

September 18, 2012

Ontario Energy Board
PO Box 2319
2300 Yonge St
Toronto, ON M4P1E4
Attn: Board Secretary

**RE: Brant County Power Inc. – Deferred PILS Disposition Decision – Staff Comments
EB-2011-0425**

Board Staff have requested a rework of all SIMPILS models regarding interest expense treatment. Attached to this submission are the following files:

- Appendix A – Revised Interest Expense for SIMPILS models
- Appendix B – 2001 SIMPILS Model (unrevised)
- Appendix C – 2002 SIMPILS Model (revised)
- Appendix D – 2003 SIMPILS Model (revised)
- Appendix E – 2004 SIMPILS Model (revised)
- Appendix F – 2005 SIMPILS Model (revised)

The 2001 model has not been revised as BCP does not have the component cost breakdown for 2001 interest expense. As these changes did not change the final true-up values, we are not providing revised continuity schedules or rate calculations.

If you have any questions regarding this submission, please contact me directly.

Sincerely,

*p.p. Grace Williams
on behalf of*

Ian McKenzie
Director of Finance and Regulatory Affairs

Appendix A

Revised Interest Expense for SIMPILS Models

**Brant County Power
Revised Interest Expense**

	Interest Expense deducted per <u>MOF Filing</u>	per IR 6j Response		Revised Interest Expense <u>Cell E 201 Taxcalc</u>
		<u>Interest on Customer Deposits</u>	<u>Interest on Variance Accounts</u>	
2001	no breakdown available for Q4 2001			no change
2002	342,222	2,339	20,010	319,873
2003	355,235	1,688	23,071	330,476
2004	324,312	2,435		321,877
2005	320,701	4,377		316,324
	includes IESO prudential interest expense	exclude from interest expense	exclude from interest expense	

Appendix B

2001 SIMPILS Model (unrevised)

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP				Version 2004.2
2	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
3	Utility Name: Brant County Power Inc.				
4	Reporting period: Dec. 31, 2001				
5					
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	yes	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	no	
17	Is the utility a non-profit corporation?		Y/N	no	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	yes	
20	shared among the corporate group?	LCT	Y/N	no	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		99%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2004	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			12,710,037	
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			1,088,615	
43	1999 return from RUD Sheet #7			144,208	144,208
45	Total Incremental revenue			944,407	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			314,802	314,802
48	Amount allowed in 2002			314,802	314,802
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51					0
52					0
53	Total Regulatory Income				773,812
54					
55	Equity			6,355,019	
56					
57	Return at target ROE			627,876	
58					
59	Debt			6,355,019	
60					
61	Deemed interest amount in 100% of MARR			460,739	
62					
63	Phase-in of interest - Year 1 (2001)			194,269	
64	((D43+D47)/D41)*D61				
65	Phase-in of interest - Year 2 (2002)			327,504	
66	((D43+D47+D48)/D41)*D61				
67	Phase-in of interest - Year 3 (2003) and forward			327,504	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
69					
70					
71					

	A	B	C	D	E	F	G	H	I	J	K	L
SECTION 93 PILA TAX CROSS-UP "SMPRC"	ITEM	Initial Estimate							M of F Error	M of F Error	M of F Error	
TAX CALCULATIONS (TAXREC)									Variance	Variance	Variance	
(Where only Business - see Tab TAXREC)									ZC	ZC	ZC	(Auto)
RRR # 2.1.8									Explanation	Explanation	Explanation	Version 2004.2
Utility Name - Brant County Power Inc.												
Reporting period - Dec. 31, 2001												Column
Days in reporting period:	92	days										Rowable
Total days in the calendar year:	365	days										From
												TAXREC
II CORPORATE INCOME TAXES												
Regulatory Net Income - REGINFO E53 (40% of 1999 return from RUP)	1	38,092							-506,494			-470,393
BOOK TO TAX ADJUSTMENTS												
Additions:												
Depreciation & Amortization	2	160,677							25,961			191,834
Employee Benefit Plans - Accrued, Not Paid	3								0			0
Tax reserves - beginning of year	4								0			0
Reserves from financial statements - end of year	5								0			0
Regulatory Adjustments - increase in income	6	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" worksheet	6								0			0
Other Additions (not "Material") "TAXREC" 2'	6								5,215			5,215
Deductions - input positive numbers												
Special Cost Allowance and LES	7	86,811							142,189			229,000
Employee Benefit Plans - Paid Amounts	8								0			0
Items Capitalized for Regulatory Purposes	9	0							0			0
Regulatory Adjustments - deduction for tax purposes in Item 5	10	0							-15,268			-15,268
Interest Expense Deemed/ Incurred (25% of 2001 phase-in of interest)	11	15,268							-15,268			0
Tax reserves - end of year	4								0			0
Reserves from financial statements - beginning of year	5								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" worksheet	12								1,011,414			1,011,414
Other Deductions (not "Material") "TAXREC" 2'	12								0			0
TAXABLE INCOME (LOSS)		99,880							663,117	<i>Before loss CTF</i>		(1,513,718)
BLENDED INCOME TAX RATE												
Tab Tax Rates	13	34.12%							-34.020%			0.09%
REGULATORY INCOME TAX		34,072							-34,072	<i>Actual</i>		0
Miscellaneous Tax Credits												
Miscellaneous Tax Credits	14								0		<i>Actual</i>	0
Total Regulatory Income Tax		34,072							-34,072	<i>Actual</i>		0
III CAPITAL TAXES												
Ontario												
Basic	15	12,710,037							2,118,205			14,828,242
Less: Exemption - Tax Rates - Regulatory, Table 1, Actual, Table 3	16	5,000,000							-49,402			4,950,598
Taxable Capital		7,710,037							2,078,803			9,870,644
Rate - Tax Rates - Regulatory, Table 1, Actual, Table 3	17	0.3000%							0.0000%			0.3000%
Ontario Capital Tax		6,430							1,634			7,464
Federal Large Corporations Tax												
Basic	18	12,710,037							3,199,431			15,909,468
Less: Exemption - Tax Rates - Regulatory, Table 1, Actual, Table 3	18	10,000,000							-9			10,000,000
Taxable Capital		2,710,037							3,199,431			5,909,468
Rate - Tax Rates - Regulatory, Table 1, Actual, Table 3	20	0.2250%							0.0000%			0.2250%
Ontario Amount of LCT before surtax (before Capital & Rate)		1,837							1,814			3,351
Less: Federal Surtax - 1.12% x Taxable Income	21	1,118							-1,118			0
Net LCT		0							696			3,351
III INCLUSION IN RATES												
Income Tax Rate used for gross-up (exclude surtax)		34.12%										
Income Tax surtax (to be grossed-up)	22	91,718							<i>Actual 2001</i>			0
LCT (gross up is processed)	23	0							<i>Actual 2001</i>			3,351
Ontario Capital Tax (no gross-up since it is deductible)	24	6,430							<i>Actual 2001</i>			7,464
Total PILs for Rate Adjustment - MUST AGREE WITH 2002	25	97,848							<i>Actual 2001</i>			10,815
RAM DECISION												

	A	B	C	D	E	F	G	H	I	J	K	L
SECTION 93 PILL-TAX GROSS-UP - SMP/PC	ITEM	Initial Estimate							M of F Filing	M of F Filing	M of F Filing	
TAX CALCULATIONS (TAXCAL)									Variance	Variance	Variance	
(Where only Business - see Tab TAXREC)									KC	Explanation	(Auto)	
RRR # 2.1.1											Version 2004.2	
100	IV) FUTURE TRUE-UPS											
101	IV a) Calculation of the True-up Variance											
102	In Additions											
103	Employee Benefit Plans - Accrued, Not Paid	3							0			
104	Tax reserves deducted in prior year	4							0			
105	Reserves from financial statements-end of year	4							0			
106	Regulatory Adjustments	6							0			
107	Other additions "Material" Items TAXREC	6							0			
108	Other additions "Material" Items TAXREC 2	6							0			
109	In Deductions - positive numbers											
110	Employee Benefit Plans - Paid Amounts	8							0			
111	Items Capitalized for Regulatory Purposes	9							0			
112	Regulatory Adjustments	10							0			
113	Interest Adjustment for tax purposes (See Below - cell 1205)	11							0			
114	Tax Interest claimed in current year	4							0			
115	Reserves from FRS beginning of year	4							0			
116	Contributions to deferred income plans	3							0			
117	Contributions to pension plans	3							0			
118	Other deductions "Material" Items TAXREC	12							0			
119	Other deductions "Material" Items TAXREC 2	18							0			
120	Total TRUE-UPS before tax effect	26							0			
121	Income Tax Rate for True-up = legislated rate for the year								28.21%			
122	Income Tax Effect on True-up adjustments								0			
123	Less: Miscellaneous Tax Credits	14							0			
124	Total Income Tax on True-ups								0			
125	Income Tax Rate used for gross-up (exclude surtax)								27.09%			
126	TRUE-UP VARIANCE ADJUSTMENT								0			
127	IV b) Calculation of the Deferral Account Variance caused by changes in legislation											
128	REGULATORY TAXABLE INCOME (LOSSES) (as reported in the initial estimate column)								99,890			
129	REVISED CORPORATE INCOME TAX RATE								28.21%			
130	REVISED REGULATORY INCOME TAX								28,119			
131	Less: Revised Miscellaneous Tax Credits								0			
132	Total Revised Regulatory Income Tax								28,119			
133	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)								34,072			
134	Regulatory Income Tax Variance								(5,953)			
135	Ontario Capital Tax											
136	Base								12,710,037			
137	Less: Exemption								5,000,000			
138	Revised deemed taxable capital								7,710,037			
139	Rate								0.3000%			
140	Revised Ontario Capital Tax								5,830			
141	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)								5,830			
142	Regulatory Ontario Capital Tax Variance								0			
143	Federal LCT											
144	Base								12,710,037			
145	Less: Exemption from tab Tax Rates, Table 2, cell C40								10,000,000			
146	Revised Federal LCT								2,710,037			
147	Rate (as a result of legislative changes) tab "Tax Rates" cell C51								0.2500%			
148	Gross Amount								1,523			
149	Less: Federal surtax								1,138			
150	Revised Net LCT								385			
151	Less: Federal LCT reported in the initial estimate column (Cell C82)								0			
152	Regulatory Federal LCT Variance								0			
153	Actual Income Tax Rate used for gross-up (exclude surtax)								27.09%			
154	Income Tax (grossed-up)								(8,095)			
155	LCT (grossed-up)								0			
156	Ontario Capital Tax								0			
157	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT								(8,095)			
158	TRUE-UP VARIANCE (from cell 1130)								0			
159	Total Deferral Account Entry (Positive Entry = Debit)								(8,095)			
160	(Deferral Account Variance + True-up Variance)								0			
161												
162												
163	VI) INTEREST PORTION OF TRUE-UP											
164	Variance Caused By Phase-in of Deemed Debt											
165	Total deemed interest (REGINFO)								40,739			
166	Interest phased-in (Cell C36)								15,298			
167	Variance due to phase-in of debt component of MARR in rates according to the Board's decision								44,480			
168	Other Interest Variances (i.e. Borrowation Levels)											
169	Above Deemed Debt per Rate Handbook								0			
170	Interest (deducted on MCF filing (Cell K36-W41))								0			
171	Total deemed interest (REGINFO-CELL 1261)								40,739			
172	Variance caused by excess debt								0			
173	Interest Adjustment for Tax Purposes (carry forward to Cell 1110)								0			
174	Total Interest Variance								44,480			

	A	B	C	D	E	F
1	SECTION 93 FILE TAX GROSS-UP - "SIMPL"	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	RRR # 2.1.8		Return			
5						
6	Section A: Identification:				Version 2004.2	
7	Utility Name: Brant County Power Inc.					
8	Reporting period: Dec. 31, 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 :		3,972	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Your 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	+				0
32	Distribution Revenue	+				0
33	Other Income	+				0
34	Miscellaneous income	+				0
35		+				0
36	Revenue should be entered above this line.					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-				0
40	Administration	-				0
41	Customer billing and collecting	-				0
42	Operations and maintenance	-				0
43	Amortisation	-	191,838			191,838
44	Ontario Capital Tax	-	0			0
45	Expenses per 3 month Statement	-	278,515			278,515
46		-				0
47		-				0
48		-				0
49						
50	Net Income Before Interest & Income Taxes EBIT	=	-470,353	0		-470,353
51	Less: Interest expense for accounting purposes	-				0
52	Provision for payments in lieu of income taxes	-	11,300			11,300
53	Net Income (loss)	=	-481,653	0		-481,653
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	+	11,300	0		11,300
60	Federal large corporation tax	+				0
61	Depreciation & Amortisation	+	191,838	0		191,838
62	Employee benefit plans-accrued, not paid	+				0
63	Tax reserves - beginning of year	+	0	0		0
64	Reserves from financial statements- end of year	+	0	0		0
65	Regulatory adjustments	+	0	0		0
66	Material addition items from TAXREC 2	+	0	0		0
67	Other addition items (not Material) from TAXREC 2	+	5,215	0		5,215
68						
69	Subtotal		208,353	0		208,353
70						
71	Other Additions: (Please explain the nature of the additions)					
72	Recapture of CCA	+				0
73	Non-deductible meals and entertainment expense	+				0
74	Capital items expensed	+				0
75		+				0
76		+				0
77		+				0
78		+				0
79	Total Other Additions	=	0	0		0
80						
81	Total Additions	=	208,353	0		208,353
82						

	A	B	C	D	E	F
1	SECTION 93 FILE TAX GROSS-UP - "SIMPL"	LINE	M of F	Non-wiras	Wiras-only	
2	TAX RETURN RECONCILIATION (TARECO)		Corporate	Eliminations	Tax	
3	(for "wiras-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return		Return	
5					Version 2004.2	
83	Recap Material Additions:					
84			0	0	0	
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	Total Other additions >materiality level/		0	0	0	
92	Other deductions (less than materiality level)		0	0	0	
93	Total Other Additions		0	0	0	
94						
95	BOOK TO TAX DEDUCTIONS:					
96	Capital loss allowance		181,498		181,498	
97	Cumulative eligible capital deduction		47,502		47,502	
98						
99						
100	Employee benefit plans-paid amounts		0		0	
101	Items capitalized for regulatory purposes		0		0	
102	Regulatory adjustments :		0		0	
103	CCA		0		0	
104	other deductions		0		0	
105	Tax reserves - end of year		0		0	
106	Reserves from financial statements - beginning of year		0		0	
107	Contributions to deferred income plans		0		0	
108	Contributions to pension plans		0		0	
109	Interest capitalized for accounting deducted for tax		0		0	
110	Material deduction items from TAXREG 2		1,011,415		1,011,415	
111	Other deduction items (not Material) from TAXREG 2		0		0	
112						
113	Subtotal		1,240,415		1,240,415	
114	Other deductions (Please explain the nature of the deductions)		0		0	
115	Charitable donations - tax basis		0		0	
116	Gain on disposal of assets		0		0	
117	Capital Tax		0		0	
118			0		0	
119			0		0	
120	Total Other Deductions		0		0	
121						
122	Total Deductions		1,240,415		1,240,415	
123						
124	Recap Material Deductions:					
125			0		0	
126			0		0	
127			0		0	
128			0		0	
129			0		0	
130			0		0	
131	Total Other Deductions exceed materiality level		0		0	
132	Other Deductions less than materiality level		0		0	
133	Total Other Deductions		0		0	
134						
135	TAXABLE INCOME		-1,513,715		-1,513,715	
136	DEDUCT:					
137	Non-capital loss applied		positive number		0	
138	Net capital loss applied		positive number		0	
139						
140	NET TAXABLE INCOME		(1,513,715)		(1,513,715)	
141						
142	FROM ACTUAL TAX RETURNS					
143	Net Federal Income Tax (Must agree with tax return)		0		0	
144	Net Ontario Income Tax (Must agree with tax return)		0		0	
145	Subtotal		0		0	
146	Less: Miscellaneous tax credits (Must agree with tax returns)		0		0	
147	Total Income Tax		0		0	
148						
149	FROM ACTUAL TAX RETURNS					
150	Net Federal Income Tax Rate (Must agree with tax return)				0.00%	
151	Net Ontario Income Tax Rate (Must agree with tax return)				0.00%	
152	Blended Income Tax Rate				0.00%	
153						
154	Section D: Detailed calculation of Ontario Capital Tax					
155	ONTARIO CAPITAL TAX					
156	(from Ontario CT23)					
157	PAID-UP CAPITAL					
158						
159	Paid-up capital stock		5,437,847		5,437,847	
160	Retained earnings (if deficit, deduct)		-366,544		-366,544	
161	Capital and other surplus excluding		2,738,065		2,738,065	
162	Appraisal surplus		0		0	
163	Loans and advances		8,100,000		8,100,000	
164	Bank loans		0		0	
165	Bankers acceptances		0		0	
166	Bonds and debentures payable		0		0	
167	Mortgages payable		0		0	
168	Lien notes payable		0		0	
169	Deferred credits		0		0	
170	Contingent investment, inventory and similar reserves		0		0	
171	Other reserves not allowed as deductions		0		0	
172	Share of partnership(s), joint venture(s) paid-up capital		0		0	
173	Sub-total		15,909,468		15,909,468	
174	Subtract:					
175	Amounts deducted for income tax purposes in excess of amounts booked		1,081,226		1,081,226	
176	Deductible R&D expenditures and ONTI costs deferred for income tax		0		0	
177	Total (Net) Paid-up Capital		14,828,242		14,828,242	
178						
179	ELIGIBLE INVESTMENTS					
180						
181	Bonds, lien notes, interest coupons		0		0	
182	Mortgages due from other corporations		0		0	
183	Shares in other corporations		0		0	
184	Loans and advances to unrelated corporations		0		0	
185	Eligible loans and advances to related corporations		0		0	
186	Share of partnership(s) or joint venture(s), eligible investments		0		0	
187						
188	Total Eligible Investments		0		0	
189						
190	TOTAL ASSETS					
191						
192	Total assets per balance sheet		19,963,972		19,963,972	
193	Mortgages or other liabilities deducted from assets		0		0	
194	Share of partnership(s) or joint venture(s) total assets		0		0	
195	Subtract: Investment in partnership(s)/joint venture(s)		0		0	
196						
197	Total assets as adjusted		19,963,972		19,963,972	
198						
199	Add: (if deducted from assets)					
200	Contingent investment, inventory and similar reserves		0		0	
201	Other reserves not allowed as deductions		0		0	
202	Subtract:					
203	Amounts deducted for income tax purposes in excess of amounts booked		1,081,226		1,081,226	
204	Deductible R&D expenditures and ONTI costs deferred for income tax		0		0	
205	Subtract: Appraisal surplus if booked		0		0	
206	Add or subtract: Other adjustments		0		0	
207						
208	Total Assets		18,882,746		18,882,746	
209						
210	Investment Allowance		0		0	
211						
212	Taxable Capital					
213						
214	Net paid-up capital		14,828,242		14,828,242	
215	Subtract: Investment Allowance		0		0	
216	Taxable Capital		14,828,242		14,828,242	
217						
218	Capital Tax Calculation					
219	Deduction from taxable capital up to maximum of \$5,000,000		4,957,598		4,957,598	
220	Net Taxable Capital		9,870,644		9,870,644	
221						
222	Rate		0.3000%		0.3000%	
223	Days in taxation year		92		92	
224	Divide days by 365		0.25		0.25	
225						
226	Ontario Capital Tax (Must agree with CT23 return)		7,464		7,464	
227						

	A	B	C	D	E	F
1	SECTION 93 FILE TAX GROSS-UP - "SIMPL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TA/RECO)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
233	Section E: Detailed calculation of Large Corporation Tax					
234						
235	LARGE CORPORATION TAX					
236	(from Federal Schedule 33)					
237	CAPITAL					
238	ADD:					
239	Reserves that have not been deducted in computing income for the year under Part I	+			0	
240	Capital stock	+	5,437,947		5,437,947	
241	Retained earnings	+			0	
242	Contributed surplus	+			0	
243	Any other surpluses	+	2,738,065		2,738,065	
244	Deferred unrealized foreign exchange gains	+			0	
245	All loans and advances to the corporation	+	8,000,000		8,000,000	
246	All indebtedness - bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
247	Any dividends declared but not paid	+			0	
248	All other indebtedness outstanding for more than 365 days	+	100,000		100,000	
249						
250	Subtotal	=	16,276,012	0	16,276,012	
251	DEDUCT:					
252	Deferred tax debit balance	-			0	
253	Any deficit deducted in computing shareholders' equity	-	366,544		366,544	
254	Any percentage dividends (135(f)) deducted in computing income under Part I included in amounts above	-			0	
255						
256	Deferred unrealized foreign exchange losses	-			0	
257						
258	Subtotal	=	366,544	0	366,544	
259						
260	Capital for the year	=	15,909,468	0	15,909,468	
261						
262	INVESTMENT ALLOWANCE					
263						
264	Shares in another corporation	+			0	
265	Loan or advance to another corporation	+			0	
266	Bond, debenture, note, mortgage, or similar obligation of another corporation	+			0	
267	Long term debt of financial institution	+			0	
268	Dividend receivable from another corporation	+			0	
269	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
270	Interest in a partnership	+			0	
271						
272	Investment Allowance	=	0	0	0	
273						
274	TAXABLE CAPITAL					
275						
276	Capital for the year	=	15,909,468	0	15,909,468	
277						
278	Deduct: Investment allowance	-			0	
279						
280	Taxable Capital for taxation year	=	15,909,468	0	15,909,468	
281						
282	Deduct: Capital Deduction - maximum of \$10,000,000	-	10,000,000	0	10,000,000	
283	(input in tab: Tax Rates)					
284						
285	Taxable Capital	=	5,909,468	0	5,909,468	
286						
287	Rate 0.225% in 2002 and 2003, 0.200% in 2004	+	0.22500%	0.22500%	0.22500%	
288						
289	Days in year		92	92	92	
290	Divide days by 366		0.2521	0.2521	0.2521	
291						
292	Gross Part I.3 Tax - LCT (Must agree with tax return)	=	3,351	0	3,351	
293						
294	Federal Surtax Rate		0.0000%	0.0000%	0.0000%	
295						
296	Less: Federal Surtax = Actual Surtax from tax return	-	0		0	
297						
298	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	3,351	0	3,351	
299	(If surtax is greater than Gross LCT, then zero)					
300						
301	Section F: Income and Capital Taxes					
302						
303	RECAP FROM ABOVE:					
304	Total Income Taxes	+	0	0	0	
305	Ontario Capital Tax	+	7,464	0	7,464	
306	Federal Large Corporations Tax	+	3,351	0	3,351	
307						
308	Total Income and capital taxes	=	10,815	0	10,815	
309						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	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	RRR # 2.1.8				Version 2004.2	
6						
7	Utility Name: Brant County Power Inc.					
8	Reporting period: Dec. 31, 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	Other				0	
19	Other				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other				0	
31	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other				0	
60	Other				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SECTION 93 P/L & TAX GROSS-UP "SIMPL"	LINE	M of F	Non-wise	Wings-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wings-only" business - see s. 72 OEB Act)		Tax		Return	
5	RRR # 2.1.8		Return			
6					Version 2004.2	
7						
8	Utility Name: Brant County Power Inc.					
9	Reporting period: Dec. 31, 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		3,972			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+	0		0	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory-end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+	5,215		5,215	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+			0	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SR&D expenditures	+			0	
40	Share issue expense	+			0	
41	Write down of capital property	+			0	
42	Amounts received in respect of qualifying environment trust	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Debt financing expenses	+			0	
45	Amortization of deferred financing costs	+	0		0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	Total Additions	=	5,215	0	5,215	
55						
56	Recap of Material Additions:					
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			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
82			0	0	0	
83			0	0	0	
84			0	0	0	
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			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		5,215	0	5,215	
97	Total Additions		5,215	0	5,215	
98						
99	Deduct:					
100	Gain on disposal of assets per I/s	-			0	
101	Dividends not taxable under section 83	-			0	
102	Terminal loss from Schedule 8	-			0	
103	Depreciation in inventory-end of prior year	-			0	
104	Scientific research expenses claimed in year from Form T681	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
109	Other income from financial statements	-			0	
110	Other deductions: (please explain in detail the nature of the item)	-			0	
111	Imputed interest on Reg Assets	-			0	
112	Ont Cap Tax	-	0	0	0	
113	employee future benefit expense	-			0	
114		-			0	
115	Purchase Power Variance	-	920,360	0	920,360	
116	Transition Costs	-	91,055	0	91,055	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	1,011,415	0	1,011,415	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141	Purchase Power Variance		920,360	0	920,360	
142	Transition Costs		91,055	0	91,055	
143			0	0	0	
144			0	0	0	
145			0	0	0	
146			0	0	0	
147	Total Deductions exceed materiality level		1,011,415	0	1,011,415	
148	Other deductions less than materiality level		0	0	0	
149	Total Deductions		1,011,415	0	1,011,415	
150						

	A	B	C	D
1		SECTION 93 PILs TAX GROSS-UP	"SIMPIL"	
2		Filing Requirements related to the "SIMPIL" model		Version 2004.2
3		Utility Name: Brant County Power Inc.		RRR # 2.1.8
4		Reporting period: Dec. 31, 2001		
5				
6				
7				
8				
9		Documents to be submitted to the Board when filing the Ministry of Finance Column information:		
10		(Stage 3 filing: normally in July of the year following the reporting period)		
11				
12		Please file 3 copies of each paper document and 1 CD or disk		
13				
14	1)	REGINFO	Yes	
15				
16	2)	TAXCALC	Yes	
17				
18	3)	TAXREC	Yes	
19				
20	4)	Tax Reserves	Yes	
21				
22	5)	TAXREC 2	Yes	
23				
24	6)	Tax Rates	Yes	
25				
26	7)	Checklist	Yes	
27				
28	8)	Background Questionnaire	Yes	
29				
30	9)	PILs Variance Analysis	Yes	
31				
32	10)	Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2005	N/A	
33				
34	11)	Electronic Excel format of the SIMPIL worksheets	Yes	
35				
36	12)	Notices of assessments, and any re-assessments, for:		
37			2001	Yes
38			2002	Yes
39			2003	Yes
40			2004	Yes
41				
42	13)	Schedules or pages from CT23 and T2 tax returns	Yes	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		SECTION 93 PILs TAX GROSS-UP	
2		"SIMPIL"	
3		Background Questionnaire	Version 2004.2
4		Utility Name: Brant County Power Inc.	RRR # 2.1.8
5		Reporting period: Dec. 31, 2001	
6			
7	1	Does the company engage in non-regulated activities?	
8		Answer:	
9		No	
10			
11		If the answer to question 1 is "NO", please skip questions 2 to 6.	
12			
13	2	Please identify the types of non-wire operations carried on by the LDC.	
14		Answer:	
15			
16			
17	3	Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?	
18		Answer:	
19			
20			
21			
22	4	Please identify the percentage and amount of gross revenues arising from non-wire operations.	
23		Answer:	
24			
25			
26	5	Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.	
27		Answer:	
28			
29			
30	6	Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.	
31		Answer:	
32			
33			
34			
35	7	Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)	
36		Answer: Yes - a total recovery of \$72,739 was included	
37			
38			
39	8	Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)	
40		Answer: Only for Allowance for doubtful accounts used in schedule 1 - tax and accounting adjustments were the same.	
41			
42			
43			
44			

	A	B	C	D	E	F	G	H	I	J	K	N	O
5	SECTION 93 PILs TAX GROSS-UP "SIMPIL"												
6	Analysis of Account 1562: Deferred Payments in lieu of Taxes												
7	Utility Name: Brant County Power Inc.												Version 2004.2
8	Reporting period: Dec. 31, 2001												RRR # 2.1.8
9	Sign Convention: + for increase; - for decrease												
10													
11													
12													
13	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		
14	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		Total
15													
16	Opening balance:	=											0
17	Initial Estimate PILs Rate Adjustment (1)	+/-											0
18	True-up Variance Adjustment (2)	+/-											0
19	Deferral Account Variance Adjustment (3)	+/-											0
20	Adjustments to reported prior years' variances (4)												0
21	Carrying charges	+/-											0
22	PILs collected from customers - Proxv (5)	-											0
23													
24	Ending balance: # 1562		0		0		0		0		0		0
25													
26	PILs collected from customers - Reg Assets (6)	-	0		0		0		0		0		0
27													
28	Note:												

Appendix C
2002 SIMPILS Model (revised)

	A	B	C	D	E
1					Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Brant County Power 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		
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
24	Accounting Year End		Date	12-31-2002	
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)			12,710,037	
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			1,088,615	
43	1999 return from RUD Sheet #7			144,208	144,208
45	Total Incremental revenue			944,407	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			314,802	314,802
48	Amount allowed in 2002			314,802	314,802
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				773,812
55					
56	Equity			6,355,019	
57					
58	Return at target ROE			627,876	
59					
60	Debt			6,355,019	
61					
62	Deemed interest amount in 100% of MARR			460,739	
63					
64	Phase-in of interest - Year 1 (2001)			194,269	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			327,504	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			327,504	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			460,739	
71					
72					

	A	B	C	D	E	F
1		0	LINE	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		M of F	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Corporate		Return	
4		0	Tax			
5			Return			
6	Section A: Identification:				Version 2009.1	
7	Utility Name: Brant County Power 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 :		15,888	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	Income:					
31	Energy Sales	+	18,204,093		18,204,093	
32	Distribution Revenue	+	3,430,037		3,430,037	
33	Other Income	+	492,894		492,894	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	18,204,093		18,204,093	
40	Administration	-	1,100,029		1,100,029	
41	Customer billing and collecting	-	672,793		672,793	
42	Operations and maintenance	-	861,438		861,438	
43	Amortization	-	703,124		703,124	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47	Other items expensed	-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	585,547	0	585,547	
51	Less: Interest expense for accounting purposes	-	342,222		342,222	
52	Provision for payments in lieu of income taxes	-	23,788		23,788	
53	Net Income (loss)	=	219,537	0	219,537	
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	+	23,788	0	23,788	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	788,041	0	788,041	
62	Employee benefit plans-accrued, not paid	+			0	
63	Tax reserves - beginning of year	+	0		0	
64	Reserves from financial statements- end of year	+	1,689,373	0	1,689,373	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		576,208	0	576,208	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	573	0	573	
69						
70	Subtotal		3,077,983	0	3,077,983	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	3,077,983	0	3,077,983	
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						

	A	B	C	D	E	F
1		0	LINE	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		M of F	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Corporate		Return	
4		0	Tax			
5			Return			
					Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	600,777		600,777	
98	Cumulative eligible capital deduction	-	185,133		185,133	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	1,338,478	0	1,338,478	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		2,904,083	0	2,904,083	
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	-	4,375	0	4,375	
112						
113	Subtotal	=	5,032,846	0	5,032,846	
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	=	5,032,846	0	5,032,846	
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	=	-1,735,326	0	-1,735,326	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(1,735,326)	0	(1,735,326)	
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	
157	Ontario Capital Tax	+	29,898		29,898	
158	Federal Large Corporations Tax	+	18,562		18,562	
159						
160	Total income and capital taxes	=	48,459	0	48,459	
161						

	A	B	C	D	E	F
1		0	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: Brant County Power Inc.					
8	Reporting period: 2002					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13						0
14	Reserve for doubtful accounts ss. 20(1)(l)					0
15	Reserve for goods & services ss.20(1)(m)					0
16	Reserve for unpaid amounts ss.20(1)(n)					0
17	Debt and share issue expenses ss.20(1)(e)					0
18	Other - Please describe					0
19	Other - Please describe					0
20						0
21						0
22	Total (carry forward to the TAXREC worksheet)			0	0	0
23						
24	End of Year:					
25						0
26	Reserve for doubtful accounts ss. 20(1)(l)					0
27	Reserve for goods & services ss.20(1)(m)					0
28	Reserve for unpaid amounts ss.20(1)(n)					0
29	Debt and share issue expenses ss.20(1)(e)					0
30	Other - Please describe					0
31	Other - Please describe					0
32						0
33						0
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)			0	0	0
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41						0
42						0
43	Environmental					0
44	Allowance for doubtful accounts					0
45	Inventory obsolescence					0
46	Property taxes					0
47	Employee Future Benefits		1,338,478			1,338,478
48	Other - Please describe					0
49						0
50	Total (carry forward to the TAXREC worksheet)		1,338,478	0		1,338,478
51						
52	End of Year:					
53						0
54						0
55	Environmental					0
56	Allowance for doubtful accounts					0
57	Inventory obsolescence					0
58	Property taxes					0
59	Employee Future Benefits		1,689,373			1,689,373
60	Other - Please describe					0
61						0
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,689,373	0		1,689,373
64						

	A	B	C	D	E	F
1						
2		0	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: Brant County Power Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		15,888			
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	Non Deductible Interest	+	573			573
43		+				0
44		+				0
45		+				0
46	Total Additions	=	573	0		573
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		573	0		573
79	Total Additions		573	0		573

	A	B	C	D	E	F
1						
2		0	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: Brant County Power Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		15,888			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-				0
83	Dividends not taxable under section 83	-				0
84	Terminal loss from Schedule 8	-				0
85	Depreciation in inventory, end of prior year	-				0
86	Scientific research expenses claimed in year from Form T661	-				0
87	Bad debts	-				0
88	Book income of joint venture or partnership	-				0
89	Equity in income from subsidiary or affiliates	-				0
90	Contributions to a qualifying environment trust	-				0
91	Other income from financial statements	-				0
92		-				0
93		-				0
94		-				0
95	Other deductions: (Please explain in detail the nature of the item)	-				0
96	Office Equipment Lease Costs	-	4,375			4,375
97		-				0
98		-				0
99	Total Deductions	=	4,375	0		4,375
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		4,375	0		4,375
121	Total Deductions		4,375	0		4,375
122						

	A	B	C	D	E	F
1						
2		0				
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: Brant County Power 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	+	588			588
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	Transition Costs - Opening Tax Balance	+	572,165			572,165
41	Share of Partnership Income	+	3,455			3,455
42		+				0
43		+				0
44		+				0
45		+				0
46		+				0
47	Total Additions on which true-up does not apply	=	576,208	0		576,208
48						
49	Deduct:					
50						
51	CCA adjustments	-				0
52	CEC adjustments	-				0
53	Depreciation and amortization adjustments	-				0
54	Gain on disposal of assets per financial statements	-				0
55	Financing fee amortization - considered to be interest expense for PILs	-				0
56	Imputed interest income on Regulatory Assets	-				0
57	Donations - amount deductible for tax purposes	-				0
58	Income from joint ventures or partnerships	-				0
59		-				0
60		-				0
61		-				0
62		-				0
63		-				0
64	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-				0
65		-				0
66	Purchase Power Variance at December 31, 2002	-	1,215,879			1,215,879
67	Purchase Power Variance at December 31, 2001	-	59,477			59,477
68	Transition Costs at December 31, 2002	-	1,628,727			1,628,727
69		-				0
70		-				0
71		-				0
72		-				0
73	Total Deductions on which true-up does not apply	=	2,904,083	0		2,904,083
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	0									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Brant County Power Inc.									
5	Reporting period: 2002									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000				>700,000	
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%				26.12%	
15	and Ontario blended		6.00%		6.00%				12.50%	
16	Blended rate		19.12%		34.12%				38.62%	
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002									
27	Income Range		0		200,001					
28	Expected Rates		to		to				>700,000	
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002							26.12%	
33	Ontario	2002							12.50%	
34	Blended rate	2002							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										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										

Appendix D
2003 SIMPILS Model (revised)

	A	B	C	D	E
1					Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Brant County Power Inc.			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			12,710,037	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,088,615	
42					
43	1999 return from RUD Sheet #7			144,208	144,208
44					
45	Total Incremental revenue			944,407	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			314,802	314,802
48	Amount allowed in 2002			314,802	314,802
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				773,812
55					
56	Equity			6,355,019	
57					
58	Return at target ROE			627,876	
59					
60	Debt			6,355,019	
61					
62	Deemed interest amount in 100% of MARR			460,739	
63					
64	Phase-in of interest - Year 1 (2001)			194,269	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			327,504	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			327,504	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			460,739	
71					
72					

	A	B	C	D	E	F
	LINE	M of F	Non-wires	Wires-only		
		Corporate	Eliminations	Tax		
		Tax		Return		
		Return		Version 2009.1		
6	Section A: Identification:					
7	Milling Name: Brant County Power 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	Please enter the Materiality Level: 15,888 < - enter materiality level					
13	(0.25% x Rate Base x CER) Y/N					
14	(0.25% x Net Assets) Y/N					
15	Or other measure (please provide the basis of the amount) Y/N					
16	Does the utility carry on non-wires related operation? Y/N					
17	(Please complete the questions in the Background questionnaire worksheet.)					
18	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
19						
20	Section B: Financial statements data:					
21	Input unconsolidated financial statement data submitted with Tax returns					
22	The actual categories of the income statements should be used					
23	If required please change the descriptions except for amortization, interest expense and provision for income tax					
24	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
25	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2					
26						
27	Income:					
28	Energy Sales	+	15,512,668		15,512,668	
29	Distribution Revenue	+	4,187,602		4,187,602	
30	Other Income	+	648,094		648,094	
31	Miscellaneous Income	+	22,378		22,378	
32	Revenue should be entered above this line	+			0	
33	Costs and Expenses:					
34	Cost of energy purchased	-	15,512,668		15,512,668	
35	Administration	-	638,917		638,917	
36	Customer billing and collecting	-	698,758		698,758	
37	Operations and maintenance	-	1,197,014		1,197,014	
38	Amortization	-	730,470		730,470	
39	Ontario Capital Tax	-	0		0	
40	Employee Future Benefits	-	183,578		183,578	
41	Restatement adjustment	-	0		0	
42		-	0		0	
43		-	0		0	
44		-	0		0	
45		-	0		0	
46	Net Income Before Interest & Income Taxes EBIT	=	1,209,337	0	1,209,337	
47	Less: Interest expense for accounting purposes	-	355,236		355,236	
48	Provision for payments in lieu of income taxes	-	0		0	
49	Net Income (loss)	=	854,102	0	854,102	
50	The Net Income (loss) on the NetF column should equal to the net income (loss) on the financial statements on Schedule 1 of the tax return.					
51						
52	Section C: Reconciliation of accounting income to taxable income					
53	From T2 Schedule 1					
54	BOOK TO TAX ADDITIONS:					
55	Provision for income tax	+	0	0	0	
56	Federal large corporation tax	+	0	0	0	
57	Depreciation & Amortization	+	817,209	0	817,209	
58	Employee benefit plans accrued, not paid	+	0	0	0	
59	Tax reserves - beginning of year	+	0	0	0	
60	Reserves from financial statements- end of year	+	1,872,951	0	1,872,951	
61	Regulatory adjustments on which true-up may apply (see A56)	+	0	0	0	
62	Items on which true-up does not apply "TAXREC 3"	+	2,845,285	0	2,845,285	
63	Material addition items from TAXREC 2	+	0	0	0	
64	Other addition items (not Material) from TAXREC 2	+	15,085	0	15,085	
65						
66	Subtotal	=	5,550,530	0	5,550,530	
67	Other Additions: (Please explain the nature of the additions)					
68	Recapture of CCA	+	0	0	0	
69	Non-deductible meals and entertainment expense	+	0	0	0	
70	Capital items expensed	+	0	0	0	
71		+	0	0	0	
72		+	0	0	0	
73		+	0	0	0	
74		+	0	0	0	
75	Total Other Additions	=	0	0	0	
76	Total Additions	=	5,550,530	0	5,550,530	
77	Recap Material Additions:					
78		0	0	0	0	
79		0	0	0	0	
80		0	0	0	0	
81		0	0	0	0	
82		0	0	0	0	
83		0	0	0	0	
84		0	0	0	0	
85	Total other additions >materiality level	0	0	0	0	
86	Other additions (less than materiality level)	0	0	0	0	
87	Total Other Additions	0	0	0	0	
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance	-	536,953		536,953	
90	Cumulative eligible capital deduction	-	172,174		172,174	
91	Employee benefit plans-paid amounts	-	0		0	
92	Items capitalized for regulatory purposes	-	0		0	
93	Regulatory adjustments	-	0		0	
94	CCA	-	0		0	
95	Other deductions	-	0		0	
96	Tax reserves - end of year	-	0	0	0	
97	Reserves from financial statements- beginning of year	-	1,689,373	0	1,689,373	
98	Contributions to deferred income plans	-	0		0	
99	Contributions to pension plans	-	0		0	
100	Items on which true-up does not apply "TAXREC 3"	-	2,869,978	0	2,869,978	
101	Interest capitalized for accounting deducted for tax	-	0		0	
102	Material deduction items from TAXREC 2	-	22,378	0	22,378	
103	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
104		-	0	0	0	
105	Subtotal	=	5,290,856	0	5,290,856	
106	Other Deductions: (Please explain the nature of the deductions)					
107		-	0	0	0	
108	Gain on disposal of assets	-	0	0	0	
109		-	0	0	0	
110		-	0	0	0	
111		-	0	0	0	
112	Total Other Deductions	=	0	0	0	
113	Total Deductions	=	5,290,856	0	5,290,856	
114	Recap Material Deductions:					
115		0	0	0	0	
116		0	0	0	0	
117		0	0	0	0	
118		0	0	0	0	
119		0	0	0	0	
120	Total Other Deductions exceed materiality level	0	0	0	0	
121	Other Deductions less than materiality level	0	0	0	0	
122	Total Other Deductions	0	0	0	0	
123	TAXABLE INCOME	=	1,113,776	0	1,113,776	
124	DEDUCT:					
125	Non-capital loss applied	-	1,113,776		1,113,776	
126	Net capital loss applied	-	0		0	
127		-	0		0	
128	NET TAXABLE INCOME	=	0	0	0	
129	FROM ACTUAL TAX RETURNS					
130	Net Federal Income Tax (Must agree with tax return)	+	0	0	0	
131	Net Ontario Income Tax (Must agree with tax return)	+	0	0	0	
132	Subtotal	0	0	0	0	
133	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0	0	0	
134	Total Income Tax	=	0	0	0	
135	FROM ACTUAL TAX RETURNS					
136	Net Federal Income Tax Rate (Must agree with tax return)	#DIV/0!		#DIV/0!		
137	Net Ontario Income Tax Rate (Must agree with tax return)	#DIV/0!		#DIV/0!		
138	Blended Income Tax Rate	#DIV/0!		#DIV/0!		
139	Section F: Income and Capital Taxes					
140	RECAP					
141	Total Income Taxes	+	0	0	0	
142	Ontario Capital Tax	+	35,963		35,963	
143	Federal Large Corporations Tax	+	21,748		21,748	
144	Total income and capital taxes	=	57,711	0	57,711	

	A	B	C	D	E	F
1	0	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	Utility Name: Brant County Power Inc.		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Brant County Power Inc.					
8	Reporting period: 2003					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Employee Future Benefits		1,689,373		1,689,373	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,689,373	0	1,689,373	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Employee Future Benefits		1,872,951		1,872,951	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,872,951	0	1,872,951	
64						

	A	B	C	D	E	F
1						
2	0	LINE	M of F	Non-wires	Wires-only	
3			Corporate	Eliminations	Tax	
4			Tax		Return	
5			Return			
6					Version 2009.1	
7						
8						
9						
10			365			
11			15,888			
12						
13						
14						
15						
16						
17						
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19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41			6,819		6,819	
42						
43						
44						
45						
46			15,085	0	15,085	
47						
48						
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			0	0	0	
78			15,085	0	15,085	
79			15,085	0	15,085	
80						
81						
82			22,378		22,378	
83					0	
84					0	
85					0	
86					0	
87					0	
88					0	
89					0	
90					0	
91					0	
92					0	
93					0	
94					0	
95					0	
96			0		0	
97					0	
98					0	
99			22,378	0	22,378	
100						
101						
102			22,378	0	22,378	
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			22,378	0	22,378	
120			0	0	0	
121			22,378	0	22,378	
122						

	A	B	C	D	E	F
1						
2		0				
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: Brant County Power 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	+	678		678	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		0		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	Regulatory Variance Accounts - Dec 2002 balance	+	1,215,879		1,215,879	
41	Transition costs - opening tax balance	+	1,628,728		1,628,728	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	2,845,285	0	2,845,285	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61	Purchase Power Variance at Dec 31, 2003	-	154,515		154,515	
62	Transition Costs at Dec 31, 2003	-	1,568,713		1,568,713	
63	Deferred PILS at Dec 31, 2003	-	400,948		400,948	
64	Other Regulatory Assets at Dec 31, 2003	-	745,802		745,802	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	2,869,978	0	2,869,978	
74						
75						

SEE MONTHLY PILS CONTINUITY SCHEDULE

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1		0													
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Brant County Power Inc.														Version 2009.1
4	Reporting period: 2003		Sign Convention: + for increase; - for decrease												0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-						0		0			0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-													0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-													0
21															
22	Ending balance: # 1562		0		0		0		0		0		0		0

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:

- (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.

Appendix E
2004 SIMPILS Model (revised)

	A	B	C	D	E
1					Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Brant County Power Inc.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	MARR NO TAX CALCULATIONS				Regulatory Income
27	SHEET #7 FINAL RUD MODEL DATA				
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			12,710,037	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,088,615	
42					
43	1999 return from RUD Sheet #7			144,208	144,208
44					
45	Total Incremental revenue			944,407	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			314,802	314,802
48	Amount allowed in 2002			314,802	314,802
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				773,812
55					
56	Equity			6,355,019	
57					
58	Return at target ROE			627,876	
59					
60	Debt			6,355,019	
61					
62	Deemed interest amount in 100% of MARR			460,739	
63					
64	Phase-in of interest - Year 1 (2001)			194,269	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			327,504	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			327,504	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			460,739	
71					
72					

A	B	C	D	E	F	G	H
1	0	ITEM		M of F	M of F	Tax	
2		Initial		Filing	Filing	Returns	
3		Estimate		Variance	Variance		
4				K-C	Explanation		
5	0					Version 2009.1	
6							
7							
8							
9	366	days				Column	
10	366	days				Brought	
11						From	
12						TAXREC	
13						\$	
14							
15							
16							
17							
18							
19							
20							
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88							

	A	B	C	D	E	F
1		0	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
3			Tax		Return	
4		0	Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Brant County Power Inc.					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year: 366 days					
12						
13	Please enter the Materiality Level : 15,888 < - enter materiality level					
14	(0.25% x Rate Base x CER) Y/N					
15	(0.25% x Net Assets) Y/N					
16	Or other measure (please provide the basis of the amount) Y/N					
17	Does the utility carry on non-wires related operation? Y/N					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	17,611,558		17,611,558	
32	Distribution Revenue	+	4,267,794		4,267,794	
33	Other Income	+	555,816		555,816	
34	Miscellaneous income	+	96,526		96,526	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	17,611,558		17,611,558	
40	Administration	-	888,714		888,714	
41	Customer billing and collecting	-	916,970		916,970	
42	Operations and maintenance	-	1,270,375		1,270,375	
43	Amortization	-	763,664		763,664	
44	Ontario Capital Tax	-			0	
45	Loss on disposal of assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	1,080,413	0	1,080,413	
51	Less: Interest expense for accounting purposes	-	324,312		324,312	
52	Provision for payments in lieu of income taxes	-	40,057		40,057	
53	Net Income (loss)	=	716,044	0	716,044	
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	+	40,057	0	40,057	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	899,924	0	899,924	
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	+	1,814,000	0	1,814,000	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		3,281,502	0	3,281,502	
67	Material addition items from TAXREC 2	+	109,562	0	109,562	
68	Other addition items (not Material) from TAXREC 2	+	3,653	0	3,653	
69						
70	Subtotal		6,148,698	0	6,148,698	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	6,148,698	0	6,148,698	
83						

	A	B	C	D	E	F
1		0	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
3			Tax		Return	
4		0	Return			
5					Version 2009.1	
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	695,744		695,744	
98	Cumulative eligible capital deduction	-	160,122		160,122	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :				0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	1,872,951	0	1,872,951	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		2,363,425	0	2,363,425	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	98,606	0	98,606	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	5,190,848	0	5,190,848	
114	Other deductions (Please explain the nature of the deductions)				0	
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	=	5,190,848	0	5,190,848	
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	=	1,673,894	0	1,673,894	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	1,673,894		1,673,894	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	0	0	0	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	22,241		22,241	
144	Subtotal	=	22,241		22,241	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	22,241	0	22,241	
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)		#DIV/0!		#DIV/0!	
151	Blended Income Tax Rate		#DIV/0!		#DIV/0!	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	22,241	0	22,241	
157	Ontario Capital Tax	+	26,655		26,655	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	48,896	0	48,896	
161						

	A	B	C	D	E	F
1	0	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3			Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Brant County Power Inc.					
8	Reporting period: 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Employee Future Benefits		1,872,951		1,872,951	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,872,951	0	1,872,951	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Employee Future Benefits		1,814,000		1,814,000	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,814,000	0	1,814,000	
64						

	A	B	C	D	E	F
1						
2		0	LINE	M of F	Non-wires	Wires-only
3				Corporate	Eliminations	Tax
4	(for "wires-only" business - see s. 72 OEB Act)					Return
5	RATEPAYERS ONLY			Return		Version 2009.1
6	Shareholder-only items should be shown on TAXREC 3					
7						
8	Utility Name: Brant County Power Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		15,688			
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	+	109,562			109,562
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	Income - joint ventures / partnerships	+	3,653			3,653
42		+				0
43		+				0
44		+				0
45		+				0
46	Total Additions	=	113,215	0		113,215
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	Taxable capital gains		109,562	0		109,562
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		109,562	0		109,562
78	Other additions less than materiality level		3,653	0		3,653
79	Total Additions		113,215	0		113,215
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	-	98,606			98,606
87	Bad debts	-				0
88	Book income of joint venture or partnership	-				0
89	Equity in income from subsidiary or affiliates	-				0
90	Contributions to a qualifying environment trust	-				0
91	Other income from financial statements	-				0
92		-				0
93		-				0
94		-				0
95	Other deductions: (Please explain in detail the nature of the item)	-				0
96	2003 OCT included in 2004 income tax	-				0
97		-				0
98		-				0
99	Total Deductions	=	98,606	0		98,606
100						
101	Recap of Material Deductions:					
102			0	0		0
103			0	0		0
104			0	0		0
105			0	0		0
106	Scientific research expenses claimed in year from Form T661		98,606	0		98,606
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		98,606	0		98,606
120	Other deductions less than materiality level		0	0		0
121	Total Deductions		98,606	0		98,606
122						

	A	B	C	D	E	F
1						
2		0				
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: Brant County Power Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2004					
12	Number of days in taxation year:		366			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			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	+	210		210	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		400		400	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Regulatory Variance Accounts - Dec 31, 2003 balance	+	900,317		900,317	
41	Transition Costs - opening tax balance	+	1,568,713		1,568,713	
42	PILS - Dec 31, 2003 balance	+	400,948		400,948	
43	Regulatory Variance Accounts - ending CR balances	+	410,633		410,633	
44		+			0	
45	Non Deductible interest expense	+	281		281	
46		+				
47	Total Additions on which true-up does not apply	=	3,281,502	0	3,281,502	
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	-	37,575		37,575	
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	Transition Costs - Balance at Dec 31, 2004	-	1,604,177		1,604,177	
63	Deferred PILS - Balance at Dec 31., 2004	-	721,673		721,673	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68		-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	2,363,425	0	2,363,425	
74						
75						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1		0													
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Brant County Power Inc.														
4	Reporting period: 2004														
5	Sign Convention: + for increase; - for decrease														
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-											-128,237		-128,237
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		-128,237		-128,237

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:

- (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 true'd 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 true'd 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.

Appendix F
2005 SIMPILS Model (revised)

	A	B	C	D	E
1					Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Brant County Power 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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			12,710,037	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,088,615	
42					
43	1999 return from RUD Sheet #7			144,208	144,208
44					
45	Total Incremental revenue			944,407	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			314,802	314,802
48	Amount allowed in 2002			314,802	314,802
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			314802	314,802
52	Other Board-approved changes to MARR or incremental revenue			63296	63,296
53					0
54	Total Regulatory Income				1,151,910
55					
56	Equity			6,355,019	
57					
58	Return at target ROE			627,876	
59					
60	Debt			6,355,019	
61					
62	Deemed interest amount in 100% of MARR			460,739	
63					
64	Phase-in of interest - Year 1 (2001)			194,269	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			327,504	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			327,504	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			460,739	
71					
72					

	A	B	C	D	E	F	G
1		0	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3			Tax		Return		
4		0	Return				
5					Version 2009.1		
6	Section A: Identification:						
7	Utility Name: Brant County Power 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 : 15,888 < - enter materiality level						
14	(0.25% x Rate Base x CER)	Y/N					
15	(0.25% x Net Assets)	Y/N					
16	Or other measure (please provide the basis of the amount)	Y/N					
17	Does the utility carry on non-wires related operation?	Y/N					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)						
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	Section B: Financial statements data:						
23	Input unconsolidated financial statement data submitted with Tax returns.						
24	The actual categories of the income statements should be used.						
25	If required please change the descriptions except for amortization, interest expense and provision for income tax						
26							
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts						
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.						
29							
30	Income:						
31	Energy Sales	+	19,096,898		19,096,898		
32	Distribution Revenue	+	4,302,538		4,302,538		
33	Other Income	+	480,015		480,015		
34	Miscellaneous income	+	7,030		7,030		
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	19,096,898		19,096,898		
40	Administration	-	1,197,394		1,197,394		
41	Customer billing and collecting	-	842,518		842,518		
42	Operations and maintenance	-	1,111,783		1,111,783		
43	Amortization	-	833,690		833,690		
44	Ontario Capital Tax	-			0		
45	Capitalized	-			0		
46	Rounding adjustment re: depreciation	-			0		
47	Other	-	776,769		776,769		
48		-			0		
49							
50	Net Income Before Interest & Income Taxes EBIT	=	27,429	0	27,429		
51	Less: Interest expense for accounting purposes	-	320,701		0		
52	Provision for payments in lieu of income taxes	-	269,648		0		
53	Net Income (loss)	=	-562,920	0	27,429		
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	+	269,648	0	269,648		
60	Federal large corporation tax	+	0	0	0		
61	Depreciation & Amortization	+	991,556	0	991,556		
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	+	2,001,000	0	2,001,000		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	Items on which true-up does not apply "TAXREC 3"		3,745,786	0	3,745,786		
67	Material addition items from TAXREC 2	+	504,564	0	504,564		
68	Other addition items (not Material) from TAXREC 2	+	17,240	0	17,240		
69							
70	Subtotal		7,529,794	0	7,529,794		
71							
72	Other Additions: (Please explain the nature of the additions)						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital items expensed	+			0		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	0	0	0		
81							
82	Total Additions	=	7,529,794	0	7,529,794		
83							

	A	B	C	D	E	F	G
1		0	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3			Tax		Return		
4		0	Return				
5					Version 2009.1		
84	Recap Material Additions:						
85			0	0	0		
86			0	0	0		
87			0	0	0		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	973,217		973,217		
98	Cumulative eligible capital deduction	-	148,913		148,913		
99	Employee benefit plans-paid amounts	-			0		
100	Items capitalized for regulatory purposes	-			0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	1,814,000	0	1,814,000		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	Items on which true-up does not apply "TAXREC 3"		2,509,987	0	2,509,987		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	443,858	0	443,858		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	5,889,975	0	5,889,975		
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	=	5,889,975	0	5,889,975		
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	=	1,076,899	0	1,667,248		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	133,558		133,558		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	943,341	0	1,533,690		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	102,469	0	102,469		
143	Net Ontario Income Tax (Must agree with tax return)	+	34,709	0	34,709		
144	Subtotal	=	137,178	0	137,178		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0		
146	Total Income Tax	=	137,178	0	137,178		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		10.86%		10.86%		Divide federal income tax by the taxable i
150	Net Ontario Income Tax Rate (Must agree with tax return)		3.68%		3.68%		Divide Ontario income tax by the taxable i
151	Blended Income Tax Rate		14.54%		14.54%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	137,178	0	137,178		
157	Ontario Capital Tax	+	40,168		40,168		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	177,346	0	177,346		
161							

	A	B	C	D	E	F
1	0	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3			Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Brant County Power Inc.					
8	Reporting period: 2005					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Employee Future Benefits		1,814,000		1,814,000	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,814,000	0	1,814,000	
51					0	
52	End of Year:				0	
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Employee Future Benefits		2,001,000		2,001,000	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		2,001,000	0	2,001,000	
64						

	A	B	C	D	E	F
1						
2		0	LINE	M of F	Non-wires	Wires-only
3			Corporate	Eliminations		Tax
4			Return			Return
5						
6						Version 2009.1
7						
8						
9						
10			365			
11			15,888			
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23			504,564		504,564	
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42			13,959		13,959	
43			3,281		3,281	
44						
45						
46			521,804	0	521,804	
47						
48						
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			504,564	0	504,564	
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			504,564	0	504,564	
78			17,240	0	17,240	
79			521,804	0	521,804	
80						
81						
82						
83						
84						
85						
86			443,858		443,858	
87						
88						
89						
90						
91						
92						
93						
94						
95			0		0	
96						
97						
98						
99			443,858	0	443,858	
100						
101						
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			443,858	0	443,858	
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			443,858	0	443,858	
120			0	0	0	
121			443,858	0	443,858	
122						

	A	B	C	D	E	F
1						
2		0				
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: Brant County Power Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2005					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40		+			0	
41	Regulatory variance accounts at December 31, 2005	+	1,252,879		1,252,879	
42	Transition Costs at December 31, 2004	+	1,604,175		1,604,175	
43	PILS at December 31, 2004	+	721,672		721,672	
44	Other Regulatory variance accounts at December 31, 2005	+	167,060		167,060	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	3,745,786		3,745,786	
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	-	7,030		7,030	
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	Regulatory variance accounts at December 31, 2004	-	410,633		410,633	
62	Transition Costs at December 31, 2005	-	1,094,156		1,094,156	
63	PILS at December 31, 2005	-	998,168		998,168	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68		-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	2,509,987	0	2,509,987	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	0									
2	Corporate Tax Rates					Version 2009.1				
3										
4	Utility Name: Brant County Power Inc.									
5	Reporting period: 2005									
6										
7	Table 1									
8	Rates Used in 2005 RAM PILs Applications for 2005									
9	Income Range		0		400,001		>1,128,000			
10	RAM 2005		to		to					
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						Taxable			
28	Expected Rates						Income			
29		Year					\$491,891			
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)	2005								
33	Ontario	2005								
34	Blended rate	2005	0.00%	0.00%	0.00%		24.59%			
35										
36	Capital Tax Rate	2005	0.300%							
37	LCT rate	2005	0.175%							
38	Surtax	2005	1.12%							
39	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000							
40	Federal Large Corporations Tax Exemption *** 2005	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
1		0														
2	Analysis of PILs Tax Account 1562:															
3	Utility Name: Brant County Power Inc.														Version 2009.1	
4	Reporting period: 2005		Sign Convention: + for increase; - for decrease													0
5																
6																
7																
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006			
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total	
10																
11	Opening balance:	=														
12	Board-approved PILs tax proxy from Decisions (1)	+/-														
13	PILs proxy from April 1, 2005 - input 9/12 of amount															
14	True-up Variance Adjustment Q4, 2001 (2)	+/-														
15	True-up Variance Adjustment (3)	+/-														
16	Deferral Account Variance Adjustment Q4, 2001 (4)															
17	Deferral Account Variance Adjustment (5)	+/-														
18	Adjustments to reported prior years' variances (6)	+/-														
19	Carrying charges (7)	+/-														
20	PILs billed to (collected from) customers (8)	-														
21																
22	Ending balance: # 1562		0		0		0		0		0		0		0	

23
24
25

26 **Uncollected PILs**

27
28 **NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.
29 For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

30
31 **Please identify if Method 1, 2 or 3 was used to ac##** | | | |

- 32
33 (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
34 Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
35 If the Board gave more than one decision in the year, calculate a weighted average proxy.
36 (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
37 (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
38 (iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
39 (v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
40 (vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.
41
42 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be
43 true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
44
45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
46 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
47 ###
48 (4) From the Ministry of Finance Variance Column, u ##
49 true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
50
51 (5) From the Ministry of Finance Variance Column, u ## 581776
52 The true-up will compare to the 2002 proxy for : ## 101113
53
54 (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
55
56 (7) Carrying charges are calculated on a simple interest basis.
57
58 (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate
59 components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the
60 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
61 The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
62
63 (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied
64 by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;
65 plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
66
67 In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,
68 for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
69
70 In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,
71 for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used
72 to calculate the recovery for the period January 1 to March 31, 2005.
73
74 (9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes
75 will have to include amounts from 1562 and from 1590.
76
77