

PILs TAXES - EB-2011-0322				Version 2009.1
REGULATORY INFORMATION (REGINFO)				
Utility Name: Chapleau Public Utilities Corporation			Colour Code	
Reporting period: 2004			Input Cell	
			Formula in Cell	
Days in reporting period:	366	days		
Total days in the calendar year:	366	days		
BACKGROUND				
Has the utility reviewed section 149(1) ITA to confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?		Y/N	Y	
Was the utility recently acquired by Hydro One and now subject to s.89 & 90 PILs?		Y/N	N	
Is the utility a non-profit corporation? (If it is a non-profit corporation, please contact the Rates Manager at the OEB)		Y/N	N	
Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
	LCT	Y/N	N	
Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100%	
	LCT		100%	
Accounting Year End		Date	31-Dec-2004	
MARR NO TAX CALCULATIONS SHEET #7 FINAL RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS) USE BOARD-APPROVED AMOUNTS				Regulatory Income
Rate Base (wires-only)			1,609,408	
Common Equity Ratio (CER)			50.00%	
1-CER			50.00%	
Target Return On Equity			9.88%	
Debt rate			7.25%	
Market Adjusted Revenue Requirement			137,846	
1999 return from RUD Sheet #7			6,424	6,424
Total Incremental revenue			131,422	
Input: Board-approved dollar amounts phased-in				
Amount allowed in 2001			43,807	43,807
Amount allowed in 2002			43,807	43,807
Amount allowed in 2003 and 2004 (will be zero due to Bill 210 unless authorized by the Minister and the Board)			0	0
Amount allowed in 2005 - Third tranche of MARR re: CDM				0
Other Board-approved changes to MARR or incremental revenue				0
				0
Total Regulatory Income				94,038
Equity			804,704	
Return at target ROE			79,505	
Debt			804,704	
Deemed interest amount in 100% of MARR			58,341	
Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61			21,259	
Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61			39,800	
Phase-in of interest - Year 3 (2003) and forward ((D43+D47+D48)/D41)*D61 (due to Bill 210)			39,800	
Phase-in of interest - 2005			58,341	

PILs TAXES - EB-2011-0322	ITEM	Initial Estimate	M of F Filing	M of F Filing	Tax Returns			
PILs DEFERRAL AND VARIANCE ACCOUNTS								
TAX CALCULATIONS (TAXCALC)			Variance	Variance				
("Wires-only" business - see Tab TAXREC)			K-C	Explanation				
0					Version 2009.1			
Utility Name: Chapleau Public Utilities Corporation								
Reporting period: 2004								
Days in reporting period:	366	days			Column Brought			
Total days in the calendar year:	366	days			From TAXREC			
		\$	\$		\$			
I) CORPORATE INCOME TAXES								
Regulatory Net Income REGINFO E53	1	94,038	-205,270		-111,232			
BOOK TO TAX ADJUSTMENTS								
Additions:								
Depreciation & Amortization	2	89,398	-51,508		37,890			
Employee Benefit Plans - Accrued, Not Paid	3	0	0		0			
Tax reserves - beginning of year	4		0		0			
Reserves from financial statements - end of year	4		0		0			
Regulatory Adjustments - increase in income	5	0	0		0			
Other Additions (See Tab entitled "TAXREC")								
"Material" Items from "TAXREC" worksheet	6		0		0			
Other Additions (not "Material") "TAXREC"	6		0		0			
"Material" Items from "TAXREC 2" worksheet	6		0		0			
Other Additions (not "Material") "TAXREC 2"	6		0		0			
Items on which true-up does not apply "TAXREC 3"			0		0			
Deductions: Input positive numbers								
Capital Cost Allowance and CEC	7	68,039	-29,912		38,127			
Employee Benefit Plans - Paid Amounts	8		0		0			
Items Capitalized for Regulatory Purposes	9		0		0			
Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0			
Interest Expense Deemed/ Incurred	11	39,800	193,444		233,244			
Tax reserves - end of year	4		0		0			
Reserves from financial statements - beginning of year	4		0		0			
Contributions to deferred income plans	3		0		0			
Contributions to pension plans	3		0		0			
Interest capitalized for accounting but deducted for tax	11		0		0			
Other Deductions (See Tab entitled "TAXREC")								
"Material" Items from "TAXREC" worksheet	12		0		0			
Other Deductions (not "Material") "TAXREC"	12		0		0			
Material Items from "TAXREC 2" worksheet	12		0		0			
Other Deductions (not "Material") "TAXREC 2"	12		0		0			
Items on which true-up does not apply "TAXREC 3"			0		0			
TAXABLE INCOME/ (LOSS)		75,597	-420,310		-344,713			
BLENDED INCOME TAX RATE								
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%	-0.5000%		18.62%			
REGULATORY INCOME TAX		14,454	-14,454		0			
Miscellaneous Tax Credits	14		0		0			
Total Regulatory Income Tax		14,454	-14,454		0			
II) CAPITAL TAXES								
Ontario								
Base	15	1,609,408	-244,541		1,364,867			Enter from tax return
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	0		5,000,000			Enter from tax return
Taxable Capital		0	-244,541		-3,635,133			
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%			
Ontario Capital Tax		0	0		0			
Federal Large Corporations Tax								
Base	18	1,609,408	-244,304		1,365,104			Enter from tax return
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	0		10,000,000			Enter from tax return
Taxable Capital		0	-244,304		-8,634,896			
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	-0.0250%		0.2000%			
Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0	-17,270		-17,270			
Less: Federal Surtax 1.12% x Taxable Income	21	0	0		0			
Net LCT		0	-17,270		-17,270			
III) INCLUSION IN RATES								
Income Tax Rate used for gross- up (exclude surtax)		18.00%						
Income Tax (proxy tax is grossed-up)	22	17,627			0			
LCT (proxy tax is grossed-up)	23	0			0			
Ontario Capital Tax (no gross-up since it is deductible)	24	0			0			
Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	17,627			0			

PILs TAXES - EB-2011-0322	ITEM	Initial Estimate	M of F Filing Variance	M of F Filing Variance	Tax Returns				
PILs DEFERRAL AND VARIANCE ACCOUNTS									
TAX CALCULATIONS (TAXCALC)									
("Wires-only" business - see Tab TAXREC)	0		K-C	Explanation	Version 2009.1				
Utility Name: Chapleau Public Utilities Corporation									
Reporting period: 2004									
Days in reporting period:	366	days			Column Brought From TAXREC				
Total days in the calendar year:	366	days							
		\$	\$		\$				
IV) FUTURE TRUE-UPS									
IV a) Calculation of the True-up Variance				DR/(CR)					
In Additions:									
Employee Benefit Plans - Accrued, Not Paid	3			0					
Tax reserves deducted in prior year	4			0					
Reserves from financial statements-end of year	4			0					
Regulatory Adjustments	5			0					
Other additions "Material" Items TAXREC	6			0					
Other additions "Material" Items TAXREC 2	6			0					
In Deductions - positive numbers									
Employee Benefit Plans - Paid Amounts	8			0					
Items Capitalized for Regulatory Purposes	9			0					
Regulatory Adjustments	10			0					
Interest Adjustment for tax purposes (See Below - cell I204)	11			174,903					
Tax reserves claimed in current year	4			0					
Reserves from F/S beginning of year	4			0					
Contributions to deferred income plans	3			0					
Contributions to pension plans	3			0					
Other deductions "Material" Items TAXREC	12			0					
Other deductions "Material" Item TAXREC 2	12			0					
Total TRUE-UPS before tax effect	26		=	-174,903					
Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	18.62%					
Income Tax Effect on True-up adjustments			=	-32,567					
Less: Miscellaneous Tax Credits	14			0					
Total Income Tax on True-ups				-32,567					
Income Tax Rate used for gross-up (exclude surtax)				17.50%					
TRUE-UP VARIANCE ADJUSTMENT				-39,475					
IV b) Calculation of the Deferral Account Variance caused by changes in legislation									
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	75,597					
CORPORATE INCOME TAX RATE			x	18.62%					
REGULATORY INCOME TAX			=	14,076					
Less: Miscellaneous Tax Credits			-	0					
Total Regulatory Income Tax			=	14,076					
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	14,454					
Regulatory Income Tax Variance			=	-378					
Ontario Capital Tax									
Base			=	1,609,408					
Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000					
Revised deemed taxable capital			=	-3,390,592					
Rate - Tab Tax Rates cell C54			x	0.3000%					
Revised Ontario Capital Tax			=	0					
Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0					
Regulatory Ontario Capital Tax Variance			=	0					
Federal LCT									
Base			=	1,609,408					
Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000					
Revised Federal LCT			=	-8,390,592					
Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%					
Gross Amount				0					
Less: Federal surtax			-	0					
Revised Net LCT			=	0					
Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0					
Regulatory Federal LCT Variance			=	0					
Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%					
Income Tax (grossed-up)			+	-458					
LCT (grossed-up)			+	0					
Ontario Capital Tax			+	0					
DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-458					
TRUE-UP VARIANCE (from cell I130)			+	-39,475					
Total Deferral Account Entry (Positive Entry = Debit)			=	-39,933					
(Deferral Account Variance + True-up Variance)									

PILs TAXES - EB-2011-0322	LINE	M of F	Non-wires	Wires-only
TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax
(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
0		Return		Version 2009.1
Section A: Identification:				
Utility Name: Chapleau Public Utilities Corporation				
Reporting period: 2004				
Taxation Year's start date:				
Taxation Year's end date:				
Number of days in taxation year:		366	days	
Please enter the Materiality Level :		2,012	< - enter materiality level	
(0.25% x Rate Base x CER)	Y/N	Y		
(0.25% x Net Assets)	Y/N			
Or other measure (please provide the basis of the amount)	Y/N			
Does the utility carry on non-wires related operation?	Y/N			
(Please complete the questionnaire in the Background questionnaire worksheet.)				
Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
Section B: Financial statements data:				
<i>Input unconsolidated financial statement data submitted with Tax returns.</i>				
<i>The actual categories of the income statements should be used.</i>				
<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>				
<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>				
Income:				
Energy Sales	+	2,020,259		2,020,259
Distribution Revenue	+	518,802		518,802
Other Income	+	24,892		24,892
Miscellaneous income	+			0
	+			0
Revenue should be entered above this line				
Costs and Expenses:				
Cost of energy purchased	-	2,054,111		2,054,111
Administration	-	158,975		158,975
Customer billing and collecting	-	65,879		65,879
Operations and maintenance	-	309,103		309,103
Amortization	-	37,890		37,890
Ontario Capital Tax	-			0
Reg Assets Interest	-	5,420		5,420
Interest Charge from Chapleau ESC for PUC's portion of shared costs (Should be Service Charge not Interest)	-	43,807		43,807
	-			0
Net Income Before Interest & Income Taxes EBIT	=	-111,232	0	-111,232
Less: Interest expense for accounting purposes	-	233,244		233,244
Provision for payments in lieu of income taxes	-	0		0
Net Income (loss)	=	-344,476	0	-344,476
(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)				
Section C: Reconciliation of accounting income to taxable income				
From T2 Schedule 1				
BOOK TO TAX ADDITIONS:				
Provision for income tax	+	0	0	0
Federal large corporation tax	+			0
Depreciation & Amortization	+	37,890	0	37,890
Employee benefit plans-accrued, not paid	+	0	0	0
Tax reserves - beginning of year	+	0	0	0
Reserves from financial statements- end of year	+	0	0	0
Regulatory adjustments on which true-up may apply (see A66)	+			0
Items on which true-up does not apply "TAXREC 3"		0	0	0
Material addition items from TAXREC 2	+	0	0	0
Other addition items (not Material) from TAXREC 2	+	0	0	0
Subtotal		37,890	0	37,890

PILs TAXES - EB-2011-0322	LINE	M of F	Non-wires	Wires-only	
TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	0	Return			
				Version 2009.1	
<i>Other Additions: (Please explain the nature of the additions)</i>					
Recapture of CCA	+			0	
	+			0	
	+			0	
	+			0	
	+			0	
	+			0	
	+			0	
<i>Total Other Additions</i>	=	0	0	0	
Total Additions	=	37,890	0	37,890	
Recap Material Additions:					
		0	0	0	
		0	0	0	
		0	0	0	
		0	0	0	
		0	0	0	
		0	0	0	
		0	0	0	
<i>Total Other additions >materiality level</i>		0	0	0	
Other additions (less than materiality level)		0	0	0	
Total Other Additions		0	0	0	
BOOK TO TAX DEDUCTIONS:					
Capital cost allowance	-	38,127		38,127	
Cumulative eligible capital deduction (per reassessed 2002 return)	-	0		0	
Employee benefit plans-paid amounts	-	0		0	
Items capitalized for regulatory purposes	-			0	
<i>Regulatory adjustments :</i>	-			0	
CCA	-			0	
<i>other deductions</i>	-			0	
<i>Tax reserves - end of year</i>	-	0	0	0	
<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
<i>Contributions to deferred income plans</i>	-			0	
<i>Contributions to pension plans</i>	-			0	
Items on which true-up does not apply "TAXREC 3"		0	0	0	
Interest capitalized for accounting deducted for tax	-			0	
Material deduction items from TAXREC 2	-	0	0	0	
Other deduction items (not Material) from TAXREC 2	-	0	0	0	
Subtotal	=	38,127	0	38,127	
<i>Other deductions (Please explain the nature of the deductions)</i>					
Charitable donations - tax basis	-			0	
	-			0	
	-			0	
	-			0	
	-			0	
<i>Total Other Deductions</i>	=	0	0	0	
Total Deductions	=	38,127	0	38,127	
Recap Material Deductions:					
		0	0	0	
		0	0	0	
		0	0	0	
		0	0	0	
		0	0	0	
<i>Total Other Deductions exceed materiality level</i>		0	0	0	
Other Deductions less than materiality level		0	0	0	
Total Other Deductions		0	0	0	
TAXABLE INCOME	=	-344,713	0	-344,713	
DEDUCT:					
Non-capital loss applied	-	0		0	

PILs TAXES - EB-2011-0322	LINE	M of F	Non-wires	Wires-only	
TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
0		Return			
				Version 2009.1	
Net capital loss applied positive number	-			0	
Charitable donations		0		0	
NET TAXABLE INCOME	=	-344,713	0	-344,713	
FROM ACTUAL TAX RETURNS					
Net Federal Income Tax (Must agree with tax return)	+	0		0	
Net Ontario Income Tax (Must agree with tax return)	+	0		0	
Subtotal	=	0	0	0	
Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
Total Income Tax	=	0	0	0	
FROM ACTUAL TAX RETURNS					
Net Federal Income Tax Rate (Must agree with tax return)		13.12%		13.12%	
Net Ontario Income Tax Rate (Must agree with tax return)		5.50%		5.50%	
Blended Income Tax Rate		18.62%		18.62%	
Section F: Income and Capital Taxes					
RECAP					
Total Income Taxes	+	0	0	0	
Ontario Capital Tax	+	0		0	
Federal Large Corporations Tax	+	0		0	
Total income and capital taxes	=	0	0	0	

PILs TAXES - EB-2011-0322	LINE	M of F	Non-wires	Wires-only	
Tax and Accounting Reserves		Corporate	Eliminations	Tax	
For MoF Column of TAXCALC		Tax		Return	
(for "wires-only" business - see s. 72 OEB Act)		Return			
0				Version 2009.1	
Utility Name: Chapleau Public Utilities Corporation					
Reporting period: 2004					
TAX RESERVES					
Beginning of Year:					
				0	
Reserve for doubtful accounts ss. 20(1)(l)				0	
Reserve for goods & services ss.20(1)(m)				0	
Reserve for unpaid amounts ss.20(1)(n)				0	
Debt and share issue expenses ss.20(1)(e)				0	
Other - Please describe				0	
Other - Please describe				0	
				0	
				0	
Total (carry forward to the TAXREC worksheet)		0	0	0	
End of Year:					
				0	
Reserve for doubtful accounts ss. 20(1)(l)				0	
Reserve for goods & services ss.20(1)(m)				0	
Reserve for unpaid amounts ss.20(1)(n)				0	
Debt and share issue expenses ss.20(1)(e)				0	
Other - Please describe				0	
Other - Please describe				0	
				0	
				0	
Insert line above this line					
Total (carry forward to the TAXREC worksheet)		0	0	0	
FINANCIAL STATEMENT RESERVES					
Beginning of Year:					
				0	
				0	
Environmental				0	
Allowance for doubtful accounts				0	
Inventory obsolescence				0	
Property taxes				0	
Other - Please describe				0	
Other - Please describe				0	
				0	
Total (carry forward to the TAXREC worksheet)		0	0	0	
End of Year:					
				0	
				0	
Environmental				0	
Allowance for doubtful accounts				0	
Inventory obsolescence				0	
Property taxes				0	
Other - Please describe				0	
Other - Please describe				0	
				0	
Insert line above this line					
Total (carry forward to the TAXREC worksheet)		0	0	0	

[illegible]

PILs TAXES - EB-2011-0322	LINE	M of F	Non-wires	Wires-only
TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax
(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
RATEPAYERS ONLY		Return		
Shareholder-only Items should be shown on TAXREC 3				Version 2009.1
Utility Name: Chapleau Public Utilities Corporation				
Reporting period: 2004				
Number of days in taxation year:		366		
Materiality Level:		2,012		
		0	0	0
		0	0	0
Total Material additions		0	0	0
Other additions less than materiality level		0	0	0
Total Additions		0	0	0
Deduct:				
Gain on disposal of assets per f/s	-			0
Dividends not taxable under section 83	-			0
Terminal loss from Schedule 8	-			0
Depreciation in inventory, end of prior year	-			0
Scientific research expenses claimed in year from Form T661	-			0
Bad debts	-			0
Book income of joint venture or partnership	-			0
Equity in income from subsidiary or affiliates	-			0
Contributions to a qualifying environment trust	-			0
Other income from financial statements	-			0
	-			
	-			0
	-			0
Other deductions: (Please explain in detail the nature of the item)	-			0
				0
	-			0
Total Deductions	=	0	0	0
Recap of Material Deductions:				
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Deductions exceed materiality level		0	0	0
Other deductions less than materiality level		0	0	0
Total Deductions		0	0	0

PILs TAXES - EB-2011-0322				
TAX RETURN RECONCILIATION (TAXREC 3)				
Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only
ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax
(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
0		Return		
Utility Name: Chappleau Public Utilities Corporation			Version 2009.1	
Reporting period: 2004				
Number of days in taxation year:		366		
Section C: Reconciliation of accounting income to taxable income				
Add:				
Recapture of capital cost allowance	+			0
CCA adjustments	+			0
CEC adjustments	+			0
Gain on sale of non-utility eligible capital property	+			0
Gain on sale of utility eligible capital property	+			0
Loss from joint ventures or partnerships	+			0
Deemed dividend income	+			0
Loss in equity of subsidiaries and affiliates	+			0
Loss on disposal of utility assets	+			0
Loss on disposal of non-utility assets	+			0
Depreciation in inventory - end of year	+			0
Depreciation and amortization adjustments	+			0
Dividends credited to investment account	+			0
Non-deductible meals	+	0		0
Non-deductible club dues	+			0
Non-deductible automobile costs	+			0
Donations - amount per books		0		0
Interest and penalties on unpaid taxes		0		0
Management bonuses unpaid after 180 days of year end				0
Imputed interest expense on Regulatory Assets				0
Small tools expensed for accounting	+	0		0
Ontario capital tax adjustments	+	0		0
Changes in Regulatory Asset balances	+			0
	+			0
<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0
Taxable portion of regulatory assets	+	0		0
Amortization of regulatory assets	+	0		0
Ontario specified tax credits	+	0		0
Total Additions on which true-up does not apply	=	0	0	0
Deduct:				
CCA adjustments	-			0
CEC adjustments	-			0
Depreciation and amortization adjustments	-			0
Gain on disposal of assets per financial statements	-			0
Financing fee amortization - considered to be interest expense for PILs	-			0
Imputed interest income on Regulatory Assets	-			0
Donations - amount deductible for tax purposes	-			0
Income from joint ventures or partnerships	-			0
Carrying charges revenue	-	0		0
Regulatory assets recovered	-	0		0
	-			0
	-			0
Ontario capital tax adjustments to current or prior year	-	0		0
	-			0
Changes in Regulatory Asset balances	-			0
	-			0
<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0
	-			0
	-			0
	-			0
Total Deductions on which true-up does not apply	=	0	0	0

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range		0 to 200,000		200,001 to 700,000	>700,000
RAM 2002	Year				
Income Tax Rate					
Proxy Tax Year	2002				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Expected Rates	Year				
Income Tax Rate					
Current year	2004				
Federal (Includes surtax)	2004	13.12%	22.12%	22.12%	22.12%
Ontario	2004	5.50%	5.50%	9.75%	14.00%
Blended rate	2004	18.62%	27.62%	31.87%	36.12%
Capital Tax Rate	2004	0.300%			
LCT rate	2004	0.200%			
Surtax	2004	1.12%			
Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	10,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2004 Tax Returns

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
	Year				
Income Tax Rate					
Current year	2004				
Federal (Includes surtax)		13.12%	22.12%	22.29%	22.12%
Ontario		5.50%	5.50%	13.77%	14.00%
Blended rate		18.62%	27.62%	36.06%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000			
Federal Large Corporations Tax Exemption *	MAX \$50MM	10,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

PILs TAXES - EB-2011-0322								
Analysis of PILs Tax Account 1562:								
Utility Name: Chapleau Public Utilities Corporation								
Reporting period: 2004								
Sign Convention: + for increase; - for decrease								Version 2009.1
								0
Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	
Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	Total
Opening balance:	=	0	5,068	-3,220	-36,608	-66,928	-104,743	0
Board-approved PILs tax proxy from Decisions (1)	+/-	5,068	17,627	22,695	18,894	4,407	7,630	76,321
PILs proxy from April 1, 2005 - input 9/12 of amount						17,168		17,168
True-up Variance Adjustment Q4, 2001 (2)	+/-							0
True-up Variance Adjustment (3)	+/-		-7,127	-32,431	-30,911	-39,475		-109,944
Deferral Account Variance Adjustment Q4, 2001 (4)								0
Deferral Account Variance Adjustment (5)	+/-		0	0	-458	-458		-916
Adjustments to reported prior years' variances (6)	+/-							0
Carrying charges (7)	+/-							0
PILs billed to (collected from) customers (8)	-	0	-18,788	-23,652	-17,846	-19,456	-12,024	-91,765
Ending balance: # 1562		5,068	-3,220	-36,608	-66,928	-104,743	-109,136	-109,136

Uncollected PILs

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

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

- (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.
- (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
- (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
- (iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- (v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- (vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.
- (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 trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- (7) Carrying charges are calculated on a simple interest basis.
- (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
- (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied 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; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components. In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004. In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- (9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.