



**Grimsby Power Incorporated**  
231 Roberts Grimsby, ON  
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June 29, 2016

**Delivered by RESS and Courier**

Ms. Kirsten Walli, Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2015-0072**  
**Grimsby Power Incorporated**  
**Electricity Distribution Rate Application for 2016 Rates**  
**Additional Evidence**

In Procedural Order No. 2, issued on June 27, 2016, the OEB acknowledged Grimsby Power's letter to the OEB of the same date in which Grimsby Power indicated that it would be submitting additional evidence regarding PILs on June 29, 2016. The OEB went on to direct Grimsby Power to file the additional evidence by no later than June 29, 2016, and made provisions for a transcribed Technical Conference and an Oral Hearing in this proceeding.

In accordance with Procedural Order No.2, please find accompanying this letter the following material:

- A report prepared by Michel Picard, Partner, Accounting Advisory, KPMG LLP, titled *Grimsby Power Incorporated – Review of Rate Setting Implications of Tax Loss Carry Forwards* (the "KPMG Report");
- A copy of Mr. Picard's executed Form A (Acknowledgement of Expert's Duty) in accordance with the OEB's *Rules of Practice and Procedure*;
- An updated PILs Model reflecting the findings of the KPMG Report. In order to reflect those findings the following changes were made to the model:
  - A new "B0, Update PILs Tax Provision Bridge" tab to show the 2015 actual taxable income (cell I10)
  - A new " B1 Update Adj. Tax Income Bridge" tab to show the actual 2015 Capital Cost Allowance Schedule 8 (cell F73)
  - Two new "B8 Sch8 Bridge Year" tabs "B8 Sch8 CCA Bridge Year 9 mths" and "B8 Sch8 CCA Bridge Year 3 mths" to calculate the correct Capital Cost Allowance for each fiscal year (September 30, 2015 and December 31, 2015) based on capital additions
  - A new "T0, Updated PILs Tax Provision" tab to show the new calculated 2016 Test Year taxable income (cell I10)
  - A new " T1 Update Tax Income Test Year" tab to show the new calculated 2016 Test Year Capital Cost Allowance (cell F73)
  - A new "T8 Update Sch 8 CCA Test Year" tab to calculate the 2016 Capital Cost Allowance based on the changes in the 2015 Schedule 8 Capital Cost Allowance; and

- An updated Revenue Requirement Work Form which also reflects the findings of the KPMG Report.

Grimsby Power will deliver paper copies of this material to the OEB tomorrow.

Yours very truly,

A handwritten signature in black ink, appearing to read "Doug Curtiss", with a long horizontal line extending to the right.

Doug Curtiss, P.Eng. Chief  
Executive Officer  
Grimsby Power Inc.