	A	В	С	D	E
1	PILs TAXES		0		Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Tay Hydro			Colour Code	
	Reporting period: 2002			Input Cell	
5				Formula in Cell	
	Days in reporting period:	365 365	days davs		
8	Total days in the calendar year:	303	uays		
	BACKGROUND				
	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	У	
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	n	
17	Is the utility a non-profit corporation?		Y/N	n	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		T/IN	n	
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	n	
	shared among the corporate group?	LCT	Y/N	- '' n	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT	1/11	100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23	·		D-1-		
	Accounting Year End		Date	12-31-2002	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS) USE BOARD-APPROVED AMOUNTS				
30	USE BUARD-APPROVED AMOUNTS				
	Rate Base (wires-only)			4,077,253	
33	Common Equity Ratio (CER)			50.00%	
J -					
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			349,217	
43	1999 return from RUD Sheet #7			173,613	173,613
45				175,604	170,010
	Total Incremental revenue Input: Board-approved dollar amounts phased-in			175,004	
47	Amount allowed in 2001			58,535	58,535
48	Amount allowed in 2002			58,535	58,535
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue			_	0
53 54	Total Regulatory Income				290,683
55	i otal Negulatory income				290,083
	Equity			2,038,627	
57		-			
	Return at target ROE			201,416	
59	Debt			2,038,627	
61	Deni			2,030,027	
62	Deemed interest amount in 100% of MARR			147,800	
63					
	Phase-in of interest - Year 1 (2001)			98,253	
65	((D43+D47)/D41)*D61			400.007	
66	Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61			123,027	
	Phase-in of interest - Year 3 (2003) and forward			123,027	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			120,021	
70	Phase-in of interest - 2005			147,800	
71					
72				1	

Temporal Program Temporal Pr		Λ	В	C	ь		F	C	ш
Pilling	1	A A	B	C	D	E M of F		G	Н
TABLE Common Co			III E IVI		\vdash				
Common				Latimate				Returns	
1									
Separation Sep							•	Version 2009.1	
B									
1 Days in reporting period: 385 days From TAXREC TAXREC S S S S S S S S S		Reporting period: 2002							
10 Total days in the calendar year: 385 days From TAXREC TAXR			005						
11									
13 13 14 19 CORPORATE INCOME TAXES 1 1 268,732 99,613 368,344 16 17 17 17 17 17 17 18 18		Total days in the calendar year:	365	days					
13				\$		\$			
14 D. CORPORATE INCOME TAXES				Ψ		Ψ		Ψ	
15 Regulatory Net Income REGINFO E53		I) CORPORATE INCOME TAXES							
17 18 BOOK TO TAX ADJUSTMENTS 19 Additions: 2 219,884 30,558 250,444 21 Employee Benefit Plans - Accrued, Not Paid 3 0 0 0 0 0 0 0 0 0	15	,							
18 BOOK TO TAX ADJUSTMENTS	16	Regulatory Net Income REGINFO E53	1	268,732		99,613		368,345	
19] Additions: 2 219,884 30,588 250,442 21 Employee Benefit Plans - Accrued, Not Paid 3 0 0 0 0 0 0 0 0 0									
20 Depreciation & Amorization 2 219,884 30,588 250,442 219,694 30,588 250,442 219,694 30,588 250,442 221 241,694 241									
21 Employee Benefil Plans - Accrued, Not Paid 3 0 0 0 0 0 0 0 0 0			_	040.004	-	00.550		050 440	-
22 Tax reserves - beginning of year								250,442	
23 Reserves from financial statements - end of year 4 0 0 0 0 0 0 0 0 0				0				0	
24 Regulatory Adjustments - increase in income 5								0	_
25 Other Additions (See Tab entitled "TAXREC")	-							0	_
27		Other Additions (See Tab entitled "TAXREC")					_		
Material Items from "TAXREC 2" worksheet 6 0 0 0 0 0 0 0 0 0							-	0	
Other Additions (not "Material") "TAXREC 2" 6 0 0 0 0 0 0 0 0 0								0	
190								0	
32 Deductions: Input positive numbers			6		 			0	
32 Deductions: Input positive numbers		items on which true-up does not apply "TAXREC 3"	-		\vdash	2,448		2,448	
33		Deductions: Input positive numbers	-		\vdash				
Section Contributions to defered income plans Section Sect			7	170 /21	 	7/ 51/		253 0//5	
15 tems Capitalized for Regulatory Purposes 9								255,945	
11								0	
33 Tax reserves - end of year 4 0 0	36		10			0		0	
39 Reserves from financial statements - beginning of year 4 0 0 0 0 0 0 0 0 0				113,737		96,349		210,086	
40 Contributions to deferred income plans 3 0 0 0 0 0 0 0 0 0								0	
41 Contributions to pension plans 3 0 0 0 0 0 0 0 0 0								0	
Interest capitalized for accounting but deducted for tax								0	
43 Other Deductions (See Tab entitled "TAXREC")								0	
"Material" Items from "TAXREC" worksheet						- U		- C	
Material Items from "TAXREC 2" worksheet 12			12			0		0	
47 Other Deductions (not "Material") "TAXREC 2" 12 0 0 (148 Items on which true-up does not apply "TAXREC 3" 0 (149 150 TAXABLE INCOME/ (LOSS) 195,448 (38,244) Before 2001 loss C/F 157,204 51 155 BLENDED INCOME TAX RATE			12					0	
Items on which true-up does not apply "TAXREC 3" 0 0 0 0 0 0 0 0 0								0	
49	_		12					0	
Taxable Income/ (Loss) 195,448 (38,244) Before 2001 loss C/F 157,204		items on which true-up does not apply "TAXREC 3"			-	0		0	
51		TAYARI E INCOME/ /LOSS\		105 440	\vdash	(20.244)	Rofero 2004 Issa C/F	157.004	\vdash
S2 BLENDED INCOME TAX RATE		IAAADLL IINOOIVIE/ (LOSS)	-	190,448	H	(36,244)	Delute 2001 loss C/F	157,204	
53 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 13 19.12% -0.0002% 19.12% 54 37,370 -14,644 Actual 22,726 56 56 56 56 57 58 Miscellaneous Tax Credits 14 0 Actual 0 59 59 59 59 59 59 60 Total Regulatory Income Tax 37,370 -14,644 Actual 22,726 61 62 63 11) CAPITAL TAXES 64 65 64 65 Ontario 66 577,467 4,654,720		BLENDED INCOME TAX RATE							
54 55 REGULATORY INCOME TAX 37,370 -14,644 Actual 22,726 56 57 58 Miscellaneous Tax Credits 14 0 Actual 0 59 -14,644 Actual 0 60 Total Regulatory Income Tax 37,370 -14,644 Actual 22,726 61 -14,644 Actual 22,726 62 -14,644 Actual -14,644 Actual -14,644 62 -14,644 Actual -14,644 Actual -14,644 63 11) CAPITAL TAXES -14,644 Actual -14,644 -14,644 64 -14,644 -14,644 Actual -14,644 -14,644 -14,644 63 11) CAPITAL TAXES -14,644 -14,64			13	19.12%		-0.0002%		19.12%	
56 57 58 Miscellaneous Tax Credits 14 0 Actual 0 59 60 Total Regulatory Income Tax 37,370 -14,644 Actual 22,726 61 62 63 II) CAPITAL TAXES 64 64 65 Ontario 66 Base 15 4,077,253 577,467 4,654,720	54								
57		REGULATORY INCOME TAX		37,370	igsqcut	-14,644	Actual	22,726	
Miscellaneous Tax Credits			-		$\vdash \vdash$				
Total Regulatory Income Tax 37,370 -14,644 Actual 22,726		Missollaneous Tay Credits	1.4		 		امريكم ٨	0	
60 Total Regulatory Income Tax 37,370 -14,644 Actual 22,726 61 62 63 64 64 65 64 65 67 66 68 68 68 68 69		INISCENDINGUUS TAX CIRUNS	14		H	0	Actual	U	
61 62 63 II) CAPITAL TAXES 64 65 Ontario 66 Base 15 4,077,253 577,467 4,654,720		Total Regulatory Income Tax	1	37 370		-14 644	Actual	22,726	
62 63 II) CAPITAL TAXES 64 65 Ontario 66 Base 15 4,077,253 577,467 4,654,720				0.,010		,511	, iotudi	22,.20	
64 65 Ontario 66 Base 15 4,077,253 577,467 4,654,720	62								
65 Ontario Ontario 66 Base 15 4,077,253 577,467 4,654,720		II) CAPITAL TAXES			$\sqcup \sqcup$				
66 Base 15 4,077,253 577,467 4,654,720		Ontorite	-		$\vdash \vdash$				
			45	4.077.050	\vdash	E77 407		4.054.700	
1 0 1 1 2 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2	-					5//,46/			
			10			577.467		-345,280	
69									
		Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%	-	0.3000%	
71		0.1.10.217			$\vdash \vdash$		_		
72 Ontario Capital Tax 0 0 0 0		Ontario Capital Tax		0	\vdash	0	U	0	
73 Table 1 Table 2 T		Federal Large Corporations Tax			\vdash				
			18	4.077.253	\vdash	-4.077.253		0	
								10,000,000	
77 Taxable Capital 0 -4,077,253 -10,000,000	77					-4,077,253		-10,000,000	
78					igsqcut				
		Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	$\vdash \vdash$	0.0000%		0.2250%	
80 81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) 0 -22,500 -22,500		Gross Amount of LCT before curtay offset (Tayable Capital y Rota)		0	\vdash	-22 E00		-22,500	
			21		H			-22,500	
SE LEGISTI CONTRACTOR MICHIGANI STATE MICHIGAN			<u>- '</u>		H			0	
84 Net LCT 0 -22,500 -22,500	84	Net LCT		0		-22,500		-22,500	
85									

	A	В	С	D	E	F	G	Н
1	PILs TAXES	ITEM	Initial	_	M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
5	("Wires-only" business - see Tab TAXREC)				K-C	Explanation	Version 2009.1	
	Utility Name: Tay Hydro						Version 2003.1	
7	Reporting period: 2002							
8		005					Column	
9	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From	
11	Total days in the calcinal year.	303	uays				TAXREC	
12			\$		\$		\$	
13								
86 87	III) INCLUSION IN RATES							
	Income Tax Rate used for gross- up (exclude surtax)		18.00%					
89								
	Income Tax (proxy tax is grossed-up)	22	45,573			Actual 2002	22,726	
91	LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	23 24	0			Actual 2002	0	
93	Ontario Capital Tax (110 gross-up since it is deductible)	24	U			Actual 2002	U	
94								
95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	45,573			Actual 2002	22,726	
96 97	RAM DECISION			_				
98			 				+	
	IV) FUTURE TRUE-UPS							
	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:				ì			
	Employee Benefit Plans - Accrued, Not Paid	3			0			
	Tax reserves deducted in prior year	4			0			
	Reserves from financial statements-end of year Regulatory Adjustments	5			0			
	Other additions "Material" Items TAXREC	6			0			
	Other additions "Material" Items TAXREC 2	6			0			
	In Deductions - positive numbers				0			
	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9			0			
	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell E206)	11			62,286			
	Tax reserves claimed in current year	4			0			
	Reserves from F/S beginning of year Contributions to deferred income plans	3			0			
	Contributions to deterred income plans Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
	Other deductions "Material" Item TAXREC 2	12			0			
119	Total TRUE-UPS before tax effect	26		_	-62,286			
121	Total TROE-OF O before tax effect	20		_	-02,200			
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			Х	19.12%			
123								
124 125	Income Tax Effect on True-up adjustments			=	-11,909		+	
	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-11,909			
129	Income Tax Rate used for gross-up (exclude surtax)			-	18.00%			
131	moomo rantrato usou foi gross-up (enclude sullan)				10.00%		1	
132	TRUE-UP VARIANCE ADJUSTMENT				(14,523)			
133	nul a la						-	
	IV b) Calculation of the Deferral Account Variance caused by							
	changes in legislation			_				
135	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial		 					
136	estimate column)			=	195,448			
137	·							
138	REVISED CORPORATE INCOME TAX RATE			Х	19.12%		-	
139 140	REVISED REGULATORY INCOME TAX			=	37,370			
141	TETICES RECOEMENTAL INCOME TAX			Ē	01,570			
142	Less: Revised Miscellaneous Tax Credits			•	0			
143	Total Davis ad Davidators brown To				07.05			
144	Total Revised Regulatory Income Tax			=	37,370			
143	Less: Regulatory Income Tax reported in the Initial Estimate Column						1	
146	(Cell C58)			-	37,370			
147	Domilator de como Tou Variance							
	Regulatory Income Tax Variance			=	1			
149			I.		l .		1	

	Α	- Б			-		0	
1	PILs TAXES	ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS	IIEW	Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)		Latimate		Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
	Utility Name: Tay Hydro			+ -				-
7	Reporting period: 2002			+ 1			Column	\vdash
9	Days in reporting period:	365	days				Brought	
	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$	+	\$		\$	
13	Ontario Capital Tax	1		-				
	Base			+ = 1	4,077,253			\vdash
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			1 - 1	5,000,000			
153	Revised deemed taxable capital			=	(922,747)			
154	D. T. T. D			1	0.00000/			
155 156	Rate - Tab Tax Rates cell C54			Х	0.3000%			-
157	Revised Ontario Capital Tax			=	0			
1	Less: Ontario Capital Tax reported in the initial estimate column (Cell				Ü			\Box
158	C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0		1	\sqcup
160 161	Federal LCT			+			+	\vdash
162	Base				4,077,253		+	\vdash
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			\Box
164	Revised Federal LCT			=	(5,922,747)			
165								
166 167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
168	Gross Amount				0			\vdash
169	Less: Federal surtax			T - 1	0			\vdash
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173 174	Regulatory Federal LCT Variance				U			\vdash
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	Income Tax (grossed-up)			+	1			
	LCT (grossed-up)			+	0			
179 180	Ontario Capital Tax			+	U			\vdash
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	1			
182								
	TRUE-UP VARIANCE (from cell I130)			+	(14,523)			
184	Total Deferred Assessment Fragmer (Positives Fragmer, Dobits)			+	(11.500)			
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	(14,522)		+	\vdash
187	Decenal Account variance + True-up Vallance)						+	\vdash
188								
189								
	V) INTEREST PORTION OF TRUE-UP			\perp				
	Variance Caused By Phase-in of Deemed Debt			+				\vdash
192 193	Total deemed interest (REGINFO)			+ +	147,800		+	\vdash
194	Interest phased-in (Cell C37)				113,737			\vdash
195								
	Variance due to phase-in of debt component of MARR in rates			$oxed{oxed}$	34,063			
197	according to the Board's decision			+				$\vdash \vdash$
198 199	Other Interest Variances (i.e. Borrowing Levels							\vdash
200	Above Deemed Debt per Rate Handbook)							\vdash
201	Interest deducted on MoF filing (Cell G37+G42)				210,086			
	Total deemed interest (REGINFO CELL D62)	1			147,800			Ш
203	Variance caused by excess debt			+	62,286		+	$\vdash \vdash$
204	variance caused by excess debt			+ +	0∠,∠86			\vdash
	Interest Adjustment for Tax Purposes (carry forward to Cell E112)				62,286			
207								
	Total Interest Variance			Щ	-28,222			Ш
209		1						\vdash
210 211				+				\vdash
النجي			1				1	

		-	^	5	-	_
1	A PILs TAXES	LINE	C M of F	D Non-wires	E Wires-only	F
2	TAX RETURN RECONCILIATION (TAXREC)	FIINE	Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4 5	0		Return		Version 2009.1	
_	Section A: Identification:				VEI 31011 2003.1	
7	Utility Name: Tay Hydro					
	Reporting period: 2002 Taxation Year's start date:					
	Taxation Year's end date:					
	Number of days in taxation year:		365	days		
12			_			
14	Please enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	0	< - enter materiality	rievel	
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17 18	Does the utility carry on non-wires related operation? (Please complete the questionnaire in the Background questionnaire	Y/N	and)			
19	(Please complete the questionnaire in the Background questionnaire	WOIKSI	ieet.)			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	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.					
	If required please change the descriptions except for amortization, interest	expens	e and provision for i	ncome tax		
26 27	Please enter the non-wire operation's amount as a positive number, the pro-	ogram a	automatically treats	all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and T					
29	lanama.					_
30	Income: Energy Sales	+	3,274,725		3,274,725	
32	Distribution Revenue	+	1,049,034		1,049,034	
33	Other Income	+	177,349		177,349	-
34 35	Miscellaneous income	+			0	
	Revenue should be entered above this line				U	
37						
38	Costs and Expenses:	_	3,274,725		3,274,725	
40	Cost of energy purchased Administration	-	275,328		275,328	
41	Customer billing and collecting	-	172,038		172,038	
42	Operations and maintenance	-	172,780		172,780	
43 44	Amortization	-	237,892		237,892 0	
45		-	0		0	
46		-			0	
47 48		-			0	
49					0	
50	Net Income Before Interest & Income Taxes EBIT	=	368,345	0	368,345	
	Less: Interest expense for accounting purposes	-	210,086		210,086	
52 53	Provision for payments in lieu of income taxes Net Income (loss)	-	45,000 113,259	0	45,000 113,259	
	(The Net Income (loss) on the MoF column should equal to the net income (loss)		110,200	· · ·	110,200	
54 55	per financial statements on Schedule 1 of the tax return.)					
	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:		4F 000	0	45.000	
	Provision for income tax Federal large corporation tax	+	45,000	0	45,000 0	
61	Depreciation & Amortization	+	250,442	0	250,442	
	Employee benefit plans-accrued, not paid	+	0	0	0	_
	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		2,448	0	2,448	
	Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2	+	0	0	0	
69	Called addition from Material Horn France 2	L				
70	Subtotal		297,890	0	297,890	
71	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+	0		0	
	Capital items expensed DEPRECIATION DIFFERENCE	+			0	
77	DEL MEDIATION DILL'ENLINGE	+			0	
78		+			0	
79	Total Other Additions	+	_		0	
80 81	Total Other Additions	=	0	0	0	
82	Total Additions	=	297,890	0	297,890	
83						
84 85	Recap Material Additions:		0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89 90			0	0	0	
91			0	0	0	
	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level) Total Other Additions		0			
	Total Other Additions		0			

	A	В	С	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
95						

	A	В	С	D	Е	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	244,366		244,366	
98	Cumulative eligible capital deduction	-	9,579		9,579	
99	Employee benefit plans-paid amounts Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102	CCA	- 1			0	
103		-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
	Items on which true-up does not apply "TAXREC 3"		0	0	0	
109	Interest capitalized for accounting deducted for tax	-	0		0	
	Material deduction items from TAXREC 2 Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112	Cinor deduction items (not material) HUIII TAXREC 2	 - 	U	U	U	
113	Subtotal	=	253,945	0	253,945	
	Other deductions (Please explain the nature of the deductions)		200,040		200,040	
	Charitable donations - tax basis	-			0	
	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119 120	Total Others Deshiretions	-	0		0	
121	Total Other Deductions	=	U	0	U	
122	Total Deductions	=	253,945	0	253,945	
123	Total Boddonono		200,010		200,010	
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128 129			0	0	0	
	Total Other Deductions exceed materiality level		0	0	0	
	Other Deductions exceed materiality level		0	0	0	
	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	157,204	0	157,204	
135						
136		-	38,343		38,343	
137	Net capital loss applied positive number	-			0	
138	NET TAXABLE INCOME	=	118,861	0	0 118,861	
140	INC I TAXABLE INCOME	 -	110,001	0	110,001	
	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	15,594		15,594	
	Net Ontario Income Tax (Must agree with tax return)	+	7,132		7,132	
144	Subtotal	=	22,726	0	22,726	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
	Total Income Tax	=	22,726	0	22,726	
147	FROM ACTUAL TAX RETURNS	1				
	Net Federal Income Tax Rate (Must agree with tax return)	1	13.12%		13.12%	
	Net Ontario Income Tax Rate (Must agree with tax return)	† †	6.00%		6.00%	
151	Blended Income Tax Rate		19.12%		19.12%	
152						
	Section F: Income and Capital Taxes					
154						
	RECAP		00.700		00 700	
	Total Income Taxes	+	22,726	0	22,726	
157 158	Ontario Capital Tax #VALUE!	+	0		0	
159	#VALUL:	-	U		U	
160	Total income and capital taxes	=	22,726	0	22,726	
161						

_	A	В	С	D	E	F
1	PILS TAXES	LINE	M of F	Non-wires	⊏ Wires-only	Г
2	Tax and Accounting Reserves	LIINL	Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax	Emminations	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Tay Hydro					
8	Reporting period: 2002					
9 10	TAX RESERVES					
11	TAX RESERVES					
12	Beginning of Year:					
13	beginning of Tear.				0	
14	Reserve for doubtful accounts ss. 20(1)(I)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19 20	Other - Please describe				0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23	(_		-	
24	End of Year:					
25					0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28 29	Reserve for unpaid amounts ss.20(1)(n) Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
31	Other - Please describe Other - Please describe				0	
32	Curior Tribuse describe				0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37 38	EINANGIAL OTATEMENT DEGERVES					
39	FINANCIAL STATEMENT RESERVES					
	Beginning of Year:					
41	Beginning of Tear.				0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes Other - Please describe				0	
48	Other - Please describe Other - Please describe				0	
49	Outer - Lieuse describe				0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
	End of Year:					
53					0	
54					0	
55	Environmental Other Liabilities (2405) - Allowance for doubtful accounts				0	
	Other Liabilities (2405) - Allowance for doubtful accounts Inventory obsolescence		0		0	
58	Property taxes				0	
59	Other - Please describe				0	
60	Other - Please describe				0	
61					0	
	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	В	С	D	Е	F
1			-			
	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
	RATEPAYERS ONLY		Return			
6 7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
	Utility Name: Tay Hydro					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
17	Gain on sale of eligible capital property	+			0	
	Loss on disposal of assets	+			0	
	Charitable donations (Only if it benefits ratepayers)	+			0	
	Taxable capital gains	+			0	
22	, ,	+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings	+			0	
	Capital items expensed Debt issue expense	+			0	
	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures	+			0	
	Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
	Provision for bad debts	+			0	
37 38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	W /	+			0	
42		+			0	
43		+			0	
44 45		+			0	1
46	Total Additions	+	0	0	0	
47	rotal Additions	_	U	U	0	l
	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 55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0		0	
60			0	0	0	
61			0	0	0	
62 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 73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
_	Total Material additions		0	0	0	
						1
78	Other additions less than materiality level Total Additions		0		0	

	A	В	С	D	Е	F
1	Λ	D	C	U	L	_ '
2	PILS TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)	LIIVE	Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	Liiiiiiadons	Return	
	RATEPAYERS ONLY		Return		rtotuin	
6	Shareholder-only Items should be shown on TAXREC 3		rtotam		Version 2009.1	
7	Share the state of				70.0.0	
8	Utility Name: Tay Hydro					
	Reporting period: 2002					
	Number of days in taxation year:		365			
	Materiality Level:		0			
12						
13						
80						
	Deduct:					
	Gain on disposal of assets per f/s	-	0		0	
	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	
	Bad debts	-			0	
	Book income of joint venture or partnership	-			0	
	Equity in income from subsidiary or affiliates	-			0	
	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93	OPEB Amounts Capitalized	-	0		0	
94	04 11 6 (0)	-			0	
	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Non-taxable load transfers Prospectus & underwriting fees	-			0	
98	Prospectus & underwriting lees	-			0	
	Total Deductions	=	0	0	0	
100	Total Deductions	=	U	U	U	
	Recap of Material Deductions:					
102	Tready of Material Deductions.		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	
	Total Deductions exceed materiality level		0	0	0	
	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	В	С	D	E	F
1	A	Ь	C	U	E	F
	PILs TAXES					
	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			
	Utility Name: Tay Hydro				Version 2009.1	
9						
10	Devention medicals 0000					
	Reporting period: 2002 Number of days in taxation year:		365			
13	realiser of days in taxation year.		303			
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
	Recapture of capital cost allowance	_			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships Deemed dividend income	+	1,360		1,360	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+	838		838	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account Non-deductible meals	+	250		0 250	
	Non-deductible rileals Non-deductible club dues	+	230		230	
	Non-deductible automobile costs	+			0	
	Donations - amount per books				0	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
_	Ontario capital tax adjustments	+			0	
	Changes in Regulatory Asset balances	+			0	
42		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
	Partnership income per T5013 (net of 2001 loss) Amortization of debt discount	+	0		0	
	RSVA Reserve (1580)	+	0		0	
	Reserves for Transition Costs		0			
	Reserves for rebate payment		0			
49		+				
50	Total Additions on which true-up does not apply	=	2,448	0	2,448	
51 52	Deduct:					
53	Double.					
	CCA adjustments	-			0	
	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
57 58	Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs	-			0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
61	Income from joint ventures or partnerships	-			0	
62		-			0	
63 64		-			0	
65		-			0	
66		-			0	
	Ontario capital tax adjustments to current or prior year	-	0		0	
68		-			0	
	Changes in Regulatory Asset balances	-			0	
70	Other deductions: (Please explain in detail the nature of the item)	-			0	
	Prospectus & underwriting fees	-	0		0	
	Income not earned on movement of Regulatory A/Cs	-	0		0	
74	Deferred cost deductible (market ready)	-	0		0	
75		-			0	
76	Total Deductions on which true-up does not apply	=	0	0	0	
77 78						
10						

Corporate Tax Rates Exemptions, Deductions, or Thresholds Utility Name: Tay Hydro	_						
Corporate Tax Rates Exemptions Debutchions, or Thresholds			В	С	D	Е	F
Exemptions, Deductions, or Thresholds Utility Name: Tay Hydro Reporting period: 2002 Table 1 Tab	ı	PILs TAXES					
Table 1 Table 2 Table 3 Table 4 Table 4 Table 4 Table 5 Table 6 Tabl			r Throobels	le.		V	ersion 2009
Table 1 Tabl			i imesnoic	15			
Table 1 Table 2 Table 3 Table 4 Table 4 Table 4 Table 4 Table 4 Table 5 Table 6 Tabl	_	Reporting period: 2002					
Rates Leg 1 2002 RAM PILS Applications for 2002	;						
Income Range	4	Dates Hand in 2002 DATE D	lo Applia-1	iono for 2000			Table 1
Table 2			LS Applicat			200 001	
Income Tax Rate		RAM 2002				,	>700,000
Proxy Tax Year	1		Year	200,000		700,000	
13,12% 26,12% 2							
And Ontario blended			2002	40.400/		00.400/	00.400/
Section Sect							
Capital Tax Rate							
Capital Tax	٠						
Surtax	3	Capital Tax Rate		0.300%			
Ontario Capital Tax		LCT rate					
SSMM	4		N# * */	1.12%			
Table 2 Table 3 Tabl	١	Untario Capital Tax		5,000,000			
Corporations Tax							
Table 2 Table 3 Table 4 Table 5 Table 6 Tabl		Corporations Tax		10,000,000			
Table 2 Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002 Income Range Expected Rates Year 200,000 Income Tax Rate Current year 2002 Federal (Includes surtax) Ontario Capital Tax Rate 2002 13.12% Corporations Tax Exemption *** 2002 ***Allocation of exemptions must comply with the Board's instructions regarding regulated activities. Table 3 Input Information from Utility's Actual 2002 Tax Returns Income Tax Rate Current year 2002 13.12% 10.000,000 200,001 200,001 200,001 200,000 200,001 200,000 200,00		Exemption **	\$10MM				
Table 2		**Exemption amounts	must agre	e with the	Board-app	roved 200	2 RAM
Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002		PILs filing					
Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002	ł						
Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002							Table 2
Table 3 Tabl	ò		s for 2002 a	nd Capital Ta	x Exemption	s for 2002	
Year 200,000 700,000		Income Range		-			-05
Income Tax Rate	3	Expected Rates	Voor				>700,000
Current year 2002		Income Tax Rate	rear	200,000		700,000	
Table 3 Tabl			2002				
Contario		Federal (Includes surtax)		13.12%		26.12%	26.12%
Capital Tax Rate	3	Ontario					
CT rate 2002 0.225%		Blended rate	2002	19.12%		32.12%	38.62%
CT rate 2002 0.225%	5	O!(-! T D :	0000	0.0000/			
Surtax							
MAX Somm S							
Symmon S	1	Ontario Capital Tax					
MAX	J	Exemption *** 2002		5,000,000			
Corporations Tax		Federal Large	MAX				
Exemption 10 10 10 10 10 10 10 1		Corporations Tax		10,000,000			
Table 3 Tabl	-			et comply :	ith the De	ard'e inct	uctions
Table 3 Input Information from Utility's Actual 2002 Tax Returns Income Range	1	-		st comply w	nui uie Bo	aru s IIISti	uctions
Include copies of the actual tax return allocation calculations in your		regarding regulated ac	uviues.				-
Name		Input Information from Utili	ty's Actual	2002 Tay Dat	urne		Table 3
To	ŀ		iy a Actual		ui 110	200.001	
Year 200,000 700,000 Income Tax Rate	١			-			>700,000
Current year 2002 Federal (Includes surtax) 13.12% 22.12% 13.12% Ontario 6.00% 9.75% 6.00% Blended rate 19.12% 31.87% 19.12% Capital Tax Rate 0.300% LCT rate 0.225% Surtax 1.12% Ontario Capital Tax Exemption * \$5MM 143,455 Federal Large Corporations Tax Exemption * MAX \$10MM 0 Corporations Tax Exemption * Include copies of the actual tax return allocation calculations in your	١		Year				
13.12% 22.12% 13.12% 22.12% 13.12% 20.12% 13.12% 20.000 2.75% 6.00% 9.75% 6.00% 8.75% 6.00% 9.75% 6.00% 9.75% 6.00% 9.75% 6.00% 9.75% 6.00% 9.75% 9.12		Income Tax Rate			-		
Ontario 6.00% 9.75% 6.00% Blended rate 19.12% 31.87% 19.12% Capital Tax Rate 0.300%	١	Current year	2002	40 :		00.:	10 :
19.12% 31.87% 19.12%							
Capital Tax Rate 0.300% LCT rate 0.225% Surtax 1.12% Ontario Capital Tax							
LCT rate 0.225% 1.12% Ontario Capital Tax Exemption * \$5MM 143,455 Exemption * \$10MM 0 \$10MM 0 \$10MM \$	ł	DIETIUEU TALE		19.12%		31.07%	19.12%
LCT rate 0.225% 1.12% Ontario Capital Tax Exemption * \$5MM 143,455 Exemption * \$10MM 0 \$10MM 0 \$10MM \$		Capital Tax Rate		0.300%			
Surtax Ontario Capital Tax Exemption * Somm Standard Capital Tax Somm MAX S		LCT rate					
Exemption * \$5MM 143,455 Federal Large Corporations Tax Exemption * \$10MM 0 * Include copies of the actual tax return allocation calculations in your	;	Surtax					
Exemption * \$5MM Barber SSMM State SSMM SSMM State SSMM		Ontario Capital Tax		143 455			
Corporations Tax \$10MM 0 Exemption * * Include copies of the actual tax return allocation calculations in your		Exemption *	\$5MM	140,400			
Exemption * \$10MM * Include copies of the actual tax return allocation calculations in your			MAX	0			
* Include copies of the actual tax return allocation calculations in your			\$10MM	U			
· · · · · · · · · · · · · · · · · · ·			actual to	y return all	neation col	culations	in your
Submission: Ofitario C123 page 11; Tederal 12 Schedule 36	١	•					iii youi
	۱	aupiniaaiuni: Unitario U	123 page	ii, ieuera	1 12 30He0	uie 30	

	А	В	С	D	Е	F	G	Н	I	J	K	L	M	Ν	0
1	PILs TAXES														
2	Analysis of PILs Tax Account	t 1562:													
3	Utility Name: Tay Hydro														Version 2009.1
4	Reporting period: 2002				Sign Conventi	on: -	+ for increase;	- fo	r decrease						0
5															
6															
7															
8	Year start:		8/1/2001		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
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1,														
13	2005 - input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-													
	Adjustment (3)												-14,523		-14,523
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														. 0
	Deferral Account Variance	+/-													
	Adjustment (5)				_		_						1		. 1
	Adjustments to reported	+/-													
	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
	from) customers (8)		0												0
21															
	Ending balance: # 1562		0		0		0		0		0		-14,522		-14,522
23															
24															

Uncollected PILs

30

34

35

36

37

38

51

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56

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59 60

74

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76 77

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.

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

- 33 (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 used for the period from January 1 to April 30, 2006.
- 40 41 42 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be 43 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation. 49 50
 - (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, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 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.