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Application Contact Information

Name: Martin Sultana

Title: Rates Manager

Phone Number: 905-283-4255

Email Address: msultana@enersource.com

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Data Input Sheet - Applicant's Rate Base

Rate Base			\$ 643,384,158	
Deemed ShortTerm Debt %	4.00%	т	\$ 25,735,366	W=S*T
Deemed Long Term Debt %	56.00%	U	\$ 360,295,128	X=8'U
Deemed Equity %	40.00%	٧	\$ 257,353,663	Y=5*V
Short Term Interest Rate	2.08%	Z	\$ 535,296	AC = W * Z
Long Term Interest	5.09%	AA	\$ 18,344,066	AD = X * AA
Return on Equity (Regulatory Income)	9.12%	AB	\$ 23,470,654	AE = Y · AB
Return on Rate Base			\$ 42,350,016	$AF \circ AC \circ AD \circ AE$

		2014 Test Year
1.	Does the applicant have any Investment Tax Credits (ITC)?	Yes
2.	Does the applicant have any SRED Expenditures?	Yes
3.	Does the applicant have any Capital Gains or Losses for tax purposes?	No
4.	Does the applicant have any Capital Leases?	No
5.	Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	Yes
6.	Since 1999, has the applicant acquired another regulated applicant's assets?	No
7.	Did the applicant pay dividends?	Yes
	If Yes, please describe what was the tax treatment in the manager's summary.	
8	Did the applicant elect to capitalize interest incurred on CWP for tax oursoses?	No.

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Tax Rate & Exemptions

Tax Rates Federal & Provincial	Effective	Effective	Effective	Effective	
As of March 22, 2011	January 1, 2011	January 1, 2012	January 1, 2013	January 1, 2014	
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%	
	16.50%	15.00%	15.00%	15.00%	(refer to Note 1)
Ontario income tax	11.75%	11.50%	11.50%	11.50%	
Combined federal and Ontario	28.25%	26.50%	26.50%	26.50%	
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	
Federal small business rate	11.00%	11.00%	11.00%	11.00%	
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	

NOTES:

1. Federal Budgets of March 22, 2011 and June 6, 2011 reaffirmed the corporate tax rate reductions to 16.5% in 2011 and 15% in 2012.

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Schedule 8 CCA - 2014 Test Year

Chart	Chass Description	UDE Test Year Opening Ballance	Adjustment	USD Test Year Opening Balance	Additions 99	Deposits	USC Setson 10 W Adjustment	10 Year Rule (10 Additions Lets Dispessels)	Reduined LIDE	Pare to	Test Year DCA	NOC EX	UDO End of Tem Year
		\$ 301,638,778		\$ 101,628,778	4,432,251	15	306,171,509	\$ 2218,128	1 300,004,000	198	\$ 12,15a,158		280,918,833
1 Enhanced	4 Nea-residential Bultimas Reg. 1100(1)(a.1) election	\$ 675,462		1 475,462		1	675,042		E 675.452	L	1 45.08		*****
**	Distribution System - pre 1988	\$ 29,152,637		1 29,142,437		r	29.362.637		1 29.162.637	Ŀ	1 1346,798		27412878
	General Office/Sozne Equip	1 6,120,866		1 5,120,965	1,802,782	-	6.923.747		8 4 G 12 mag	Ł	11304.071		8719378
10	Computer Hantware/ Vehicles	\$ 4,247,713		5 4,247,713	1.842,711		6.090.434		8,150,098	1	1000000		4 539 743
10.1	Certain Automobiles	5 145,548		8 146,648		-	142.548		18558		42.664		1121 382
22	Computer Software	\$ 1,661,415		8 1,081,415	CHEST STATE	-	6337.167	B28/8671 1	1 3,48,291	+	1 1444 307	-	1 /407.878
12.1	Lease #1				The same of the sa	Ī			-	-			
13.2	(toses #2)					-	7					10	
18.3	Lease # 3										1		
13.4	Lease 64			,		Ť							
14	Pranchise					-							
11	New Sections Generating Equipment Acq's after Feb 2700 Other Than Bidgs	1.00		*		-	,	9	1	8%		-	
42	Fitne Optic Cable					-	t t	*		12%			
43.3	Certain Energy-Efficient Electrical Ceneraling Equipment					-				30%			
45.2	Certain Clean Brengy Generation Equipment					-			-	20%		-	1
43	Computers & Systems Seftware acq'd poet Mar 22/34	8 29,873		1 25.873		-	28.873		1 3877	35.173 45%	15.001	1 1	10.430
90	Data Network Intrastructure Equipment (actif post Mar 33/64)									30%			
43	Distribution System - post February 2005	\$ 214,045,557		\$ 214,048,597	39.150.269		247,190,886 8	8 595 315 94 8	\$ 130,000,741	-	1 15.446.059		208.785.225
99	Data Network Infrastructure Equipment - post Mar 2007	1,349,687		1,249,687	547,037	f	C96034 8	\$ 273.519	305,4251	55%	\$ 417.753	-	400.001
62	Computer Bandware and system software					-				100%			
56	CWIP	1 4.559,223		5 4,545,223			4588333		122,000,1	₩			4,589,323
	Buldings - Pre 1968	\$ 1,848,748		8 1,340,748			1,845,748		1,540,748	5%	\$ 80,000	100	1748.711
11	Exicusets	\$ 2,187,628	The second second	\$ 2,187,629		Ť	3,187,528		\$ 2.167.628	8%	\$ 175,016		2012-818
10,1	Certain Automobiles.	1 2.421	4 2421			-		-		30%		-	
10.1	Certain Automobiles	12421	3 2.421			-	*			30%		-	*
			1000	100			***			%0			1
						8	(4)			%0	-		
		*				*			W 24	%0		-	9
							1	*	+	%0			+
						*	4	(A)		%0		-	+
				ì				W.		%0			*
	TOTAL.	\$ \$14,000,000 £	1 1967 1	1 112,885,998 1	44,358,822 1		411,846,295 1	1117917822 1	468,370,084		1 25 745 541		672-198-864

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Schedule 10 CEC - Test Year	
Cumulative Eligible Capital	12,535,243
Additions Cost of Eligible Capital Property Acquired during Test Year	0
Other Adjustments	0
	Subtotal $0 \times 3/4 = 0$
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0 × 1/2 = 0
Amount transferred on amalgamation or wind-up of subsidiary	0
	Subtotal 12,535,243
Deductions	
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0
Other Adjustments	0
	Subtotal 0 x3/4= 0
Cumulative Eligible Capital Balance	12,535,243
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	12,535,243 x 7% = 877,467
Cumulative Eligible Capital - Closing Balance	11,657,776

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Taxable Income - 2014 Test Year

		Test Year Taxable Income
Net Income Before Taxes		23,470,654
		1
	T2 S1 line	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P469	104	30,304,933
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	5,929,160
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	90,964
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	

Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
Other Additions: (please explain in detail the nature of the item)		
Interest Expensed on Capital	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	_
Non-deductible penalties	293	
	294	
	295	
	296	
	297	
ARO Accretion expense		1
Capital Contributions Received (ITA		0.000.00
12(1)(x)) Lease Inducements Received (ITA		2,933,37
12(1)(x))		_
Deferred Revenue (ITA 12(1)(a)) Prior Year Investment Tax Credits		400,000
		-
Total Additions		39,658,432
Deductions:		33,000,402
Gain on disposal of assets per financial statements	401	161,000
Dividends not taxable under section	402	
Capital cost allowance from Schedule 8	403	39,760,54
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	877,467
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	
Reserves from financial statements -	414	5,493,160
balance at beginning of year	Home	5,755,100
Contributions to deferred income	416	
plans		
Book income of joint venture or partnership	305	
Book income of joint venture or	305 306	
Book income of joint venture or partnership Equity in income from subsidiary or		

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	391	
Non-taxable imputed interest	2000000	
income on deferral and variance	392	
accounts		-
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		2,933,375
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m)		
Principal portion of lease payments		
Lease Inducement Book		1
Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		438,477
Allowance for Funds Used During Construction		273,836
		-
Total Deductions		49,937,856
		49,937,856
Total Deductions NET INCOME FOR TAX PURPOSES		
NET INCOME FOR TAX PURPOSES	311	
NET INCOME FOR TAX	311	
NET INCOME FOR TAX PURPOSES Charitable donations	311 320	
NET INCOME FOR TAX PURPOSES Charitable donations Faxable dividends received under section 112 or 113 Non-capital losses of preceding	201	
PURPOSES Charitable donations Faxable dividends received under section 112 or 113 Non-capital losses of preceding axation years from Schedule 7-1 Net-capital losses of preceding axation years (Please show	320	
NET INCOME FOR TAX PURPOSES Charitable donations Faxable dividends received under section 112 or 113 Non-capital losses of preceding axation years from Schedule 7-1 Net-capital losses of preceding	320 331	
NET INCOME FOR TAX PURPOSES Charitable donations Exactly dividends received under section 112 or 113 Non-capital losses of preceding axation years from Schedule 7-1 Net-capital losses of preceding axation years (Please show salculation) Limited partnership losses of preceding taxation years from sections of preceding taxation years from the pr	320 331 332	49,937,856

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PILs Tax Provision - 2014 Test Year

\$ 13.191.230 A			\$ 1.481,991 J = C + F	26,23% M = K + L	\$ 3,460,676 N = A * M	\$ 400,000 O	\$ 3,060,676 R = N - Q	\$ 1,088,531 T=R/S-N	\$ 4,149,207 U=R+T
	\$1,516,991 C=A*B	35,000 F = D*E		K=J/A L				S = 1 - M	
	1,516,991			11,23%				73.77%	
	œ.	ОШ Š							
	11.50% E	\$ 500,000 D							
	Ontario Income Tax	Ontario Small Business Threshold Rate reduction		Effective Ontario Tax Rate Federal tax rate Combined tax rate					
Regulatory Taxable Income	Ontario Income Taxes Income tax payable	Small business credit	Ontario Income tax	Combined Tax Rate and PILs	Total Income Taxes	Investment Tax Credits Ascellaneous Tax Credits Total Tax Credits	Corporate PILs/Income Tax Provision for Test Year	Corporate PILs/Income Tax Provision Gross Up	Income Tax (grossed-up)

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.