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November 26, 2008

BY EMAIL & BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2008-0245
Thunder Bay Hydro Electricity Distribution Inc. – 2009 Rates Rebasing Application
Energy Probe Interrogatories

Pursuant to Procedural Order #1, issued by the Board on November 14, 2008, Energy Probe Research Foundation (Energy Probe) encloses two hard copies of its Interrogatories to Thunder Bay Hydro in the EB-2008-0245 proceeding. An electronic version of this communication will be forwarded in PDF format.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Robert Mace, Thunder Bay Hydro (By email)
Randy Aiken, Aiken & Associates (By email)
Intervenors of Record (By email)

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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Thunder Bay
Hydro Electricity Distribution Inc. for an order approving just
and reasonable rates and other charges for electricity
distribution to be effective May 1, 2009.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

November 26, 2008

**THUNDER BAY HYDRO ELECTRICITY DISTRIBUTION INC.
2009 RATES REBASING CASE
EB-2008-0245**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory # 1

Ref: Exhibit 1, Tab 2, Schedule 1, Table 1

- a) Why are there no percentage figures shown for the GS > 50 kW, street lighting, sentinel lighting and USL classes?**
- b) Please provide the percentage change in the delivery line for each of these classes in (a) above.**

Interrogatory # 2

Ref: Exhibit 1, Tab 2, Schedule 3, pages 3, 4 & 5

The evidence indicates that regular scheduled forestry practices for line clearing were downsized in the past by a well meaning desire to maintain rates as low as possible. The historical line clearing costs for 2000 through 2007, shown on page 4, average considerably below the estimated cost of \$518,000 to maintain a sustainable level of vegetation over a complete cycle.

- a) Please explain how rates were set in each of 2000 through 2007.**
- b) Please explain the link between the downsized budget for line clearing and how the rates were set in each year.**
- c) What other costs were downsized over this period in order to maintain rates as low as possible?**

Interrogatory # 3

Ref: Exhibit 2, Tab 2, Schedule 3, pages 1 & 2

- a) Please quantify the “sizeable contingency” that was included in the Frankwood Rebuild budgeted amount of \$1.2 million.**
- b) The evidence states that this project has redefined how Thunder Bay Hydro estimates and budgets for large scale distribution rebuilds going forward. How does Thunder Bay Hydro now calculate the contingency for such projects?**

Interrogatory # 4

Ref: Exhibit 2, Tab 2, Schedule 3, Table 1

For each of the three projects listed, please indicate:

- a) whether the project will be completed and in-service by the end of 2008;**
- b) the actual cost or the most recent estimated cost for the project;**
- c) the amount of the contingency associated with each project; and,**
- d) the actual cost or the most recent estimated cost for 2008 for the “all other infrastructure capital” costs.**
- e) Please provide the contingency amount included in the “all other infrastructure capital” line.**

Interrogatory # 5

Ref: Exhibit 2, Tab 2, Schedule 3, Table 2

- a) Please provide the contingency amount included in each of the three identified projects.**
- b) Please provide the contingency amount included in the “all other infrastructure capital” line.**
- c) What is driving the significant increase in the “all other infrastructure capital” costs in 2009 as compared to 2008?**

Interrogatory # 6

Ref: Exhibit 2, Tab 3, Schedule 1, page 6

- a) Has Thunder Bay Hydro included any smart meter related costs in its capital expenditure forecasts for inclusion in rate base in either 2008 or 2009?**
- b) How has Thunder Bay Hydro proposed to deal with the removal of the existing meters that are in currently in service but will not be used or useful by the end of 2009? Please explain.**
- c) What is the estimated net book value of the meters that will be replaced by the end of October, 2009?**

Interrogatory # 7

Ref: Exhibit 2, Tab 3, Schedule 1, pages 10 & 11

- a) The evidence states that Thunder Bay Hydro utilizes a three-year life cycle for all computer and network infrastructure hardware with the exception of printers. Please provide the depreciation rates used by Thunder Bay Hydro for these assets. If this rate is different than the 20% specified in the 2006 EDR Handbook, please explain the rationale for the difference.**
- b) Please provide the most recent forecast for the total expenditures related to computer hardware for the 2008 bridge year which was forecast to total \$199,555.**

Interrogatory # 8

Ref: Exhibit 2, Tab 2, Schedule 1

- a) The tables shown for 2006 and 2007 include the disposals of assets in the accounts for meters, office furniture, computer hardware, transportation equipment and tools. However, in 2008 and 2009, there are only disposals associated with transportation equipment. Please explain why there are no other asset disposals shown for 2008 or 2009.**

- b) Please explain the rationale for the disposals related to accumulated depreciation in 2006 and 2007 where there was no corresponding disposal of assets or the disposal of assets was less than the disposal for accumulated depreciation (i.e. accounts related to poles, line transformers, and meters). Please confirm that these disposals related to accumulated depreciation increase the net book value of the assets.**
- c) The disposals related to accumulated depreciation for a number of categories in 2006 and 2007 are the same as the level of disposals for the assets (i.e. accounts related to office furniture, computer hardware, transportation equipment and tools). Please explain why these figures are the same.**
- d) If Thunder Bay Hydro sells an asset such as a vehicle that is being replaced and removed from its assets, how does it account for the proceeds of the sale or of the scrap value? Are the net proceeds shown in account 4335 (Gain on Disposition of Utility and Other Property)? If not, what account are they reflected in?**
- e) Please explain the negative disposal of \$84,677 shown for computer software in 2008.**
- f) Please explain the significant reduction in 2008 and 2009 as compared to 2006 and 2007 related to contributions and grants.**
- g) Please provide the most recent year-to-date figures for capital expenditures in 2008 in the same level of detail as shown in Table 3.**
- h) Please provide the most recent year-to-date figures for disposals in both the cost and accumulated depreciation columns for the 2008 bridge year.**
- i) Please explain the amortization allocated to other trial balance accounts & overheads shown at the bottom of each table. Please explain how the 2009 figure of \$538,946.79 has been calculated. Please also indicate whether or not these costs are in whole or in part reflected in capital additions or OM&A expenses. Please explain.**
- j) A number of vehicles are forecast to be replaced in 2009. Please indicate the amount of the proceeds associated with the sale or scrap value of the vehicles being replaced. Where are these proceeds shown in the evidence?**

Interrogatory # 9

Ref: Exhibit 2, Tab 4, Schedule 1, Table 1

- a) Please provide the rates used to calculate each of the cost of power components of the working capital allowance.**
- b) For each of the rates used in part (a) above, please indicate if there are more recent rates available that could be used in the calculations.**
- c) Please update the cost of power component of the working capital allowance to reflect the retail transmission service rates as approved in EB-2008-0113 and the cost of power to reflect the October 15, 2008 Regulated Price Plan Price Report.**

Interrogatory # 10

Ref: Exhibit 3, Tab 1, Schedules 1 & 2

- a) Distribution revenues shown for 2009 reflect a significant increase over the 2008 level (Exhibit 3, Tab 1, Schedule 2), yet the evidence in Schedule 1 indicates that distribution revenues have been calculated using the rates approved in the OEB's Decision and Order EB-2007-0880 dated April 15, 2008. Please reconcile this statement with the significant increase in distribution revenues.**
- b) Do the distribution revenues include and any revenues associated with rate riders and/or smart meter rate riders? If yes, please quantify the amount shown in each year.**

Interrogatory # 11

Ref: Exhibit 3, Tab 2, Schedule 1, page 5

Please provide the t-statistic for each of the estimated regression coefficients and the overall F value for the estimated equation.

Interrogatory # 12

Ref: Exhibit 3, Tab 2, Schedule 1, pages 9 & 10

- a) Please explain why the reductions shown in Table 6 would not be reflected in the Ontario Real GDP Monthly Index explanatory variable.**
- b) Please update the 2008 expected energy reductions for Great West, Agricore and Northern Wood to reflect the most recent year-to-date information available for each of these customers.**
- c) Please confirm that Thunder Bay Hydro is not aware of any new or increased large loads in 2008 or 2009.**
- d) Please indicate how the energy savings of 12.9 GWh was calculated for 2007.**

Interrogatory # 13

Ref: Exhibit 3, Tab 2, Schedule 1, Table 10

Please provide the number of customers based on the most recent month available for each class of customers shown in Table 10. Please also provide the number of customers for each rate class for the corresponding month in 2007.

Interrogatory # 14

Ref: Exhibit 3, Tab 3, Schedule 1

- a) Please provide the most recent year-to-date revenue information available for 2008 based on the same level of detail as shown in this schedule. Please also provide the year-to-date figure for the corresponding year-to-date period in 2007.**
- b) Does the Interest and Dividend Income figure include interest related to regulatory accounts? If yes, please provide these figures excluding the interest related to regulatory accounts.**

- c) Please explain the forecasted reductions in revenues in 2008 as compared to 2007 for each of the following accounts:
 - i) 4082 retail Services Revenues
 - ii) 4084 STR Revenues
 - iii) 4210 Rent from Electric Property
 - iv) 4235 Miscellaneous Service Revenues
 - v) 4335 Gain on Disposition of Utility and Other Property
 - vi) 4390 Miscellaneous Non-Operating Income
 - vii) 4405 Interest and Dividend Income (excluding interest related to regulatory accounts).
- d) Please explain the significant reduction forecast for 2009 as compared to 2008 in the net income from accounts 4375 and 4380 from approximately \$72,000 to less than \$7,000.
- e) Please provide the average interest rate forecast for 2008 and 2009 and the actual interest rate in 2007 that results in the forecast shown for account 4405 (excluding regulatory related amounts).

Interrogatory # 15

Ref: Exhibit 3, Tab 2, Schedule 1, Appendix A

Please confirm that the heating and cooling degree days are based on Thunder Bay data. If this cannot be confirmed, please indicate the location of the degree day data used.

Interrogatory # 16

Ref: Exhibit 4, Tab 1, Schedule 1, Table 1

- a) Please provide the most recent year-to-date figures for the 2008 bridge year for each of the operation, maintenance, billing and collections, community relations, administrative and general expenses and total controllable costs (sub-total).
- b) Please provide the same figures for the corresponding year-to-date period in 2007.

Interrogatory # 17

Ref: Exhibit 4, Tab 3, Schedule 4

- a) **How are the revenues from TBHESI and TBHUSI accounted for? Are these revenues shown in Exhibit 3, Tab 3, Schedule 1 or are they reflected through lower OM&A costs? Please indicate in which accounts these revenues are reflected.**
- b) **Are the assets and personnel used to provide these services by Thunder Bay Hydro included in the rate base and revenue requirement of the regulated distributor? If not, please explain how they have been removed.**
- c) **Please explain the forecast reduction in revenue shown in Table 1 in 2008.**
- d) **Please provide the most recent year-to-date revenues for the 2008 bridge year in both Table 1 and Table 2. Please also provide the corresponding year-to-date figures for 2007.**
- e) **Has TBHESI sold the rental water heater business? If not, is this sale still contemplated?**
- f) **If TBHESI does not have any activity in the 2009 test year, how has Thunder Bay Hydro reflect its decrease in costs associated with providing services to TBHESI? If it has not reflected any cost decreases, please explain why. If it has reflected cost decreases, please quantify these decreases and where they are reflected in the evidence.**
- g) **Does Thunder Bay Hydro expect to provide any services to the new owner of the rental water heaters?**
- h) **Is a services agreement with TBRPI still anticipated to be in place by the end of 2008? If not, when is it expected to be in place? Please provide a forecast of the revenues for services provided by Thunder Bay Hydro for the 2009 test year.**

Interrogatory #18

Ref: Exhibit 4, Tab 3, Schedule 4

Are any of the costs associated with the Board of Directors of Thunder Bay Hydro Corporation allocated to Thunder Bay Hydro, the regulated distributor? If yes, please provide the allocated costs for 2006 and 2007 and the forecast amounts for 2008 and 2009.

Interrogatory # 19

Ref: Exhibit 4, Tab 2, Schedule 1, page 32

- a) Please explain the significant increase in account 5035 – overhead distribution transformers – operation in 2009 of more than \$250,000 from the level forecast in 2008 of just over \$88,000.**
- b) Please explain the increase in account 5065 – meter expense – in 2009 of more than \$58,000 from the level forecast in 2008 of approximately \$458,000. How are these meter expenses impacted by the replacement of the existing meters with smart meters by October, 2009?**

Interrogatory # 20

Ref: Exhibit 4, Tab 2, Schedule 1, page 34

- a) Please explain the almost double of bad debt expense in 2008 as compared to 2007. Are there a small number of large bad expenses forecast for 2008? If so, please provide details on these bad debts.**
- b) Please provide the most recent year-to-date bad debt expense for the 2008 bridge year and the figure for the corresponding period in 2007.**

Interrogatory # 21

Ref: Exhibit 4, Tab 2, Schedule 1, page 35

- a) Please explain the significant increase in the 2008 bridge year forecast in account 5640 – Injuries and Damages – of nearly \$90,000.**
- b) Please provide the most recent year-to-date injuries and damages expenses for the 2008 bridge year and the figure for the corresponding period in 2007.**

Interrogatory # 22

Ref: Exhibit 4, Tab 2, Schedule 1, page 31 & 35

The evidence states that regulatory expenses are expenses incurred in connection with Decisions and orders on Cost Awards for hearings, proceedings, etc., as well as annual fees assessed by the OEB. However, account 5655 does not include any costs for 2007, 2008 and 2009.

- a) Where have these regulatory costs been recorded?**
- b) Please provide the actual and forecasted regulatory expenses for 2007, 2008 and 2009.**
- c) How has Thunder Bay Hydro accounted for/forecast the regulatory expenses associated with this 2009 cost of service application? Please provide a breakout of the 2009 cost of service application costs and indicate whether they are included in the 2008 and/or 2009 expense.**
- d) Has Thunder Bay Hydro proposed recovery of the 2009 cost of service application regulatory costs in 2009 only, or has it amortized these costs over a longer period and if so, what period?**

Interrogatory # 23

Ref: Exhibit 4, Tab 2, Schedule 6, Table 1

- a) Please confirm that the supply facility loss adjustment factor of 100.55% is actually based on the 5 year average of 2003 through 2007, not a 3 year average as stated in the table.**
- b) Please confirm that the distribution loss factor of 104.78% which is shown as a 5 year average, is actually a six year average of 2002 through 2007.**
- c) Please recalculate the distribution loss factor as a 5 year average using the data from 2003 through 2007.**
- d) Please provide a revised Table 3 using the distribution lost adjustment factor calculated in (c) above.**
- e) Exhibit 4, Tab 2, Schedule 6, page 3 states that Thunder Bay Hydro's total loss factor is 4.78% and since this figure is less than 5.00%, no explanation or justification for the loss factor adjustment is required. However, as shown in Table 1, the total loss factor is 5.36%. Please reconcile this with the need to provide an explanation or justification for the loss factor.**

Interrogatory # 24

Ref: Exhibit 4, Tab 3, Schedule 1, Table 2

- a) Please explain the addition to accounting income related to depreciation and amortization of \$5,112,382 for 2009 when the amount deducted in the calculation of utility income before taxes of \$2,021,239 is only \$4,573,436, as shown in Exhibit 6, Tab 1, Schedule 1, page 2.**
- b) Please explain how the deduction from accounting income for the amortization of capitalized depreciation of \$243,380 is calculated. Please show all calculations and assumptions.**
- c) Please indicate how the apprenticeship tax credit tax rate of (0.0228354) has been determined.**
- d) Please indicate how the total rate base figure for 2009 of \$90,318,279 was derived in the calculation of the Ontario Capital Tax, when the rate base figure is shown to be \$75,169,648 in the section used for the calculation of the Large Corporation Tax and in Exhibit 2, Tab 1, Schedule 1, Table 1.**
- e) Please recalculate the Ontario Capital Tax using the rate base figure of \$75,169,648 from Exhibit 2, Tab 1, Schedule 1, Table 1.**
- f) Please explain how the 2009 figure of \$69,049 related to cumulative eligible capital deductions has been calculated. Please show all calculations and assumptions.**
- g) Please show how the 2009 figure of \$59,524 for other additions (apprenticeship tax credits) has been calculated. Please show all calculations and assumptions.**

Interrogatory # 25

Ref: Exhibit 4, Tab 3, Schedule 3

- a) Please confirm that all distribution system additions post February 22, 2005 have been posted to CCA class 47 in 2005, 2006 and 2007.**
- b) Please confirm that Thunder Bay Hydro placed all computer related capital expenditures prior to 2008 in class 45 for acquisitions on or after March 22, 2004 and prior to March 19, 2007.**

- c) Please confirm that Thunder Bay Hydro placed all computer related capital expenditures prior to 2008 in class 55 for acquisitions after March, 19, 2007.
- d) If the response to any of (a), (b) or (c) above is not confirmed, please provide the UCC at the end of 2008 for all assets that were classified incorrectly for CCA purposes. Please transfer these UCC amounts to the correct class in 2009 and recalculate the total CCA for 2009.
- e) Please explain why the additions shown for the 2008 bridge year of \$4,661,166 do not match the capital expenditures of \$5,635,130.73 shown in Table 3 of Exhibit 2, Tab 2, Schedule 1.
- f) Please explain why the additions shown for the 2009 test year of \$6,511,827 do not match the capital expenditures of \$7,620,832.50 shown in Table 4 of Exhibit 2, Tab 2, Schedule 1.

Interrogatory # 26

Ref: Exhibit 5, Tab 1, Schedule 3

- a) Is the long term debt related to the 2009 capital funding from an affiliated party? If yes, please provide details.
- b) Has this loan been put in place? If yes, what is the actual interest rate payable on the loan?
- c) If the loan has not yet been put in place, is the forecasted interest rate of 6.0% still applicable? If not, please provide the new forecasted interest rate.

Interrogatory # 27

Ref: Exhibit 7, Tab 1, Schedule 2, page 3 & 4

The evidence indicates that Thunder Bay Hydro is proposing to move the revenue-to-cost ratios for the GS 50 to 999, GS 1,000 to 4,999 and street light classes so that they are approximately 50% of the way between the current ratios and bottom of the target ratio.

- a) Does Thunder Bay Hydro propose to move these ratios by the final amount to the bottom of the target ratios in 2010? If not, please explain why not?

- b) Assuming the Board directs Thunder Bay Hydro to move the ratios for the classes that are under contributing to the bottom of the target ratios in 2010, please indicate which rate class or classes the additional revenue would be used to reduce the revenue-to-cost ratios.
- c) What is the overall percentage impact on the bill for a typical general service 50 to 999 kW customer if the revenue-to-cost-ratio were moved to 80% in 2009?
- d) What is the overall percentage impact on the bill for a typical general service 1,000 to 4,999 kW customer if the revenue-to-cost ratio were moved to 80% in 2009?

Interrogatory # 28

Ref: Exhibit 8, Tab 1, Schedule 1, page 7

Does Thunder Bay Hydro believe its evidence in support of a smart meter rate adder (funding adder) of \$1.25 is sufficient in light of the G-2008-0002 Guideline on Smart Meter Funding and Cost Recovery dated October 22, 2008? If not, please provide any further evidence required.

Interrogatory # 29

Ref: Exhibit 8, Tab 1, Schedule 1

- a) Why has Thunder Bay Hydro used a weighted debt rate of 6.00% on page 12, when the deemed debt rate proposed is approximately 0.51% (Exhibit 5, Tab 1, Schedule 2, page 2)?
- b) Please confirm that Thunder Bay Hydro used CCA Class 55 (55%) on page 17 for the computers rather than class 45.
- c) Why is computer software included in CCA class 55 rather than in class 12 (at 100%) on page 17?
- d) What is the impact on the rate adder calculation on page 14 if the weighted debt rate is changed to 0.51% and the software is put in CCA class 12 rather than 55?

Interrogatory # 30

Ref: Exhibit 8, Tab 1, Schedule 3

It would appear that the difference between Table 3 and Table 4 is that the adjustments (\$2,352,208, \$1,325,749, \$4,677,118 & \$2,839,439) have been moved from the cost category in Table 3 to the revenue category in Table 4. However, the evidence at page 1 states that Table 4 represents the actual RTS costs and revenues exclusive of RSVA adjustments. Please explain.

Interrogatory # 31

Ref: Exhibit 8, Tab 1, Schedule 10, page 14

Thunder Bay Hydro suggests that because of the small bill impact it should not be subject to a further review of the LRAM and SSM balances. Would Thunder Bay Hydro accept a reduction of 10% in the LRAM and SSM balances in lieu of a further review, similar to the process the Board used for recovery of regulatory asset costs? If not, why not?

Interrogatory # 32

**Ref: Exhibit 1, Tab 2, Schedule 1, page 2
Exhibit 6, Tab 1, Schedule 1, page 2**

The evidence states that the Corporation of the City of Thunder Bay has a governing principle known as the “rate minimization model” which is essentially to keep electricity rates as low as possible and to encourage economic development by foregoing debt and dividend payments. The Note payable to the City of Thunder Bay was set up without any provision for the payment of interest or the repayment of principal.

- a) Would the City of Thunder Bay be subject to any income taxes on payments of interest made by Thunder Bay Hydro if the Note payable included interest payments?**

- b) Has Thunder Bay Hydro and/or the City of Thunder Bay considered the following strategy to minimize rates while retaining the same overall dollar return on its investment? If not, why not.

In place of earning a return on equity of \$1,220,567 on the deemed equity, reduce this amount to \$0 and charge an interest rate on the \$33,490,500 Note of approximately 3.6445% that would generate \$1,220,567 in interest payable on the Note. This interest would be paid to the City which would then re-invest the same amount as equity back into Thunder Bay Hydro.

Interrogatory # 33

**Ref: Exhibit 1, Tab 2, Schedule 1, page 2
Exhibit 6, Tab 1, Schedule 1, page 2**

The attached Appendix A, *Calculation of Revenue Deficiency and Calculation of Income Taxes*, schedule shows the impact of the Proposed Rates (as shown in Exhibit 6, Tab 1, Schedule 1, page 2). The Rate Minimization column reflects the movement of \$1,220,567 from the return on equity to an increase in the interest cost. The resulting reduction in PILS of \$583,939 results in a reduction in the overall deficiency by the same amount from \$1,414,077, as filed by Thunder Bay Hydro, to \$830,137.

- a) Does Thunder Bay Hydro agree with the calculations and outcome shown in the rate minimization column?
- b) If not, please indicate where it believes changes or corrections are required.

Appendix A

Attachment to Energy Probe Interrogatory # 33

Calculation of Revenue Deficiency

	Proposed Rates	Rate Minimization	Difference
Revenue Sufficiency Grossed Up	1,414,077	830,137	(583,940)
Distribution Revenue	16,104,861	16,104,861	
Other Operating Revenue (Net)	<u>1,802,790</u>	<u>1,802,790</u>	
Total Revenue	19,321,728	18,737,788	
Costs and Expenses			
Operation & Maintenance	12,340,964	12,340,964	
Depreciation & Amortization	4,573,436	4,573,436	
Property & Capital Taxes	169,466	169,466	
Interest	<u>216,623</u>	<u>1,437,190</u>	1,220,567
Total Costs and Expenses	17,300,489	18,521,056	
Utility Income Before Income Taxes	2,021,239	216,732	
Income Taxes	<u>800,672</u>	<u>216,732</u>	
Utility Income	<u>1,220,567</u>	<u>0</u>	
Rate Base	75,169,648	75,169,648	
Equity Portion	43.30%	43.30%	
Equity Component of Rate Base	32,548,458	32,548,458	
Return on Equity	3.75%	0.00%	
Target Return on Equity	3.75%	0	
Return on Rate Base	1,220,567	0	(1,220,567)
Revenue Sufficiency	0	(0)	

Calculation of Income Taxes

Utility Income Before Income Taxes	2,021,239	216,732	
Additions to Accounting Income	5,303,050	5,303,050	
Deductions from Accounting Income	<u>4,717,636</u>	<u>4,717,636</u>	
Regulatory Taxable Income	2,606,653	802,146	
Income Tax			
Federal Tax @ 19%	495,264	152,408	
Provincial Tax - First \$500,000 @ 5.50%	27,500	27,500	
- All over \$500,000 @ 14.00%	294,931	42,300	
- Clawback on \$500,000 to \$1,500,000 @ 4.25%	42,500	12,841	
Apprenticeship Tax Credit @ 2.28354%	<u>(59,524)</u>	<u>(18,317)</u>	
Total Taxes	<u>800,672</u>	<u>216,732</u>	(583,939)