants used for rate making purposes resulted in lower recoveries between 2003 and 2006 than Board Staff might have expected.

Specifically, Entegrus has determined that CKH inadvertently utilized gross billing determinant data (equivalent to wholesale purchases) for rate making purposes in its 2002, 2004 and 2005 rate applications (EB-2002-0090, EB-2004-0022 and EB-2005-0017 respectively). As a result, the consumption billing determinants were overstated for rate making purposes, and distribution rates (including proxy amounts for PILs) were lower than they would have been had the billing determinants net of line losses been used. CKH also reported these gross values to the Board rather than the net values that should have been reported pursuant to the Board’s Reporting and Record-keeping Requirements. Consequently, when CKH billed customers on the basis of consumption net of line losses during the 2003-2006 period, the amount of PILs collected was less than would have been expected based on the determinants reported to the Board during the relevant period.

- C. Consistent with (B) above, throughout the Application period, CKH inadvertently reported billing determinant statistics for regulatory reporting purposes on a gross basis. This includes the use of gross billing determinants in the 2006 EDR (EB-2005-0350) figures cited above by Board Staff.

Entegrus has determined that CKH changed its reporting procedure in 2007 and starting for 2006 and thereafter submitted annual RRR filings and completed rate-making models utilizing consumption billing statistics net of wholesale line losses.

Subsequently, in CKH’s 2010 Cost of Service application (EB-2009-0261), CKH utilized the appropriate 2002-2006 historic billing determinant statistics, net of line losses. This can be seen in the Loss Adjustment Factor analysis shown as Table 8-17 of CKH’s 2010 application¹. For informational purposes, CKH has completed a reconciliation of the values presented in Table 8-17 in EB-2009-0261 and the billing determinant statistics included in this Application, in order to show that the values used are the same. Please see Attachment A for this reconciliation.

The billing determinant statistical comparisons provided by Board Staff in this interrogatory, however, are not based on the statistics used in EB-2009-0261. Instead, they are based on the

¹ Chatham-Kent Hydro COS EB-2009-0261, Exhibit 8, Tab 1, Schedule 6, Page 1 of 2, Filed October 5, 2009. This is available on the Board’s website [here](#).

2006 EDR application, which presented and used billing determinant statistics on a gross basis for rate making purposes. Further, the values from Tab 6-2 of the 2006 EDR application used by Board Staff to produce the statistical comparisons in this interrogatory were inclusive of other normalization adjustments for rate setting purposes at that time. Specifically, these normalizations reflected the loss of a Large Use customer and multiple customer rate reclassifications between GS<50 kW and GS>50 kW rate classes. These normalizations were made within the EB-2005-0350 rate application only, and were done on a prospective basis for rate making purposes.

In the tables immediately below, CKH has prepared updated versions of the billing determinant statistical comparisons. These updated versions appropriately utilize:

- i. Billing determinants net of wholesale line losses; and,
- ii. Pre-normalized billing determinant statistics (in other words, the billing determinants exclude the prospective rate setting normalization adjustments made in CKH's 2006 EDR application).

Entegrus submits that these updated comparisons show pro-rated numbers that appropriately approximate the billing determinant statistics used in the current Application. The residual variances are consistent with the use of straight-line pro-ratio versus the seasonal variations actually experienced by electrical distributors on a month-to-month basis.

Table 1C-1: Residential kWh Comparison for 2002			
	(A)	(B)	(C)
Description	2006 EDR (Exclusive of the Netting of Line Losses)	Adjusted per 2010 COS (Inclusive of the Netting of Line Losses)	Current Application (Inclusive of the Netting of Line Losses)
Jan/02 – Dec/02	253,649,524	239,709,932	
Mar/02 – Dec/02 <small>(Pro-rate columns (A) & (B) by 10/12)</small>	211,374,603	199,758,277	196,330,750

Table 1C-2: General Service <50 kWh Comparison for 2002			
	(A)	(B)	(C)
Description	2006 EDR (Exclusive of the Netting of Line Losses)	Adjusted per 2010 COS (Inclusive of the Netting of Line Losses)	Current Application (Inclusive of the Netting of Line Losses)
Jan/02 – Dec/02	113,736,071	103,471,913	
Mar/02 – Dec/02 <small>(Pro-rate columns (A) & (B) by 10/12)</small>	94,780,059	86,226,594	85,095,554

- D. As described in (B) and (C) above, for the purposes of this Application, Entegrus did not use the billing statistic data actually filed in the 2006 EDR application, as that data did not net wholesale line losses from the billing determinant statistics and that data had been normalized for rate-making purposes. Rather, for this Application, Entegrus utilized the actual statistics that were used to bill customers – specifically, total billed kWh's inclusive of the netting of line losses. In

doing so, Entegrus has sought to reflect in the Application the true amount of PILs dollars actually billed to customers for the Application period.

E. Not applicable.

Board Staff – Question 2

Reference: 2001 through 2005 SIMPIL models, Gains on Disposals of Fixed Assets, Taxable Capital Gains and Terminal Loss

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

- A. Please explain why the variances caused by disposals of fixed assets that CKH input on TAXREC sheet and TAXREC2 sheet should true up to ratepayers in the 2001 through 2005 SIMPIL models.
- B. Please explain why the variances caused by taxable capital gains that CKH input on TAXREC2 sheet should true up to ratepayers in the 2003 and 2005 SIMPIL models.
- C. Please explain why the variances caused by the terminal loss that CKH input on TAXREC2 sheet should true up to ratepayers in the 2005 SIMPIL model.
- D. If CKH agrees that it should not true up to ratepayers, please move the fixed asset transactions to the SIMPIL model TAXREC3 sheet and update the PILs continuity schedule and final balance for disposition.

Response

A. – D. Entegrus has further reviewed the fixed asset transactions referenced above for the periods 2001-2005, and agrees that these transactions should not true up to ratepayers. Accordingly, Entegrus has moved these transactions to the SIMPIL model TAXREC3 sheet and has updated the PILs continuity schedule and final balance for disposition.

Please see following Attachments for copies of the updated SIMPIL models:

- Attachment B: Account 1562 Detailed Continuity Schedule
- Attachment C: 2001 Revised SIMPIL Model
- Attachment D: 2002 Revised SIMPIL Model
- Attachment E: 2003 Revised SIMPIL Model
- Attachment F: 2004 Revised SIMPIL Model
- Attachment G: 2005 Revised SIMPIL Model

These models have also been filed in live Excel format.

Attachment A
Reconciliation of 2002-2006
Historic Billing Determinant Statistics

Entegrus Powerlines Inc. - Chatham- Kent
Account 1562 Deferred PILs, IR Responses, Attachment A
Retail Billing Determinants by Rate Class

Table 1 - Retail Billed kWh												
Year	Time Period	Residential	GS<50	GS>50 to 4,999 kW	GS>50 to 4,999 kW - Interval	GS>50 to 4,999 kW - TOU	Large Use	Street Lighting	Sentinel Lighting	Total	As Reported in Table 8-17 (EB-2009-0261)	Variance
2002	Jan-Feb	43,379,183	18,376,359	62,181,614	-	9,799,258	11,975,523	1,693,814	74,867	147,480,618		
	Mar-Apr *	38,846,476	16,934,523	43,651,203	17,328,979	9,610,632	12,788,807	1,397,680	81,068	140,639,369		
	May-Dec *	157,484,274	68,161,031	178,079,591	95,310,183	61,007,755	54,473,372	4,714,281	297,892	619,528,378	619,528,378	(0)
	Total	239,709,933	103,471,913	283,912,408	112,639,162	80,417,645	79,237,702	7,805,776	453,827	907,648,364		
2003	Jan-Dec	237,293,717	102,019,564	224,981,815	153,424,967	63,287,744	69,060,425	7,707,234	400,269	858,175,736	858,175,736	(0)
2004	Jan-Mar	66,625,171	26,883,447	56,846,559	38,202,414	14,299,306	14,905,242	2,229,999	106,924	220,099,060		
	Apr-Dec	169,385,847	75,080,743	160,360,583	137,209,432	55,728,909	44,576,483	5,334,854	314,445	647,991,296		
	Total	236,011,018	101,964,190	217,207,142	175,411,845	70,028,215	59,481,724	7,564,852	421,369	868,090,356	868,090,356	0
2005	Jan-Mar	69,632,658	27,573,864	58,680,571	41,482,636	14,698,189	12,593,718	2,303,638	108,272	227,073,546		
	Apr-Dec	185,656,469	80,313,695	161,196,537	145,892,673	62,066,559	41,012,256	5,303,434	305,426	681,747,048		
	Total	255,289,127	107,887,559	219,877,108	187,375,309	76,764,748	53,605,974	7,607,072	413,698	908,820,594	908,820,594	0
2006	Jan-Apr	81,611,348	35,521,956	75,205,116	57,303,049	20,962,381	17,720,168	2,698,785	136,803	291,159,606		
	May-Dec	157,996,166	68,312,097	130,571,911	121,037,042	52,202,785	37,005,902	3,963,910	275,010	571,364,823		
	Total	239,607,514	103,834,053	205,777,027	178,340,091	73,165,166	54,726,070	6,662,695	411,813	862,524,429	862,524,429	-

Table 2 - Retail Billed kW												
Year	Time Period	Residential	GS<50	GS>50 to 4,999 kW	GS>50 to 4,999 kW - Interval	GS>50 to 4,999 kW - TOU	Large Use	Street Lighting	Sentinel Lighting	Total	As Reported in Table 8-17 (EB-2009-0261)	Variance
2002	Jan-Feb	-	-	162,268	-	20,800	31,037	3,590	226	217,921		
	Mar-Apr *	-	-	123,525	35,301	20,127	32,524	3,590	226	215,292		
	May-Dec *	-	-	505,541	205,991	124,225	132,954	15,046	909	984,665	n/a	n/a
	Total	-	-	791,334	241,292	165,152	196,515	22,225	1,361	1,417,879		
2003	Jan-Dec	-	35,901	662,238	349,658	141,975	196,211	22,715	1,216	1,409,914	n/a	n/a
2004	Jan-Mar	-	10,501	158,874	87,240	33,929	43,145	5,679	268	339,636		
	Apr-Dec	-	27,894	482,213	300,363	129,704	112,620	17,036	803	1,070,635		
	Total	-	38,395	641,087	387,604	163,633	155,766	22,715	1,071	1,410,271	n/a	n/a
2006	Jan-Mar	-	3,292	157,351	94,396	40,878	30,028	5,679	285	331,909		
	Apr-Dec	-	13,599	457,932	324,416	140,017	88,932	17,035	864	1,042,795		
	Total	-	16,891	615,283	418,812	180,895	118,961	22,714	1,149	1,374,704	n/a	n/a
2006	Jan-Apr	-	-	200,065	132,061	46,484	40,102	6,867	381	425,960		
	May-Dec	-	-	403,707	270,454	131,096	85,900	13,266	1,390	905,813		
	Total	-	-	603,772	402,515	177,580	126,002	20,133	1,771	1,331,773	n/a	n/a

* Billing Determinants included in the Application are the sum of March to December 2002.

Attachment B

Account 1562 Detailed Continuity Schedule

Entegrus Powerlines Inc. - Chatham-Kent
Account 1562 Deferred PILs, IR Responses, Attachment C
Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2001												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,544	\$321,088	\$0
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,544	\$160,544	\$160,544	\$481,632
True-Up Variance Adjustment						\$0							\$0
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,544	\$321,088	\$481,632	\$481,632
Interest													
Prescribed Rate										7.25%	7.25%	7.25%	
Days in Month										31	30	31	
Opening Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$957	\$0
Carrying Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$957	\$1,977	\$2,934
Closing Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$957	\$2,934	\$2,934

Description	2002												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$481,632	\$606,440	\$731,248	\$689,622	\$647,995	\$606,369	\$558,126	\$516,500	\$474,874	\$433,248	\$391,621	\$349,995	\$481,632
Board Approved PILs Proxy Amts	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$124,808	\$1,497,696
True-Up Variance Adjustment						-\$6,617							-\$6,617
Rate Recoveries	\$0	\$0	-\$166,434	-\$166,434	-\$166,434	-\$166,434	-\$166,434	-\$166,434	-\$166,434	-\$166,434	-\$166,434	-\$166,434	-\$1,664,343
Closing Balance	\$606,440	\$731,248	\$689,622	\$647,995	\$606,369	\$558,126	\$516,500	\$474,874	\$433,248	\$391,621	\$349,995	\$308,369	\$308,369
Interest													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$2,934	\$5,899	\$9,272	\$13,775	\$17,884	\$21,874	\$25,488	\$28,924	\$32,105	\$34,934	\$37,602	\$39,936	\$2,934
Carrying Charges	\$2,966	\$3,373	\$4,503	\$4,109	\$3,990	\$3,613	\$3,437	\$3,180	\$2,830	\$2,668	\$2,334	\$2,155	\$39,157
Closing Balance	\$5,899	\$9,272	\$13,775	\$17,884	\$21,874	\$25,488	\$28,924	\$32,105	\$34,934	\$37,602	\$39,936	\$42,091	\$42,091

Entegrus Powerlines Inc. - Chatham-Kent
Account 1562 Deferred PILs, IR Responses, Attachment C
Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2003												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$308,369	\$307,811	\$307,252	\$306,694	\$306,136	\$305,578	\$309,793	\$309,235	\$308,677	\$308,119	\$307,561	\$307,003	\$308,369
Board Approved PILs Proxy Amts	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$164,944	\$1,979,328
True-Up Variance Adjustment						\$4,773							\$4,773
Rate Recoveries	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$165,502	-\$1,986,025
Closing Balance	\$307,811	\$307,252	\$306,694	\$306,136	\$305,578	\$309,793	\$309,235	\$308,677	\$308,119	\$307,561	\$307,003	\$306,445	\$306,445
Interest													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$42,091	\$43,990	\$45,702	\$47,594	\$49,421	\$51,306	\$53,127	\$55,035	\$56,939	\$58,778	\$60,675	\$62,508	\$42,091
Carrying Charges	\$1,899	\$1,712	\$1,892	\$1,828	\$1,885	\$1,821	\$1,908	\$1,904	\$1,839	\$1,897	\$1,833	\$1,890	\$22,308
Closing Balance	\$43,990	\$45,702	\$47,594	\$49,421	\$51,306	\$53,127	\$55,035	\$56,939	\$58,778	\$60,675	\$62,508	\$64,399	\$64,399

Description	2004												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$306,445	\$275,847	\$245,249	\$214,651	\$233,461	\$252,272	\$218,321	\$237,132	\$255,942	\$274,753	\$293,564	\$312,374	\$306,445
Board Approved PILs Proxy Amts	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$134,842	\$1,618,104
True-Up Variance Adjustment						-\$52,761							-\$52,761
Rate Recoveries	-\$165,440	-\$165,440	-\$165,440	-\$116,031	-\$116,031	-\$116,031	-\$116,031	-\$116,031	-\$116,031	-\$116,031	-\$116,031	-\$116,031	-\$1,540,603
Closing Balance	\$275,847	\$245,249	\$214,651	\$233,461	\$252,272	\$218,321	\$237,132	\$255,942	\$274,753	\$293,564	\$312,374	\$331,185	\$331,185
Interest													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	29	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$64,399	\$66,285	\$67,874	\$69,385	\$70,664	\$72,101	\$73,604	\$74,949	\$76,409	\$77,934	\$79,626	\$81,375	\$64,399
Carrying Charges	\$1,887	\$1,589	\$1,510	\$1,279	\$1,438	\$1,503	\$1,344	\$1,460	\$1,525	\$1,692	\$1,749	\$1,923	\$18,900
Closing Balance	\$66,285	\$67,874	\$69,385	\$70,664	\$72,101	\$73,604	\$74,949	\$76,409	\$77,934	\$79,626	\$81,375	\$83,299	\$83,299

Entegrus Powerlines Inc. - Chatham-Kent
Account 1562 Deferred PILs, IR Responses, Attachment C
Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2005												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$331,185	\$337,412	\$343,640	\$349,868	\$344,042	\$338,217	\$173,380	\$167,554	\$161,729	\$155,903	\$150,077	\$144,252	\$331,185
Board Approved PILs Proxy Amts	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$138,349	\$1,660,188
True-Up Variance Adjustment						-\$159,011							-\$159,011
Rate Recoveries	-\$132,121	-\$132,121	-\$132,121	-\$144,175	-\$144,175	-\$144,175	-\$144,175	-\$144,175	-\$144,175	-\$144,175	-\$144,175	-\$144,175	-\$1,693,936
Closing Balance	\$337,412	\$343,640	\$349,868	\$344,042	\$338,217	\$173,380	\$167,554	\$161,729	\$155,903	\$150,077	\$144,252	\$138,426	\$138,426
Interest													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$83,299	\$85,338	\$87,214	\$89,330	\$91,415	\$93,534	\$95,549	\$96,617	\$97,648	\$98,612	\$99,572	\$100,466	\$83,299
Carrying Charges	\$2,039	\$1,877	\$2,116	\$2,085	\$2,118	\$2,015	\$1,068	\$1,032	\$964	\$960	\$894	\$888	\$18,056
Closing Balance	\$85,338	\$87,214	\$89,330	\$91,415	\$93,534	\$95,549	\$96,617	\$97,648	\$98,612	\$99,572	\$100,466	\$101,355	\$101,355

Description	2006												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$138,426	\$140,599	\$142,772	\$144,945	\$147,118	\$147,118	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$138,426
Board Approved PILs Proxy Amts	\$142,863	\$142,863	\$142,863	\$142,863	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$571,451
True-Up Variance Adjustment						\$326							
Rate Recoveries	-\$140,690	-\$140,690	-\$140,690	-\$140,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$562,759
Closing Balance	\$140,599	\$142,772	\$144,945	\$147,118	\$147,118	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,118
Interest													
Prescribed Rate	7.25%	7.25%	7.25%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$101,355	\$102,207	\$102,989	\$103,868	\$104,361	\$104,879	\$105,379	\$105,954	\$106,529	\$107,085	\$107,660	\$108,216	\$101,355
Carrying Charges	\$852	\$782	\$879	\$493	\$517	\$501	\$575	\$575	\$556	\$575	\$556	\$575	\$7,436
Closing Balance	\$102,207	\$102,989	\$103,868	\$104,361	\$104,879	\$105,379	\$105,954	\$106,529	\$107,085	\$107,660	\$108,216	\$108,791	\$108,791

Entegrus Powerlines Inc. - Chatham-Kent
Account 1562 Deferred PILs, IR Responses, Attachment C
Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2007												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Interest													
Prescribed Rate	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$108,791	\$109,366	\$109,885	\$110,460	\$111,016	\$111,591	\$112,147	\$112,722	\$113,296	\$113,853	\$114,496	\$115,119	\$108,791
Carrying Charges	\$575	\$519	\$575	\$556	\$575	\$556	\$575	\$575	\$556	\$644	\$623	\$644	\$6,972
Closing Balance	\$109,366	\$109,885	\$110,460	\$111,016	\$111,591	\$112,147	\$112,722	\$113,296	\$113,853	\$114,496	\$115,119	\$115,763	\$115,763

Description	2008												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Interest													
Prescribed Rate	5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Days in Month	31	29	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$115,763	\$116,407	\$117,009	\$117,652	\$118,147	\$118,658	\$119,152	\$119,572	\$119,991	\$120,397	\$120,817	\$121,223	\$115,763
Carrying Charges	\$644	\$602	\$644	\$494	\$511	\$494	\$420	\$420	\$406	\$420	\$406	\$420	\$5,879
Closing Balance	\$116,407	\$117,009	\$117,652	\$118,147	\$118,658	\$119,152	\$119,572	\$119,991	\$120,397	\$120,817	\$121,223	\$121,642	\$121,642

Entegrus Powerlines Inc. - Chatham-Kent
Account 1562 Deferred PILs, IR Responses, Attachment C
Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2009												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Interest													
Prescribed Rate	2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$121,642	\$121,949	\$122,226	\$122,533	\$122,654	\$122,779	\$122,901	\$122,969	\$123,038	\$123,105	\$123,174	\$123,240	\$121,642
Carrying Charges	\$307	\$277	\$307	\$121	\$125	\$121	\$69	\$69	\$67	\$69	\$67	\$69	\$1,667
Closing Balance	\$121,949	\$122,226	\$122,533	\$122,654	\$122,779	\$122,901	\$122,969	\$123,038	\$123,105	\$123,174	\$123,240	\$123,309	\$123,309

Description	2010												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Interest													
Prescribed Rate	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$123,309	\$123,378	\$123,440	\$123,509	\$123,576	\$123,645	\$123,711	\$123,823	\$123,934	\$124,042	\$124,192	\$124,338	\$123,309
Carrying Charges	\$69	\$62	\$69	\$67	\$69	\$67	\$111	\$111	\$108	\$150	\$145	\$150	\$1,179
Closing Balance	\$123,378	\$123,440	\$123,509	\$123,576	\$123,645	\$123,711	\$123,823	\$123,934	\$124,042	\$124,192	\$124,338	\$124,488	\$124,488

Entegrus Powerlines Inc. - Chatham-Kent
Account 1562 Deferred PILs, IR Responses, Attachment C
Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2011												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Interest													
Prescribed Rate	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$124,488	\$124,672	\$124,839	\$125,023	\$125,201	\$125,385	\$125,563	\$125,747	\$125,931	\$126,109	\$126,293	\$126,472	\$124,488
Carrying Charges	\$184	\$166	\$184	\$178	\$184	\$178	\$184	\$184	\$178	\$184	\$178	\$184	\$2,167
Closing Balance	\$124,672	\$124,839	\$125,023	\$125,201	\$125,385	\$125,563	\$125,747	\$125,931	\$126,109	\$126,293	\$126,472	\$126,656	\$126,656

Description	2012												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Principal													
Opening Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444	\$147,444
Interest													
Prescribed Rate	1.47%	1.47%	1.47%	1.47%									
Days in Month	31	29	31	30									
Opening Balance	\$126,656	\$126,840	\$127,012	\$127,196	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$126,656
Carrying Charges	\$184	\$172	\$184	\$178	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$719
Closing Balance	\$126,840	\$127,012	\$127,196	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374	\$127,374

GRAND TOTAL	\$274,818.14												
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Attachment C
2001 Revised SIMPIL Model

Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Chatham-Kent Hydro Inc.
OEB File Number	EB-2012-0097
Filing Year	2001

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Chatham-Kent Hydro Inc.			Colour Code	
4	Reporting period: 2001			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	92	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?	Y/N		Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N		N	
16					
17	Is the utility a non-profit corporation?	Y/N		N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	Y	
20		LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		68%	
22		LCT		64%	
23					
24	Accounting Year End	Date		31-Dec-01	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			45,653,588	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			6.05%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			3,035,964	
42					
43	1999 return from RUD Sheet #7			786,476	786,476
44					
45	Total Incremental revenue			2,249,488	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			1,077,000	1,077,000
48	Amount allowed in 2002				0
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				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				1,863,476
55					
56	Equity			22,826,794	
57					
58	Return at target ROE			1,381,021	
59					
60	Debt			22,826,794	
61					
62	Deemed interest amount in 100% of MARR			1,654,943	
63					
64	Phase-in of interest - Year 1 (2001)			1,015,805	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			1,015,805	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			1,015,805	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,654,943	
71					
72					

	A	B	C	D	E	F	G	H
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						Version 2009.1	
3	TAX CALCULATIONS (TAXCALC)						Column Brought From TAXREC	
4	("Wires-only" business - see Tab TAXREC)						\$	
5								
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days					
10	Total days in the calendar year:	365	days					
11			\$		\$			
12								
13								
14	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	465,869		-1,486,068		-1,020,199	
17	BOOK TO TAX ADJUSTMENTS							
18	Additions:							
19	Depreciation & Amortization	2	633,252		23,602		656,854	
20	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
21	Tax reserves - beginning of year	4	78,750		-78,750		0	
22	Reserves from financial statements - end of year	4			654,860		654,860	
23	Regulatory Adjustments - increase in income	5			0		0	
24	Other Additions (See Tab entitled "TAXREC")							
25	"Material" Items from "TAXREC" worksheet	6			0		0	
26	Other Additions (not "Material") "TAXREC"	6			0		0	
27	"Material" Items from "TAXREC 2" worksheet	6			0		0	
28	Other Additions (not "Material") "TAXREC 2"	6			0		0	
29	Items on which true-up does not apply "TAXREC 3"				2,381		2,381	
30								
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	229,702		529,393		759,095	
34	Employee Benefit Plans - Paid Amounts	8	54,000		-54,000		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	253,951		168,392		422,343	
38	Tax reserves - end of year	4			169,924		169,924	
39	Reserves from financial statements - beginning of year	4			470,820		470,820	
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"				13,904		13,904	
49								
50	TAXABLE INCOME/ (LOSS)		640,218		(2,182,408)	Before loss C/F	(1,542,190)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		0.0000%		40.62%	
54								
55	REGULATORY INCOME TAX		260,056		-260,056	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		260,056		-260,056	Actual	0	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	45,653,588		4,109,055		49,762,643	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-1,624,818		3,375,182	
68	Taxable Capital		40,653,588		2,484,237		46,387,461	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		30,490		29,536	Overpaid	60,026	
73								
74	Federal Large Corporations Tax							
75	Base	18	45,653,588		4,211,296		49,864,884	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-3,620,962		6,379,038	
77	Taxable Capital		35,653,588		590,334		43,485,846	
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)		20,055		20,959		41,014	
82	Less: Federal Surtax 1.12% x Taxable Income	21	7,170		-7,170		0	
83								
84	Net LCT		12,885		28,129		41,014	
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	429,845			Actual 2001	0	
91	LCT (proxy tax is grossed-up)	23	21,297			Actual 2001	24,662	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	30,490			Actual 2001	35,077	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	481,633			Actual 2002	59,739	
96								
97								
98								
99	IV) FUTURE TRUE-UPS				DR/(CR)			
100	IV a) Calculation of the True-up Variance							
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			-78,750			
104	Reserves from financial statements-end of year	4			654,860			
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			-54,000			
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			169,924			
114	Reserves from F/S beginning of year	4			470,820			
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			-10,634			
121								

	A	B	C	D	E	F	G	H
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						Version 2009.1	
3	TAX CALCULATIONS (TAXCALC)							
4	("Wires-only" business - see Tab TAXREC)							
5								
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2001							
8								
9	Days in reporting period:	92	days					
10	Total days in the calendar year:	365	days				Column Brought From TAXREC	
11							\$	
12			\$		\$			
13								
122	Income Tax Rate (including surtax) from 2001 Utility's tax return			x	40.62%			
123				=	-4,320			
124	Income Tax Effect on True-up adjustments							
125					0			
126	Less: Miscellaneous Tax Credits							
127					-4,320			
128	Total Income Tax on True-ups							
129					39.50%			
130	Income Tax Rate used for gross-up (exclude surtax)							
131					(7,140)			
132	TRUE-UP VARIANCE ADJUSTMENT							
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)			=	640,218			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	40.62%			
139				=	260,056			
140	REVISED REGULATORY INCOME TAX				0			
141					260,056			
142	Less: Revised Miscellaneous Tax Credits			-	260,056			
143	Total Revised Regulatory Income Tax			=	0			
144								
145	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	30,741			
146	Regulatory Income Tax Variance			=	30,490			
147					251			
148	Ontario Capital Tax							
149	Base			=	45,653,588			
150	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
151	Revised deemed taxable capital			=	40,653,588			
152								
153	Rate - Tab Tax Rates cell C54			x	0.3000%			
154				=	30,741			
155	Revised Ontario Capital Tax			-	30,490			
156	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			=	251			
157	Regulatory Ontario Capital Tax Variance							
158	Federal LCT							
159	Base			=	45,653,588			
160	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
161	Revised Federal LCT			=	35,653,588			
162								
163	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			=	0.2250%			
164								
165	Gross Amount			=	20,220			
166	Less: Federal surtax			-	7,170			
167	Revised Net LCT			=	13,050			
168								
169	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	12,885			
170	Regulatory Federal LCT Variance			=	165			
171								
172	Actual Income Tax Rate used for gross-up (exclude surtax)				39.50%			
173					0			
174	Income Tax (grossed-up)			+	272			
175	LCT (grossed-up)			+	251			
176	Ontario Capital Tax			+				
177				=	523			
178	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT							
179								
180	TRUE-UP VARIANCE (from cell I130)			+	(7,140)			
181								
182	Total Deferral Account Entry (Positive Entry = Debit)			=	(6,617)			
183	(Deferral Account Variance + True-up Variance)							
184								
185								
186								
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				1,654,943			
194	Interest phased-in (Cell C36)				1,015,805			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				639,138			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				422,343			
202	Less: Interest components excluded for true-up calculation purposes				5,149	(Interest on customer deposits and capital tax)		
203	Adjusted Interest				417,194			
204	Total deemed interest (REGINFO CELL D61)				1,654,943			
205								
206	Variance caused by excess debt				0			
207								
208	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
209								
210	Total Interest Variance				639,138			

	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: Chatham-Kent 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 : 0 < - enter materiality level					
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	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	+	16,213,708		16,213,708	
32	Distribution Revenue	+	709,556		709,556	
33	Other Income	+	193,301		193,301	
34	Miscellaneous income	+	0		0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	16,213,708		16,213,708	
40	Administration	-	430,314		430,314	
41	Customer billing and collecting	-	281,306		281,306	
42	Operations and maintenance	-	554,582		554,582	
43	Amortization	-	656,854		656,854	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46	Municipal property taxes	-			0	
47	Federal LCT	-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	-1,020,199	0	-1,020,199	
51	Less: Interest expense for accounting purposes	-	422,343		422,343	
52	Provision for payments in lieu of income taxes	-			0	
53	Net Income (loss)	=	-1,442,542	0	-1,442,542	
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	+	656,854	0	656,854	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	654,860	0	654,860	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		2,381	0	2,381	
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		1,314,095	0	1,314,095	
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	

	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	
81						
82	Total Additions	=	1,314,095	0	1,314,095	
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	
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	-	734,376		734,376	
98	Cumulative eligible capital deduction	-	24,719		24,719	
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	-	169,924	0	169,924	
105	Reserves from financial statements- beginning of year	-	470,820	0	470,820	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		13,904	0	13,904	
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	=	1,413,743	0	1,413,743	
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	=	1,413,743	0	1,413,743	
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	=	-1,542,190	0	-1,542,190	
135	DEDUCT:					
136	Non-capital loss applied	-			0	
137	Net capital loss applied	-			0	
138					0	
139	NET TAXABLE INCOME	=	(1,542,190)	0	(1,542,190)	
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					
156	Total Income Taxes	+	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	
157	Ontario Capital Tax	+	35,077		35,077	
158	Federal Large Corporations Tax	+	24,662		24,662	
159						
160	Total income and capital taxes	=	59,739	0	59,739	
161						
162						

	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: Chatham-Kent 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			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	OPEB					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)		169,924			169,924
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	OPEB		0			0
31	Other - Please describe					0
32						0
33						0
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		169,924	0		169,924
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	OPEB		470,820			470,820
48	Other - Please describe					0
49						0
50	Total (carry forward to the TAXREC worksheet)		470,820	0		470,820
51						
52	End of Year:					
53						0
54						0
55	Environmental					0
56	Allowance for doubtful accounts		169,924			169,924
57	Inventory obsolescence					0
58	Property taxes					0
59	OPEB		484,936			484,936
60	Regulatory Reserves					0
61						0
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		654,860	0		654,860
64						
65						

	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: Chatham-Kent Hydro Inc.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			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	
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	

	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: Chatham-Kent Hydro Inc.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		0			
12						
13						
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	PILs TAXES					
2	TAX RETURN RECONCILIATION (TAXREC 3)					
3	Shareholder-only Items should be shown on TAXREC 3					
4	ITEMS ON WHICH TRUE-UP DOES NOT APPLY					
5	(for "wires-only" business - see s. 72 OEB Act)					
6		LINE	M of F	Non-wires	Wires-only	
7			Corporate	Eliminations	Tax	
8	Utility Name: Chatham-Kent Hydro Inc.	0	Tax		Return	
9			Return		Version 2009.1	
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	+	2,381		2,381	
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>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	=	2,381	0	2,381	
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	-	13,904		13,904	
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	-			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	=	13,904	0	13,904	
74						
75						

	A	B	C	D	E	F	G
1	PILs TAXES						
2	Corporate Tax Rates						
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Chatham-Kent Hydro Inc.						
5	Reporting period: 2001						
6							
7							
8	Rates Used in 2001 RAM PILs Applications for 2002					Table 1	
9	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
10	RAM 2002	Year					
11							
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%	26.12%	
15	and Ontario blended		6.00%		6.00%	12.50%	
16	Blended rate		19.12%		34.12%	38.62%	
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25							
26	Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2002					Table 2	
27	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
28	Expected Rates	Year					
29							
30	Income Tax Rate						
31	Current year	2001					
32	Federal (Includes surtax)	2001	13.12%		26.12%	26.12%	
33	Ontario	2001	6.00%		6.00%	12.50%	
34	Blended rate	2001	19.12%		32.12%	38.62%	
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							
44	Input Information from Utility's Actual 2001 Tax Returns					Table 3	
45	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
46		Year					
47							
48	Income Tax Rate						
49	Current year	2001					
50	Federal (Includes surtax)		13.12%		28.12%	28.12%	
51	Ontario		6.00%		6.00%	12.50%	
52	Blended rate		19.12%		34.12%	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	3,375,182				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	6,379,038				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							
61							
62							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	PILs TAXES															
2	Analysis of PILs Tax Account 1562:															
3	Utility Name: Chatham-Kent Hydro Inc.															
4	Reporting period: 2001															
5	Version 2009.1															
6	0															
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								
11	Opening balance:	=	0	-6,617	-6,617	-6,617	-6,617	-6,617	-6,617	0						
12	Board-approved PILs tax proxy from Decisions (1)	+/-								0						
14	True-up Variance Adjustment Q4, 2001 (2)	+/-	-7,140							-7,140						
16	True-up Variance Adjustment (3)	+/-								0						
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-	523							523						
20	Deferral Account Variance Adjustment (5)	+/-								0						
22	Adjustments to reported prior years' variances (6)	+/-								0						
23	Carrying charges (7)	+/-								0						
25	PILs billed to (collected from) customers (8)	-	0							0						
27	Ending balance: # 1562		-6,617	-6,617	-6,617	-6,617	-6,617	-6,617	-6,617	-6,617						
31	Uncollected PILs															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.															
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER: 3															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.															
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.															
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.															
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.															
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.															
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.															
44	(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.															
45	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.															
47	(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															
48	true-up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.															
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
53	(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															
54	true-up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.															
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
59	(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.															
61	(7) Carrying charges are calculated on a simple interest basis.															
63	(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															
64	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															
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.															
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied															
69	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;															
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,															
73	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.															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,															
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used															
77	to calculate the recovery for the period January 1 to March 31, 2005.															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes															
80	will have to include amounts from 1562 and from 1590.															

Attachment D
2002 Revised SIMPIL Model

Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Chatham-Kent Hydro Inc.
OEB File Number	EB-2012-0097
Filing Year	2002

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Chatham-Kent 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		Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N		N	
16					
17	Is the utility a non-profit corporation?	Y/N		N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	Y	
20		LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		99%	
22		LCT		62%	
23					
24	Accounting Year End	Date		12-31-2002	
25					
26	MARR NO TAX CALCULATIONS				
27	SHEET #7 FINAL RUD MODEL DATA				
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			45,653,588	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			6.05%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			3,035,964	
42					
43	1999 return from RUD Sheet #7			786,476	786,476
44					
45	Total Incremental revenue			2,249,488	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			1,077,000	1,077,000
48	Amount allowed in 2002			1,077,000	1,077,000
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				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				2,940,476
55					
56	Equity			22,826,794	
57					
58	Return at target ROE			1,381,021	
59					
60	Debt			22,826,794	
61					
62	Deemed interest amount in 100% of MARR			1,654,943	
63					
64	Phase-in of interest - Year 1 (2001)			1,015,805	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			1,602,891	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			1,602,891	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,654,943	
71					
72					

	A	B	C	D	E	F	G	H
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: Chatham-Kent Hydro Inc.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column Brought From TAXREC	
10	Total days in the calendar year:	365	days					
11								
12			\$		\$		\$	
13								
14	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	2,940,476		639,376		3,579,852	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	2,533,000		311,353		2,844,353	
21	Employee Benefit Plans - Accrued, Not Paid	3	318,500		-318,500		0	
22	Tax reserves - beginning of year	4			169,924		169,924	
23	Reserves from financial statements - end of year	4			719,610		719,610	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			2,118		2,118	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				81,400		81,400	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,835,114		1,120,863		2,955,977	
34	Employee Benefit Plans - Paid Amounts	8	275,000		-275,000		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	1,602,891		94,563		1,697,454	
38	Tax reserves - end of year	4			174,510		174,510	
39	Reserves from financial statements - beginning of year	4			654,860		654,860	
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"				712,710		712,710	
49								
50	TAXABLE INCOME/ (LOSS)		2,078,971		(877,225)	Before loss C/F	1,201,746	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	
54								
55	REGULATORY INCOME TAX		802,899		-802,899	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		802,899		-802,899	Actual	0	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	45,653,588		13,446,824		59,100,412	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-70,255		4,929,745	
68	Taxable Capital		40,653,588		13,376,569		54,170,667	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		121,961		40,551		162,512	
73								
74	Federal Large Corporations Tax							
75	Base	18	45,653,588		13,986,772		59,640,360	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-3,824,529		6,175,471	
77	Taxable Capital		35,653,588		10,162,243		53,464,889	
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)		80,221		40,075		120,296	

	A	B	C	D	E	F	G	H
		ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns	
1	PILs TAXES						Version 2009.1	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS							
3	TAX CALCULATIONS (TAXCALC)							
4	("Wires-only" business - see Tab TAXREC)							
5		0						
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column Brought From TAXREC	
10	Total days in the calendar year:	365	days					
11								
12			\$		\$		\$	
13								
82	Less: Federal Surtax 1.12% x Taxable Income	21	23,284		-23,284		0	
83								
84	Net LCT		56,936		63,360		120,296	
85								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,284,638			Actual 2002	0	
91	LCT (proxy tax is grossed-up)	23	91,098			Actual 2002	120,296	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	121,961			Actual 2002	162,512	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	1,497,696			Actual 2002	282,808	
96								
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			-318,500			
103	Tax reserves deducted in prior year	4			169,924			
104	Reserves from financial statements-end of year	4			719,610			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			2,118			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			-275,000			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			11,057			
113	Tax reserves claimed in current year	4			174,510			
114	Reserves from F/S beginning of year	4			654,860			
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		=	7,725			
121								
122	Income Tax Rate (including surtax) from 2002 Utility's tax return			x	38.62%			
123								
124	Income Tax Effect on True-up adjustments			=	2,983			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				2,983			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				4,773			
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)			=	2,078,971			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	38.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	802,899			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	802,899			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	802,899			

	A	B	C	D	E	F	G	H
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: Chatham-Kent Hydro Inc.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days					
10	Total days in the calendar year:	365	days				Column Brought From TAXREC	
11							\$	
12			\$		\$			
13								
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	Ontario Capital Tax							
151	Base			=	45,653,588			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	40,653,588			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	121,961			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	121,961			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				45,653,588			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	35,653,588			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				80,221			
169	Less: Federal surtax			-	23,284			
170	Revised Net LCT			=	56,936			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	56,936			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	4,773			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	4,773			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				1,654,943			
194	Interest phased-in (Cell C36)				1,602,891			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				52,052			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200	Above Deemed Debt per Rate Handbook							
201	Interest deducted on MoF filing (Cell K36+K41)				1,697,454			
202	Less: Interest components excluded for true-up calculation purposes				31,454	(Interest on customer deposits)		
203	Adjusted Interest				1,666,000			
204	Total deemed interest (REGINFO CELL D61)				1,654,943			
205								
206	Variance caused by excess debt				11,057			
207								
208	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				11,057			
209								
210	Total Interest Variance				40,994			

	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: Chatham-Kent 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 :		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	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	+	68,359,445		68,359,445	
32	Distribution Revenue	+	10,923,664		10,923,664	
33	Other Income	+	1,037,765		1,037,765	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	68,359,445		68,359,445	
40	Administration	-	1,887,735		1,887,735	
41	Customer billing and collecting	-	1,376,271		1,376,271	
42	Operations and maintenance	-	2,273,218		2,273,218	
43	Amortization	-	2,844,353		2,844,353	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,579,852	0	3,579,852	
51	Less: Interest expense for accounting purposes	-	1,697,454		1,697,454	
52	Provision for payments in lieu of income taxes	-	300,000		300,000	
53	Net Income (loss)	=	1,582,398	0	1,582,398	
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	+	300,000	0	300,000	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	2,844,353	0	2,844,353	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	169,924	0	169,924	
64	Reserves from financial statements- end of year	+	719,610	0	719,610	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		81,400	0	81,400	
67	Material addition items from TAXREC 2	+	2,118	0	2,118	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		4,117,405	0	4,117,405	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			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	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	<i>Total Additions</i>	=	4,117,405	0	4,117,405	
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	
92	<i>Total Other additions >materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	<i>Total Other Additions</i>		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	2,859,637		2,859,637	
98	Cumulative eligible capital deduction	-	96,340		96,340	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	174,510	0	174,510	
105	<i>Reserves from financial statements- beginning of year</i>	-	654,860	0	654,860	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	Items on which true-up does not apply "TAXREC 3"		712,710	0	712,710	
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	<i>Subtotal</i>	=	4,498,057	0	4,498,057	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	Charitable donations - tax basis	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118		-			0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	<i>Total Deductions</i>	=	4,498,057	0	4,498,057	
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	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	<i>Total Other Deductions</i>		0	0	0	
133						
134	TAXABLE INCOME	=	1,201,746	0	1,201,746	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	1,121,746	0	1,121,746	
137	Net capital loss applied positive number	-			0	
138	Charitable donations		80,000		80,000	
139	NET TAXABLE INCOME	=	0	0	0	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	<i>Subtotal</i>	=	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			Return			
5		0			Version 2009.1	
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%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	*****	0.00%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	162,512		162,512	
158	Federal Large Corporations Tax	+	120,296		120,296	
159						
160	Total income and capital taxes	=	282,808	0	282,808	
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: Chatham-Kent 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)		169,924			169,924
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)		169,924	0		169,924
23						
24	End of Year:					
25						0
26	Reserve for doubtful accounts ss. 20(1)(l)		174,510			174,510
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)		174,510	0		174,510
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41						0
42						0
43	Environmental					0
44	Allowance for doubtful accounts		169,924			169,924
45	Inventory obsolescence					0
46	Property taxes					0
47	OPEB		484,936			484,936
48	Other - Please describe					0
49						0
50	Total (carry forward to the TAXREC worksheet)		654,860	0		654,860
51						
52	End of Year:					
53						0
54						0
55	Environmental					0
56	Allowance for doubtful accounts		174,510			174,510
57	Inventory obsolescence					0
58	Property taxes					0
59	OPEB		545,100			545,100
60						0
61						0
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		719,610	0		719,610
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: Chatham-Kent Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+				0
18	Gain on sale of eligible capital property	+				0
19	Loss on disposal of assets	+				0
20	Charitable donations (Only if it benefits ratepayers)	+				0
21	Taxable capital gains	+				0
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	Tax interest	+	2,118			2,118
38		+				0
39		+				0
40	Other Additions: (please explain in detail the nature of the item)	+				0
41		+				0
42		+				0
43		+				0
44		+				0
45		+				0
46	Total Additions	=	2,118	0		2,118
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			2,118	0		2,118
69	Tax interest		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: Chatham-Kent Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		2,118	0	2,118	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		2,118	0	2,118	
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	Retirement benefit recorded to transition costs	-			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
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	<u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u>		Corporate	Eliminations	Tax
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
7		0	Return		
8	Utility Name: Chatham-Kent 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	+			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	+	1,400		1,400
33	Non-deductible club dues	+			0
34	Non-deductible automobile costs	+			0
35	Donations - amount per books		80,000		80,000
36	Interest and penalties on unpaid taxes				0
37	Management bonuses unpaid after 180 days of year end				0
38	Imputed interest expense on Regulatory Assets				0
39		+			0
40	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		+			0
45		+			0
46		+			0
47	Total Additions on which true-up does not apply	=	81,400	0	81,400
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	-	15,335		15,335
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

	A	B	C	D	E	
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	<u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u>			Corporate	Eliminations	Tax
6	(for "wires-only" business - see s. 72 OEB Act)			Tax		Return
7			0	Return		
8	Utility Name: Chatham-Kent Hydro Inc.					Version 2009.1
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:			365		
13						
14						
62			-			0
63			-			0
64	Ontario capital tax adjustments to current or prior year		-	190,100		190,100
65			-			0
66	Changes in Regulatory Asset balances		-	447,110		447,110
67			-			0
68	Other deductions: (Please explain in detail the nature of the item)		-			0
69	Retirement benefit recorded to transition costs		-	60,165		60,165
70			-			0
71			-			0
72			-			0
73	<u>Total Deductions on which true-up does not apply</u>		=	712,710	0	712,710
74						

	A	B	C	D	E	F
1	PILs TAXES					
2	Corporate Tax Rates					
3	Exemptions, Deductions, or Thresholds					
4	Utility Name: Chatham-Kent Hydro Inc.					
5	Reporting period: 2002					
6						
7						
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						
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						
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%		26.12%	26.12%
51	Ontario		6.00%		6.00%	12.50%
52	Blended rate		19.12%		32.12%	38.62%
53						
54	Capital Tax Rate		0.300%			
55	LCT rate		0.225%			
56	Surtax		1.12%			
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,929,745			
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	6,175,471			
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: Chatham-Kent Hydro Inc.														Version 2009.1
4	Reporting period: 2002				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		4,773		4,773		4,773		4,773		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-											0		0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-			4,773										4,773
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-													0
20	Deferral Account Variance Adjustment (5)	+/-			0										0
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		4,773		4,773		4,773		4,773		4,773		4,773
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:						3								
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(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.														
45	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
46															
47	(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														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(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														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(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.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(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														
64	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														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	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;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	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.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

Attachment E
2003 Revised SIMPIL Model

Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Chatham-Kent Hydro Inc.
OEB File Number	EB-2012-0097
Filing Year	2003

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Chatham-Kent 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	Y		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N	N		
16					
17	Is the utility a non-profit corporation?	Y/N	N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT Y/N	Y		
20		LCT Y/N	Y		
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT	0%		
22		LCT	65%		
23					
24	Accounting Year End	Date	31-Dec-03		
25					
26	MARR NO TAX CALCULATIONS				
27	SHEET #7 FINAL RUD MODEL DATA				Regulatory
28	(FROM 1999 FINANCIAL STATEMENTS)				Income
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)		45,653,588		
32					
33	Common Equity Ratio (CER)		50.00%		
34					
35	1-CER		50.00%		
36					
37	Target Return On Equity		6.05%		
38					
39	Debt rate		7.25%		
40					
41	Market Adjusted Revenue Requirement		3,035,964		
42					
43	1999 return from RUD Sheet #7		786,476	786,476	
44					
45	Total Incremental revenue		2,249,488		
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001		1,077,000	1,077,000	
48	Amount allowed in 2002		1,077,000	1,077,000	
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			0	
52	Other Board-approved changes to MARR or incremental revenue			0	
53				0	
54	Total Regulatory Income			2,940,476	
55					
56	Equity		22,826,794		
57					
58	Return at target ROE		1,381,021		
59					
60	Debt		22,826,794		
61					
62	Deemed interest amount in 100% of MARR		1,654,943		
63					
64	Phase-in of interest - Year 1 (2001)		1,015,805		
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)		1,602,891		
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward		1,602,891		
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005		1,654,943		
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							Version 2009.1	
6	Utility Name: Chatham-Kent Hydro Inc.	0						
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							\$	
14	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	2,940,476		1,280,087		4,220,563	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	2,533,000		363,406		2,896,406	P2
21	Employee Benefit Plans - Accrued, Not Paid	3	318,500		-318,500		0	P2
22	Tax reserves - beginning of year	4			174,510		174,510	
23	Reserves from financial statements - end of year	4			763,846		763,846	
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"				1,225,782		1,225,782	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,835,114		883,004		2,718,118	P2
34	Employee Benefit Plans - Paid Amounts	8	275,000		-275,000		0	P2
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	1,602,891		93,343		1,696,234	
38	Tax reserves - end of year	4			154,633		154,633	
39	Reserves from financial statements - beginning of year	4			719,610		719,610	
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"				1,595,486		1,595,486	
49								
50	TAXABLE INCOME/ (LOSS)		2,078,971		318,055	Before loss C/F	2,397,026	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.0000%		36.62%	
54								
55	REGULATORY INCOME TAX		802,899		-112,835	Actual	690,064	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		802,899		-112,835	Actual	690,064	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	45,653,588		6,701,886		52,355,474	O13
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-5,000,000		0	
68	Taxable Capital		40,653,588		1,701,886		52,355,474	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		121,961		35,106	Overpaid	157,066	
73								
74	Federal Large Corporations Tax							
75	Base	18	45,653,588		8,516,990		54,170,578	F45
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-3,541,778		6,458,222	
77	Taxable Capital		35,653,588		4,975,212		47,712,356	
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)		80,221		27,132		107,353	
82	Less: Federal Surtax 1.12% x Taxable Income	21	23,284		3,562		26,847	
83								
84	Net LCT		56,936		23,570		80,506	
85								

	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: Chatham-Kent 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							\$	
14								
15	III) INCLUSION IN RATES							
16								
17	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
18								
19	Income Tax (proxy tax is grossed-up)	22	1,284,638			Actual 2003	690,064	
20	LCT (proxy tax is grossed-up)	23	91,098			Actual 2003	90,737	
21	Ontario Capital Tax (no gross-up since it is deductible)	24	121,961			Actual 2003	152,992	
22								
23								
24	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,497,696			Actual 2003	933,793	
25	RAM DECISION							
26								
27								
28	IV) FUTURE TRUE-UPS							
29	IV a) Calculation of the True-up Variance				DR/(CR)			
30	In Additions:							
31	Employee Benefit Plans - Accrued, Not Paid	3	-318,500					
32	Tax reserves deducted in prior year	4	174,510					
33	Reserves from financial statements-end of year	4	763,846					
34	Regulatory Adjustments	5	0					
35	Other additions "Material" Items TAXREC	6	0					
36	Other additions "Material" Items TAXREC 2	6	0					
37	In Deductions - positive numbers							
38	Employee Benefit Plans - Paid Amounts	8	-275,000					
39	Items Capitalized for Regulatory Purposes	9	0					
40	Regulatory Adjustments	10	0					
41	Interest Adjustment for tax purposes (See Below - cell I204)	11	0					
42	Tax reserves claimed in current year	4	154,633					
43	Reserves from F/S beginning of year	4	719,610					
44	Contributions to deferred income plans	3	0					
45	Contributions to pension plans	3	0					
46	Other deductions "Material" Items TAXREC	12	0					
47	Other deductions "Material" Item TAXREC 2	12	0					
48								
49	Total TRUE-UPS before tax effect	26	= 20,613					
50								
51	Income Tax Rate (including surtax) from 2003 Utility's tax return		x 36.62%					
52								
53	Income Tax Effect on True-up adjustments		= 7,548					
54								
55	Less: Miscellaneous Tax Credits	14	0					
56								
57	Total Income Tax on True-ups		7,548					
58								
59	Income Tax Rate used for gross-up (exclude surtax)		35.50%					
60								
61	TRUE-UP VARIANCE ADJUSTMENT		11,703					
62								
63	IV b) Calculation of the Deferral Account Variance caused by							
64	changes in legislation							
65								
66	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
67	estimate column)		= 2,078,971					
68								
69	REVISED CORPORATE INCOME TAX RATE (including Surtax)		x 36.62%					
70								
71	REVISED REGULATORY INCOME TAX		= 761,319					
72								
73	Less: Revised Miscellaneous Tax Credits		- 0					
74								
75	Total Revised Regulatory Income Tax		= 761,319					
76								
77	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell							
78	C58)		- 802,899					
79								
80	Regulatory Income Tax Variance		= (41,579)					
81								

	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: Chatham-Kent 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							\$	
150	Ontario Capital Tax							
151	Base				=	45,653,588		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39				-	5,000,000		
153	Revised deemed taxable capital				=	40,653,588		
154								
155	Rate - Tab Tax Rates cell C54				x	0.3000%		
156								
157	Revised Ontario Capital Tax				=	121,961		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				-	121,961		
159	Regulatory Ontario Capital Tax Variance				=	0		
160								
161	Federal LCT							
162	Base					45,653,588		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40				-	10,000,000		
164	Revised Federal LCT				=	35,653,588		
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51					0.2250%		
167								
168	Gross Amount					80,221		
169	Less: Federal surtax				-	23,284		
170	Revised Net LCT				=	56,936		
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)				-	56,936		
173	Regulatory Federal LCT Variance				=	0		
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)					35.50%		
176								
177	Income Tax (grossed-up)				+	(64,464)		
178	LCT (grossed-up)				+	0		
179	Ontario Capital Tax				+	0		
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT				=	(64,464)		
182								
183	TRUE-UP VARIANCE (from cell I130)				+	11,703		
184								
185	Total Deferral Account Entry (Positive Entry = Debit)				=	(52,761)		
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)					1,654,943		
194	Interest phased-in (Cell C36)					1,602,891		
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision					52,052		
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)					1,696,234		
202	Less: Interest components excluded for true-up calculation purposes					53,514		
203	Adjusted Interest					1,642,720		
204	Total deemed interest (REGINFO CELL D61)					1,654,943		
205								
206	Variance caused by excess debt					0		
207								
208	Interest Adjustment for Tax Purposes (carry forward to Cell I110)					0		
209								
210	Total Interest Variance					52,052		
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: Chatham-Kent 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 :	0	< - enter materiality level			
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	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	+	58,841,762		58,841,762	I1
32	Distribution Revenue	+	11,474,381		11,474,381	I1
33	Other Income	+	1,449,351		1,449,351	I1
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	58,841,762		58,841,762	I1
40	Administration	-	2,313,252		2,313,252	I1
41	Customer billing and collecting	-	1,421,828		1,421,828	I1
42	Operations and maintenance	-	2,071,683		2,071,683	I1
43	Amortization	-	2,896,406		2,896,406	F9
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	4,220,563	0	4,220,563	
51	Less: Interest expense for accounting purposes	-	1,696,234		1,696,234	I1
52	Provision for payments in lieu of income taxes	-	1,149,000		1,149,000	I1
53	Net Income (loss)	=	1,375,329	0	1,375,329	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	1,149,000	0	1,149,000	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	2,896,406	0	2,896,406	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	174,510	0	174,510	
64	Reserves from financial statements- end of year	+	763,846	0	763,846	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		1,225,782	0	1,225,782	
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		6,209,544	0	6,209,544	
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	

Amort from F/S
\$2,650,564
 Amort from Tax
\$2,896,406
 Variance =
\$245,842

	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	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	6,209,544	0	6,209,544	
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	
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	-	2,628,522		2,628,522	F9
98	Cumulative eligible capital deduction	-	89,596		89,596	F9
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	-	154,633	0	154,633	
105	Reserves from financial statements- beginning of year	-	719,610	0	719,610	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		1,595,486	0	1,595,486	
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	=	5,187,847	0	5,187,847	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	F9
117		-			0	F9
118		-			0	F9
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	5,187,847	0	5,187,847	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	2,397,026	0	2,397,026	\$93,000 difference
135	DEDUCT:					bad debts re-asses
136	Non-capital loss applied positive number	-	40,087		40,087	F3
137	Net capital loss applied positive number	-			0	non-capital loss c/t
138	Charitable donations	-	400,000		400,000	re-assessment
139	NET TAXABLE INCOME	=	1,956,939	0	1,956,939	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	463,041		463,041	F8
143	Net Ontario Income Tax (Must agree with tax return)	+	227,023		227,023	O6
144	Subtotal	=	690,064	0	690,064	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	Total Income Tax	=	690,064	0	690,064	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		23.66%		23.66%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		11.60%		11.60%	Divide Ontario
151	Blended Income Tax Rate		35.26%	*****	35.26%	
152						

	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	
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	690,064	0	690,064	
157	Ontario Capital Tax	+	152,992		152,992	O13
158	Federal Large Corporations Tax	+	90,737		90,737	F8
159						
160	Total income and capital taxes	=	933,793	0	933,793	

	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: Chatham-Kent 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)		174,510		174,510	F37
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)		174,510	0	174,510	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		154,633		154,633	F37
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)		154,633	0	154,633	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		174,510		174,510	F37
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		545,100		545,100	F37
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	Total (carry forward to the TAXREC worksheet)		719,610	0	719,610	
52						
53	End of Year:					
54					0	
55					0	F37
56	Environmental				0	
57	Allowance for doubtful accounts		154,633		154,633	F37
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB		609,213		609,213	F37
61					0	F37
62					0	F37
63	Insert line above this line					
64	Total (carry forward to the TAXREC worksheet)		763,846	0	763,846	

	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: Chatham-Kent Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+				0
18	Gain on sale of eligible capital property	+				0
19	Loss on disposal of assets	+				0
20	Charitable donations (Only if it benefits ratepayers)	+				0
21	Taxable capital gains	+				0
22		+				0
23	Scientific research expenditures deducted	+				0
24	per financial statements	+				0
25	Capitalized interest	+				0
26	Soft costs on construction and renovation of buildings	+				0
27	Capital items expensed	+				0
28	Debt issue expense	+				0
29	Financing fees deducted in books	+				0
30	Gain on settlement of debt	+				0
31	Interest paid on income debentures	+				0
32	Recapture of SR&ED expenditures	+				0
33	Share issue expense	+				0
34	Write down of capital property	+				0
35	Amounts received in respect of qualifying environment trust	+				0
36	Provision for bad debts	+	0			0
37		+				0
38		+				0
39		+				0
40	Other Additions: (please explain in detail the nature of the item)	+				0
41		+				0
42		+				0
43		+				0
44		+				0
45		+				0
46	Total Additions	=	0	0		0
47						
48	Recap of Material Additions:					
49			0	0		0
50			0	0		0
51			0	0		0
52			0	0		0
53			0	0		0
54			0	0		0
55			0	0		0
56			0	0		0
57			0	0		0
58			0	0		0
59			0	0		0
60			0	0		0
61			0	0		0
62			0	0		0
63			0	0		0
64			0	0		0
65			0	0		0
66			0	0		0
67			0	0		0
68			0	0		0
69			0	0		0
70			0	0		0
71			0	0		0
72			0	0		0
73			0	0		0

	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: Chatham-Kent Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
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	
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	F9
97		-			0	F9
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	

	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: Chatham-Kent 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	+	2,500			2,500
33	Non-deductible club dues	+	802			802
34	Non-deductible automobile costs	+				0
35	Donations - amount per books	+	400,000			400,000
36	Interest and penalties on unpaid taxes	+				0
37	Management bonuses unpaid after 180 days of year end	+				0
38	Imputed interest expense on Regulatory Assets	+				0
39	Taxable capital gains	+	24,478			24,478
40	Ontario capital tax adjustments	+				0
41	Changes in Regulatory Asset balances	+				0
42	Re-assessment disallowance, including bad debts provision		93,000			93,000
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+				0
44	Revenue Repayable	+	240,000			240,000
45	Provision for Transition Costs	+	330,242			330,242
46	Provision for RSA	+	134,760			
47	Total Additions on which true-up does not apply	=	1,225,782	0		1,091,022
48						
49	Deduct:					
50						
51	CCA adjustments	-				0
52	CEC adjustments	-				0
53	Depreciation and amortization adjustments	-				0
54	Gain on disposal of assets per financial statements	-	58,169			58,169
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	-	156,544			156,544
65		-				0
66	Changes in Regulatory Asset balances	-	1,337,195			1,337,195
67		-				0
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-				0
69	Retirement benefit recorded to transition costs	-	43,578			43,578
70		-				0
71		-				0
72		-				0
73	Total Deductions on which true-up does not apply	=	1,595,486	0		1,595,486
74						

	A	B	C	D	E	F	G
1	PILs TAXES						
2	Corporate Tax Rates						
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Chatham-Kent Hydro Inc.						
5	Reporting period: 2003						
6							
7							
8	Rates Used in 2002 RAM PILs Applications for 2002						Table 1
9	Income Range		0		200,001		
10	RAM 2002		to		to		>700,000
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%		26.12%
15	and Ontario blended		6.00%		6.00%		12.50%
16	Blended rate		19.12%		34.12%		38.62%
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25							
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003						Table 2
27	Income Range		0	250,001	400,001		
28	Expected Rates		to	to	to		>1128000
29		Year	250,000	400,000	1,128,000		
30	Income Tax Rate						
31	Current year	2003					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		24.12%
33	Ontario		5.50%	5.50%	9.75%		12.50%
34	Blended rate		18.62%	27.62%	31.87%		36.62%
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.225%				
38	Surtax		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							
44	Input Information from Utility's Actual 2003 Tax Returns						Table 3
45	Income Range		0	250,001	400,001		
46			to	to	to		>1128000
47		Year	250,000	400,000	1,128,000		
48	Income Tax Rate						
49	Current year	2003					
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		24.12%
51	Ontario		5.50%	5.50%	9.75%		12.50%
52	Blended rate		18.62%	27.62%	31.87%		36.62%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5.0MM	0				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	6,458,222				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23						
60	page 11; federal T2 Schedule 36						

O12
F45

	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: Chatham-Kent Hydro Inc.														
4	Reporting period: 2003														
5	Version 2009.1														
6	0														
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	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	0	0
12	Board-approved PILs tax proxy from Decisions (1)	+/-												0	0
13	True-up Variance Adjustment Q4, 2001 (2)	+/-												0	0
14	True-up Variance Adjustment (3)	+/-			11,703									11,703	0
15	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-												0	0
16	Deferral Account Variance Adjustment (5)	+/-			-64,464									-64,464	0
17	Adjustments to reported prior years' variances (6)	+/-												0	0
18	Carrying charges (7)	+/-												0	0
19	PILs billed to (collected from) customers (8)	-	0											0	0
20			0	0	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761
21	Ending balance: # 1562		0	0	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761	-52,761
22															
23															
24															
25															
26															
27															
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(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.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(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														
48	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(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														
54	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(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.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(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														
64	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														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	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;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	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.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

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Attachment F
2004 Revised SIMPIL Model

Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Chatham-Kent Hydro Inc.
OEB File Number	EB-2012-0097
Filing Year	2004

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Chatham-Kent Hydro Inc.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?	Y/N	Y		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N	N		
16					
17	Is the utility a non-profit corporation?	Y/N	N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	Y	
20		LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		93.1762%	O10
22		LCT		93.6400%	F29
23					
24	Accounting Year End	Date		31-Dec-04	
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)	P1		45,653,588	
32					
33	Common Equity Ratio (CER)	P1		50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity	P1		6.05%	
38					
39	Debt rate	P1		7.25%	
40					
41	Market Adjusted Revenue Requirement			3,035,964	
42					
43	1999 return from RUD Sheet #7	P1		786,476	786,476
44					
45	Total Incremental revenue			2,249,488	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001	P1		1,077,000	1,077,000
48	Amount allowed in 2002	P1		1,077,000	1,077,000
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				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				2,940,476
55					
56	Equity			22,826,794	
57					
58	Return at target ROE			1,381,021	
59					
60	Debt			22,826,794	
61					
62	Deemed interest amount in 100% of MARR			1,654,943	
63					
64	Phase-in of interest - Year 1 (2001)			1,015,805	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			1,602,891	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			1,602,891	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,654,943	
71					
72					
73					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2004							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	2,940,476		1,098,867		4,039,343	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	2,533,000		391,471		2,924,471	P2
21	Employee Benefit Plans - Accrued, Not Paid	3	318,500		-318,500		0	P2
22	Tax reserves - beginning of year	4			154,633		154,633	
23	Reserves from financial statements - end of year	4			807,645		807,645	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			1,719		1,719	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				3,853,836		3,853,836	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,835,114		844,356		2,679,470	P2
34	Employee Benefit Plans - Paid Amounts	8	275,000		-275,000		0	P2
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	1,602,891		93,984		1,696,875	
38	Tax reserves - end of year	4			134,967		134,967	
39	Reserves from financial statements - beginning of year	4			763,846		763,846	
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"				3,926,651		3,926,651	
49								
50	TAXABLE INCOME/ (LOSS)		2,078,971		500,867	Before loss C/F	2,579,838	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5001%		36.12%	
54								
55	REGULATORY INCOME TAX		802,899		-15,543	Actual	787,356	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		802,899		-15,543	Actual	787,356	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	45,653,588		11,243,483		56,897,071	O10
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-341,188		4,658,812	
68	Taxable Capital		40,653,588		10,902,295		52,238,259	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		121,961		34,754	Overpaid	156,715	
73								
74	Federal Large Corporations Tax							
75	Base	18	45,653,588		13,995,720		59,649,308	F29
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		36,820,000		46,820,000	
77	Taxable Capital		35,653,588		50,815,720		12,829,308	
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)		80,221		-54,562		25,659	
82	Less: Federal Surtax 1.12% x Taxable Income	21	23,284		5,610		28,894	
83								
84	Net LCT		56,936		-60,172		-3,236	
85								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2004							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,284,638			Actual 2004	787,356	
91	LCT (proxy tax is grossed-up)	23	91,098			Actual 2004	1,245	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	121,961			Actual 2004	156,715	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,497,696			Actual 2004	945,316	
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	-318,500					
103	Tax reserves deducted in prior year	4	154,633					
104	Reserves from financial statements-end of year	4	807,645					
105	Regulatory Adjustments	5	0					
106	Other additions "Material" Items TAXREC	6	0					
107	Other additions "Material" Items TAXREC 2	6	1,719					
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8	-275,000					
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	134,967					
114	Reserves from F/S beginning of year	4	763,846					
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	= 21,684					
121								
122	Income Tax Rate (including surtax) from 2004 Utility's tax return		x 36.12%					
123								
124	Income Tax Effect on True-up adjustments		= 7,832					
125								
126	Less: Miscellaneous Tax Credits	14	0					
127								
128	Total Income Tax on True-ups		7,832					
129								
130	Income Tax Rate used for gross-up (exclude surtax)		35.00%					
131								
132	TRUE-UP VARIANCE ADJUSTMENT		12,050					
133								
134	IV b) Calculation of the Deferral Account Variance caused by							
135	changes in legislation							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
137	estimate column)		= 2,078,971					
138	REVISED CORPORATE INCOME TAX RATE (including surtax)		x 36.12%					
139								
140	REVISED REGULATORY INCOME TAX		= 750,923					
141								
142	Less: Revised Miscellaneous Tax Credits		- 0					
143								
144	Total Revised Regulatory Income Tax		= 750,923					
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell		- 802,899					
147	C58)							
148	Regulatory Income Tax Variance		= (51,976)					
149								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2004							
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				=	45,653,588		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39				-	5,000,000		
153	Revised deemed taxable capital				=	40,653,588		
154								
155	Rate - Tab Tax Rates cell C54				x	0.3000%		
156								
157	Revised Ontario Capital Tax				=	121,961		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				-	121,961		
159	Regulatory Ontario Capital Tax Variance				=	0		
160								
161	Federal LCT							
162	Base					45,653,588		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40				-	50,000,000		
164	Revised Federal LCT				=	(4,346,412)		
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)				-	56,936		
173	Regulatory Federal LCT Variance				=	(56,936)		
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)					35.00%		
176								
177	Income Tax (grossed-up)				+	(79,963)		
178	LCT (grossed-up)				+	(91,098)		
179	Ontario Capital Tax				+	0		
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT				=	(171,060)		
182								
183	TRUE-UP VARIANCE (from cell I130)				+	12,050		
184								
185	Total Deferral Account Entry (Positive Entry = Debit)				=	(159,011)		
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)					1,654,943		
194	Interest phased-in (Cell C36)					1,602,891		
195								
196	Variance due to phase-in of debt component of MARR in rates					52,052		
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)					1,696,875		
202	Less: Interest components excluded for true-up calculation purposes					42,555	(Interest on customer deposits)	
203	Adjusted Interest					1,654,320		
204	Total deemed interest (REGINFO CELL D61)					1,654,943		
205								
206	Variance caused by excess debt					0		
207								
208	Interest Adjustment for Tax Purposes (carry forward to Cell I110)					0		
209								
210	Total Interest Variance					52,052		

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-381	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: Chatham-Kent Hydro Inc.						
8	Reporting period: 2004						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:	365	days				
12							
13	Please enter the Materiality Level :	0	< - enter materiality level				
14	(0.25% x Rate Base x CER)	Y/N	Y				
15	(0.25% x Net Assets)	Y/N	N				
16	Or other measure (please provide the basis of the amount)	Y/N	N				
17	Does the utility carry on non-wires related operation?	Y/N	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	+	60,246,512		60,246,512	I1	
32	Distribution Revenue	+	10,896,318		10,896,318	I1	
33	Other Income	+	1,242,272		1,242,272	I1	
34	Miscellaneous income	+			0		
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	60,246,512		60,246,512	I1	
40	Administration	-	1,332,124		1,332,124	I1	
41	Customer billing and collecting	-	1,477,513		1,477,513	I1	
42	Operations and maintenance	-	2,365,139		2,365,139	I1	
43	Amortization	-	2,924,471		2,924,471	F9	
44	Ontario Capital Tax	-			0		
45		-			0		
46		-			0		
47		-			0		
48		-			0		
49							
50	Net Income Before Interest & Income Taxes EBIT	=	4,039,343	0	4,039,343		
51	Less: Interest expense for accounting purposes	-	1,696,875		1,696,875	I1	
52	Provision for payments in lieu of income taxes	-	860,883		860,883	I1	
53	Net Income (loss)	=	1,481,585	0	1,481,585		
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	+	860,883	0	860,883		
60	Federal large corporation tax	+			0		
61	Depreciation & Amortization	+	2,924,471	0	2,924,471		
62	Employee benefit plans-accrued, not paid	+		0	0		
63	Tax reserves - beginning of year	+	154,633	0	154,633		
64	Reserves from financial statements- end of year	+	807,645	0	807,645		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	Items on which true-up does not apply "TAXREC 3"	+	3,853,836	0	3,853,836		
67	Material addition items from TAXREC 2	+	1,719	0	1,719		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	Subtotal		8,603,187	0	8,603,187		
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	=	8,603,187	0	8,603,187		
83							
84	Recap Material Additions:						
85			0	0	0		
86			0	0	0		
87			0	0	0		

Andrya Eagen:
 Amort from F/S \$ 2,766,963
 Amort from Tax \$2,924,471
 Variance \$157,508

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-381	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			Return				
5		0			Version 2009.1		
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	-	2,596,146		2,596,146	F10	
98	Cumulative eligible capital deduction	-	83,324		83,324	F10	
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	-	134,967	0	134,967		
105	Reserves from financial statements- beginning of year	-	763,846	0	763,846		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	Items on which true-up does not apply "TAXREC 3"	-	3,926,651	0	3,926,651		
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	=	7,504,934	0	7,504,934		
114	Other deductions (Please explain the nature of the deductions)	-			0		
115	Charitable donations - tax basis	-			0	F10	
116	Gain on disposal of assets	-			0	F10	
117		-			0		
118		-			0		
119		-			0		
120	Total Other Deductions	=	0	0	0		
121							
122	Total Deductions	=	7,504,934	0	7,504,934		
123							
124	Recap Material Deductions:						
125			0	0	0		
126			0	0	0		
127			0	0	0		
128			0	0	0		
129			0	0	0		
130	Total Other Deductions exceed materiality level		0	0	0		
131	Other Deductions less than materiality level		0	0	0		
132	Total Other Deductions		0	0	0		
133							
134	TAXABLE INCOME	=	2,579,838	0	2,579,838		
135	DEDUCT:						
136	Non-capital loss applied	-			0		
137	Net capital loss applied	-			0		
138	Charitable Donations	-	400,000		400,000	F3	
139	NET TAXABLE INCOME	=	2,179,838	0	2,179,838		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	482,179		482,179	F8	
143	Net Ontario Income Tax (Must agree with tax return)	+	305,177		305,177	O3	
144	Subtotal	-	787,356	0	787,356		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0		
146	Total Income Tax	=	787,356	0	787,356		
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 t
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%		Divide Ontario income tax by the t
151	Blended Income Tax Rate		36.12%	*****	36.12%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	787,356	0	787,356		
157	Ontario Capital Tax	+	156,715		156,715	O11	
158	Federal Large Corporations Tax	+	1,245		1,245	F8	
159							
160	Total income and capital taxes	=	945,316	0	945,316		
161							

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	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: Chatham-Kent 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)		154,633		154,633	F9
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)		154,633	0	154,633	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		134,967		134,967	F10
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)		134,967	0	134,967	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		154,633		154,633	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		609,213		609,213	
48						
49					0	
50					0	
51	Total (carry forward to the TAXREC worksheet)		763,846	0	763,846	F10
52						
53	End of Year:					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts		134,967		134,967	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB		672,678		672,678	
61					0	
62					0	
63	Insert line above this line					
64	Total (carry forward to the TAXREC worksheet)		807,645	0	807,645	F9
65						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3					Version 2009.1
7						
8	Utility Name: Chatham-Kent Hydro Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+				0
18	Gain on sale of eligible capital property	+				0
19	Loss on disposal of assets	+				0
20	Charitable donations (Only if it benefits ratepayers)	+				0
21	Taxable capital gains	+				0
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	Tax Interest	+	1,719			1,719
38		+				0
39		+				0
40	Other Additions: (please explain in detail the nature of the item)	+				0
41	Meals & Entertainment (Non-Deductible)	+				0 F9
42	Interest earned on prior year tax balances	+				0 F9
43		+				0
44		+				0
45		+				0
46	Total Additions	=	1,719	0		1,719
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	Tax Interest		1,719	0		1,719
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

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Chatham-Kent Hydro Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
77			0	0	0	
78						
79	Total Material additions		1,719	0	1,719	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		1,719	0	1,719	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	Other deductions: (Please explain in detail the nature of the item)	-			0	
98	Current years capital taxes	-			0	F10
99		-			0	
100		-			0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
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			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						
126						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3					
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY					
6	(for "wires-only" business - see s. 72 OEB Act)					
7		0				
8	Utility Name: Chatham-Kent Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2004					
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	+	4,417			4,417
33	Non-deductible club dues	+				0
34	Non-deductible automobile costs	+				0
35	Donations - amount per books	+	400,000			400,000
36	Interest and penalties on unpaid taxes	+				0
37	Management bonuses unpaid after 180 days of year end	+				0
38	Imputed interest expense on Regulatory Assets	+				0
39		+				0
40	Ontario capital tax adjustments	+				0
41	Changes in Regulatory Asset balances	+	2,268,990			2,268,990
42		+				0
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+				0
44	Revenue Repayable	+	294,850			294,850
45	Provision for Transition Costs	+	846,579			846,579
46	Provision for RSVA	+	39,000			
47	Total Additions on which true-up does not apply	=	3,853,836	0		3,814,836
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	-	103,666			103,666
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	Revenue Repayable	-	240,000			240,000
60	Provision for Transition & RSVA Costs	-	465,002			465,002
61		-				0
62		-				0
63		-				0
64	Ontario capital tax adjustments to current or prior year	-	156,322			156,322
65		-				0
66	Changes in Regulatory Asset balances	-	2,961,661			2,961,661
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	=	3,926,651	0		3,926,651
74						
75						
76						

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-381						
2	Corporate Tax Rates						
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Chatham-Kent Hydro Inc.						
5	Reporting period: 2004						
6							
7							
8	Table 1						
9	Rates Used in 2002 RAM PILs Applications for 2002						
10	Income Range		0		200,001		
11	RAM 2002		to		to		
12		Year	200,000		700,000	>700,000	
13	Income Tax Rate						
14	Proxy Tax Year	2002					
15	Federal (Includes surtax)		13.12%		26.12%	26.12%	
16	and Ontario blended		6.00%		6.00%	12.50%	
17	Blended rate		19.12%		34.12%	38.62%	
18							
19	Capital Tax Rate		0.300%				
20	LCT rate		0.225%				
21	Surtax		1.12%				
22	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
23	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
24	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
25							
26	Table 2						
27	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004						
28	Income Range		0	250,001	400,001		
29	Expected Rates		to	to	to		
30		Year	250,000	400,000	1,128,000	>1,128,000	
31	Income Tax Rate						
32	Current year	2004					
33	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%	
34	Ontario		5.50%	5.50%	9.75%	14.00%	
35	Blended rate		18.62%	27.62%	31.87%	36.12%	
36							
37	Capital Tax Rate		0.300%				
38	LCT rate		0.200%				
39	Surtax		1.12%				
40	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000				
41	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000				
42	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
43							
44	Table 3						
45	Input Information from Utility's Actual 2004 Tax Returns						
46	Income Range		0	250,001	400,001		
47			to	to	to		
48		Year	250,000	400,000	1,128,000	>1,128,000	
49	Income Tax Rate						
50	Current year	2004					
51	Federal (Includes surtax)		13.12%	22.12%	22.29%	22.12%	
52	Ontario		5.50%	5.50%	13.77%	14.00%	
53	Blended rate		18.62%	27.62%	36.06%	36.12%	
54							
55	Capital Tax Rate		0.300%				
56	LCT rate		0.200%				
57	Surtax		1.12%				
58	Ontario Capital Tax Exemption *	MAX \$5MM	4,658,812				
59	Federal Large Corporations Tax Exemption *	MAX \$50MM	46,820,000				
60	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23						
61	page 11; federal T2 Schedule 36						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Chatham-Kent Hydro Inc.														Version 2009.1
4	Reporting period: 2004														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		-159,011		-159,011		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
13	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
14	True-up Variance Adjustment (3)	+/-						12,050							12,050
15	Deferral Account Variance Adjustment Q4, 2001 (4)														0
16	Deferral Account Variance Adjustment (5)	+/-						-171,060							-171,060
17	Adjustments to reported prior years' variances (6)	+/-													0
18	Carrying charges (7)	+/-													0
19	PILs billed to (collected from) customers (8)	-	0												0
20															
21	Ending balance: # 1562		0		0		0		-159,011		-159,011		-159,011		-159,011
22															
23															
24															
25	Uncollected PILs														
26															
27															
28															
29															
30															
31															
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(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.														
45	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
46															
47	(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														
48	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(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														
54	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(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.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(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														
64	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														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	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;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	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.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														

Attachment G
2005 Revised SIMPIL Model

Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Chatham-Kent Hydro Inc.
OEB File Number	EB-2012-0097
Filing Year	2005

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Chatham-Kent Hydro Inc.			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?	Y/N	Y		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N	N		
16					
17	Is the utility a non-profit corporation?	Y/N	N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT Y/N	Y		
20		LCT Y/N	Y		
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT	0.0000%	O10	
22		LCT	52.0000%	F42	
23					
24	Accounting Year End	Date	31-Dec-05		
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)	P1	45,654,000		
32					
33	Common Equity Ratio (CER)	P1	50.00%		
34					
35	1-CER		50.00%		
36					
37	Target Return On Equity	P1	9.88%		
38					
39	Debt rate	P1	7.25%		
40					
41	Market Adjusted Revenue Requirement		3,910,265		
42					
43	1999 return from RUD Sheet #7	P1	786,000	786,000	
44					
45	Total Incremental revenue		3,124,265		
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001	P1	1,077,000	1,077,000	
48	Amount allowed in 2002	P1	1,077,000	1,077,000	
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210		0	0	
50	unless authorized by the Minister and the Board)		0	0	
51	Amount allowed in 2005 - Third tranche of MARR re: CDM	P1	970,265	970,265	
52	Other Board-approved changes to MARR or incremental revenue				
53					
54	Total Regulatory Income			3,910,265	
55					
56	Equity		22,827,000		
57					
58	Return at target ROE		2,255,308		
59					
60	Debt		22,827,000		
61					
62	Deemed interest amount in 100% of MARR		1,654,958		
63					
64	Phase-in of interest - Year 1 (2001)		788,485		
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)		1,244,308		
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward		1,244,308		
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005		1,654,958		
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
14	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	3,910,265		958,166		4,868,431	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	2,533,000		313,538		2,846,538	
21	Employee Benefit Plans - Accrued, Not Paid	3	0		0		0	
22	Tax reserves - beginning of year	4			134,967		134,967	
23	Reserves from financial statements - end of year	4			824,716		824,716	
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"				5,130,740		5,130,740	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,835,114		875,740		2,710,854	
34	Employee Benefit Plans - Paid Amounts	8	0		0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	1,654,958		71,322		1,726,279	
38	Tax reserves - end of year	4			145,051		145,051	
39	Reserves from financial statements - beginning of year	4			807,645		807,645	
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	130,000		-130,000		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"				5,721,381		5,721,381	
49								
50	TAXABLE INCOME/ (LOSS)		2,823,194		(129,012)	Before loss C/F	2,694,182	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		0.0000%		36.12%	
54								
55	REGULATORY INCOME TAX		1,019,737		-192,281	Actual	827,456	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		1,019,737		-192,281	Actual	827,456	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	45,654,000		4,835,867		50,489,867	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		-7,500,000		0	
68	Taxable Capital		38,154,000		-2,664,133		50,489,867	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		118,019		33,451	Overpaid	151,470	
73								
74	Federal Large Corporations Tax							
75	Base	18	45,654,000		9,446,839		55,100,839	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		-24,000,000		26,000,000	
77	Taxable Capital		0		-14,553,161		29,100,839	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		58,202		58,202	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		30,175		30,175	
83								
84	Net LCT		0		28,027		28,027	
85								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
14								
15	III) INCLUSION IN RATES							
16								
17	Income Tax Rate used for gross- up (exclude surtax)		36.12%					
18								
19	Income Tax (proxy tax is grossed-up)	22	1,596,333			Actual 2005	827,456	
20	LCT (proxy tax is grossed-up)	23	0			Actual 2005	20,869	
21	Ontario Capital Tax (no gross-up since it is deductible)	24	118,019			Actual 2005	131,970	
22								
23								
24	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	1,714,352			Actual 2005	980,295	
25								
26								
27	IV) FUTURE TRUE-UPS							
28	IV a) Calculation of the True-up Variance				DR/(CR)			
29	In Additions:							
30	Employee Benefit Plans - Accrued, Not Paid	3			0			
31	Tax reserves deducted in prior year	4			134,967			
32	Reserves from financial statements-end of year	4			824,716			
33	Regulatory Adjustments	5			0			
34	Other additions "Material" Items TAXREC	6			0			
35	Other additions "Material" Items TAXREC 2	6			0			
36	In Deductions - positive numbers							
37	Employee Benefit Plans - Paid Amounts	8			0			
38	Items Capitalized for Regulatory Purposes	9			0			
39	Regulatory Adjustments	10			0			
40	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
41	Tax reserves claimed in current year	4			145,051			
42	Reserves from F/S beginning of year	4			807,645			
43	Contributions to deferred income plans	3			0			
44	Contributions to pension plans	3			0			
45	Other deductions "Material" Items TAXREC	12			0			
46	Other deductions "Material" Item TAXREC 2	12			0			
47								
48	Total TRUE-UPS before tax effect	26			= 6,987			
49								
50	Income Tax Rate (including surtax) from 2005 Utility's tax return				x 36.12%			
51								
52	Income Tax Effect on True-up adjustments				= 2,524			
53								
54	Less: Miscellaneous Tax Credits	14			0			
55								
56	Total Income Tax on True-ups				2,524			
57								
58	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
59								
60	TRUE-UP VARIANCE ADJUSTMENT				3,883			
61								
62	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
63								
64	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)				= 2,823,194			
65								
66	REVISED CORPORATE INCOME TAX RATE (including surtax)				x 36.12%			
67								
68	REVISED REGULATORY INCOME TAX				= 1,019,737			
69								
70	Less: Revised Miscellaneous Tax Credits				- 0			
71								
72	Total Revised Regulatory Income Tax				= 1,019,737			
73								
74	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)				- 1,019,737			
75								
76	Regulatory Income Tax Variance				= 0			
77								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Chatham-Kent Hydro Inc.							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
150	Ontario Capital Tax							
151	Base				=	45,654,000		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39				-	7,500,000		
153	Revised deemed taxable capital				=	38,154,000		
154								
155	Rate - Tab Tax Rates cell C54				x	0.3000%		
156								
157	Revised Ontario Capital Tax				=	114,462		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				-	118,019		
159	Regulatory Ontario Capital Tax Variance				=	(3,557)		
160								
161	Federal LCT							
162	Base					45,654,000		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40				-	50,000,000		
164	Revised Federal LCT				=	(4,346,000)		
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51					0.2000%		
167								
168	Gross Amount					0		
169	Less: Federal surtax				-	0		
170	Revised Net LCT				=	0		
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)				-	0		
173	Regulatory Federal LCT Variance				=	0		
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)					35.00%		
176								
177	Income Tax (grossed-up)				+	0		
178	LCT (grossed-up)				+	0		
179	Ontario Capital Tax				+	(3,557)		
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT				=	(3,557)		
182								
183	TRUE-UP VARIANCE (from cell I130)				+	3,883		
184								
185	Total Deferral Account Entry (Positive Entry = Debit)				=	326		
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)					1,654,958		
194	Interest phased-in (Cell C36)					1,244,308		
195								
196	Variance due to phase-in of debt component of MARR in rates					410,649		
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)					1,726,279		
202	Less: Interest components excluded for true-up calculation purposes					71,959	(Interest on customer deposits and capital tax)	
203	Adjusted Interest					1,654,320		
204	Total deemed interest (REGINFO CELL D61)					1,654,943		
205								
206	Variance caused by excess debt					0		
207								
208	Interest Adjustment for Tax Purposes (carry forward to Cell I110)					0		
209								
210	Total Interest Variance					410,649		
211								
212								
213								

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	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: Chatham-Kent Hydro Inc.					
8	Reporting period: 2005					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:	365	days			
12						
13	Please enter the Materiality Level :	0.25%	< - enter materiality level			
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	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	+	71,404,758		71,404,758	
32	Distribution Revenue	+	11,694,561		11,694,561	
33	Other Income	+	1,336,837		1,336,837	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	71,404,758		71,404,758	
40	Administration	-	1,424,946		1,424,946	
41	Customer billing and collecting	-	1,404,972		1,404,972	
42	Operations and maintenance	-	2,486,511		2,486,511	
43	Amortization	-	2,846,538		2,846,538	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	4,868,431	0	4,868,431	
51	Less: Interest expense for accounting purposes	-	1,726,279		1,726,279	
52	Provision for payments in lieu of income taxes	-	1,391,558		1,391,558	
53	Net Income (loss)	=	1,750,594	0	1,750,594	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	1,391,558	0	1,391,558	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	2,846,538	0	2,846,538	
62	Employee benefit plans-accrued, not paid	+			0	
63	Tax reserves - beginning of year	+	134,967	0	134,967	
64	Reserves from financial statements- end of year	+	824,716	0	824,716	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"	+	5,130,740	0	5,130,740	
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		10,328,519	0	10,328,519	
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	=	10,328,519	0	10,328,519	
83						
84	Recap Material Additions:					
85			0	0	0	

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	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	-	2,633,363		2,633,363	CCA per tax return
98	Cumulative eligible capital deduction	-	77,491		77,491	re-assessment
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	-	145,051	0	145,051	
105	Reserves from financial statements- beginning of year	-	807,645	0	807,645	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"	-	5,721,381	0	5,721,381	
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	=	9,384,931	0	9,384,931	
114	Other deductions (Please explain the nature of the deductions)	-			0	
115	Charitable donations - tax basis	-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	9,384,931	0	9,384,931	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	2,694,182	0	2,694,182	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138	Charitable Donations		400,000		400,000	
139	NET TAXABLE INCOME	=	2,294,182	0	2,294,182	Difference due to tax
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	506,271		506,271	
143	Net Ontario Income Tax (Must agree with tax return)	+	321,185		321,185	
144	Subtotal	=	827,456	0	827,456	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	Total Income Tax	=	827,456	0	827,456	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.07%		22.07%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	Divide Ontario
151	Blended Income Tax Rate		36.07%	*****	36.07%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	827,456	0	827,456	
157	Ontario Capital Tax	+	131,970		131,970	
158	Federal Large Corporations Tax	+	20,869		20,869	
159						
160	Total income and capital taxes	=	980,295	0	980,295	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	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: Chatham-Kent 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)		134,967		134,967	
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)		134,967	0	134,967	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		101,181		101,181	
27	Reserve for goods & services ss.20(1)(m)		43,870		43,870	
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)		145,051	0	145,051	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		134,967		134,967	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB		672,678		672,678	
48					0	
49					0	
50					0	
51	Total (carry forward to the TAXREC worksheet)		807,645	0	807,645	
52						
53	End of Year:					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts		101,181		101,181	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB		723,535		723,535	
61					0	
62					0	
63	Insert line above this line					
64	Total (carry forward to the TAXREC worksheet)		824,716	0	824,716	
65						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Chatham-Kent Hydro Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
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	Meals & Entertainment (Non-Deductible)	+			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 - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Chatham-Kent Hydro Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
76			0	0	0	
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	Other deductions: (Please explain in detail the nature of the item)	-			0	
98	Current year capital taxes	-			0	
99		-			0	
100		-			0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
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			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3					
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY					
6	(for "wires-only" business - see s. 72 OEB Act)					
7						
8	Utility Name: Chatham-Kent Hydro Inc.	0	M of F Corporate Tax Return	Non-wires Eliminations	Wires-only Tax Return	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	+	13,890		13,890	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	2,774		2,774	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		400,000		400,000	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39	Additional depreciation included in financial statement O&M	+	161,819		161,819	
40	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+	2,961,661		2,961,661	
42	Regulatory Asset Recoveries	+	969,368		969,368	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Revenue Repayable	+	83,650		83,650	
45	Provision for Transition Costs	+	507,578		507,578	
46	Provision for RSA	+	30,000			
47	Total Additions on which true-up does not apply	=	5,130,740	0	5,100,740	
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	-	83,930		83,930	
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	Revenue Repayable	-	294,850		294,850	
60	Provision for Transition Costs	-	846,579		846,579	
61	Asset Retirement Reserve	-	39,000		39,000	
62	Terminal loss from Schedule 8	-	11,000		11,000	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-	131,970		131,970	
65		-			0	
66	Changes in Regulatory Asset balances	-	4,314,052		4,314,052	
67		-			0	
68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	5,721,381	0	5,721,381	
74						
75						

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381					
2	Corporate Tax Rates					
3	Exemptions, Deductions, or Thresholds					
4	Utility Name: Chatham-Kent Hydro Inc.					
5	Reporting period: 2005					
6						
7						
8	Rates Used in 2005 RAM PILs Applications for 2005					Table 1
9	Income Range		0		400,001	
10	RAM 2002		to		to	>1128000
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)		13.12%	22.12%	22.12%	22.12%
33	Ontario		5.50%	5.50%	9.75%	14.00%
34	Blended rate		18.62%	27.62%	31.87%	36.12%
35						
36	Capital Tax Rate		0.300%			
37	LCT rate		0.225%			
38	Surtax		1.12%			
39	Ontario Capital Tax Exemption *** 2002	MAX \$7.5MM	7,500,000			
40	Federal Large Corporations Tax Exemption *** 2002	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%	9.75%	14.00%
52	Blended rate		18.62%	27.62%	31.87%	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	0			
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	26,000,000			
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 - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Chatham-Kent Hydro Inc.														
4	Reporting period: 2005														
5	Sign Convention: + for increase; - for decrease														
6	Version 2009.1														
7	0														
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	326	0				
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-								3,883					3,883
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-													0
20	Deferral Account Variance Adjustment (5)	+/-								-3,557					-3,557
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0	0	0	0	0	326	326	326					
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(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.														
45	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
46															
47	(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														
48	true-up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(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														
54	true-up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(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.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(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														
64	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														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	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;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	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.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															