



Ontario Energy Board

**PILS / INCOME TAXES WORK
FORM****2012 REBASING YEAR**

Choose Your Utility:

Canadian Niagara Power Inc. - Port Colborne Hydro Inc.
Centre Wellington Hydro Ltd.
Chapleau Public Utilities Corporation
Chatham-Kent Hydro Inc.

Application Contact Information

Name:

Marita Morin

Title:

Secretary Treasurer

Phone Number:

705-864-0111

Email Address:

chec@onlink.net

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



<u>1. Info</u>	<u>K. Sch 13 Tax Reserves Bridge</u>
<u>A. Data Input Sheet</u>	<u>L. Sch 7-1 Loss Cfwd Bridge</u>
<u>B. Tax Rates & Exemptions</u>	<u>M. Adj. Taxable Income Bridge</u>
<u>C. Sch 8 Hist</u>	<u>N. PILs,Tax Provision Bridge</u>
<u>D. Schedule 10 CEC Hist</u>	<u>O. Schedule 8 CCA Test Year</u>
<u>E. Sch 13 Tax Reserves Hist</u>	<u>P. Schedule 10 CEC Test Year</u>
<u>F. Sch 7-1 Loss Cfwd Hist</u>	<u>Q Sch 13 Tax Reserve Test Year</u>
<u>G. Adj. Taxable Income Historic</u>	<u>R. Sch 7-1 Loss Cfwd</u>
<u>H. PILs,Tax Provision Historic</u>	<u>S. Taxable Income Test Year</u>
<u>I. Schedule 8 CCA Bridge Year</u>	<u>T. PILs,Tax Provision</u>
<u>J. Schedule 10 CEC Bridge Year</u>	



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

2012 REBASING YEAR

Chapleau Public Utilities Corporation

Data Input Sheet - Applicant's Rate Base

Rate Base

\$ 1,518,609

Return on Rate Base

Deemed ShortTerm Debt %	4.00%	T	\$	60,744	$W = S * T$
Deemed Long Term Debt %	56.00%	U	\$	850,421	$X = S * U$
Deemed Equity %	40.00%	V	\$	607,444	$Y = S * V$
Short Term Interest Rate	4.47%	Z	\$	2,715	$AC = W * Z$
Long Term Interest	6.10%	AA	\$	51,876	$AD = X * AA$
Return on Equity (Regulatory Income)	8.57%	AB	\$	52,058	$AE = Y * AB$
Return on Rate Base			\$	106,649	$AF = AC + AD + AE$

Questions that must be answered

	Historic	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	Yes	Yes	Yes
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	No	No	No
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

Chapleau Public Utilities Corporation

Tax Rates & Exemptions

Tax Rates

**Federal & Provincial
As of March 22, 2011**

Federal income tax

General corporate rate
Federal tax abatement
Adjusted federal rate

**Effective
January-01-11**

**Effective
January-01-12**

**Effective
January-01-13**

**Effective
January-01-14**

38.00%
-10.00%
28.00%

38.00%
-10.00%
28.00%

38.00%
-10.00%
28.00%

38.00%
-10.00%
28.00%

Rate reduction

-11.50%
16.50%

-13.00%
15.00%

-13.00%
15.00%

-13.00%
15.00%

(refer to Note 1)

Ontario income tax

11.75%

11.25%

10.50%

10.00%

Combined federal and Ontario

28.25%

26.25%

25.50%

25.00%

Federal & Ontario Small Business

Federal small business threshold
Ontario Small Business Threshold

500,000
500,000

500,000
500,000

500,000
500,000

500,000
500,000

Federal small business rate

11.00%

11.00%

11.00%

11.00%

Ontario small business rate

4.50%

4.50%

4.50%

4.50%

NOTES:

1. Federal Budgets of March 22, 2011 and June 6, 2011 reaffirmed the corporate tax rate reductions to 16.5% in 2011 and 15% in 2012.



Class	Class Description	UCC End of Year Historic per tax returns	Less: Non-Distribution Portion	UCC Regulated Historic Year
1	Distribution System - post 1987	897,519	0	897,519
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election			0
2	Distribution System - pre 1988			0
8	General Office/Stores Equip			0
10	Computer Hardware/ Vehicles			0
10.1	Certain Automobiles			0
12	Computer Software			0
13 ₁	Lease # 1			0
13 ₂	Lease #2			0
13 ₃	Lease # 3			0
13 ₄	Lease # 4			0
14	Franchise			0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0
42	Fibre Optic Cable			0
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment			0
45	Computers & Systems Software acq'd post Mar 22/04			0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005			0
50	Data Network Infrastructure Equipment - post Mar 2007			0
52	Computer Hardware and system software			0
95	CWIP			0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	897,519	0	897,519



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

2012 REBASING YEAR

Chapleau Public Utilities Corporation
Schedule 10 CEC - Historical Year

Cumulative Eligible Capital

Additions

Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0	
			0	0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				0

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0	x 3/4 =		0

Cumulative Eligible Capital Balance 0

Current Year Deduction 0 x 7% = 0

Cumulative Eligible Capital - Closing Balance 0



Ontario Energy Services

**PILS / INCOME
WORK FOI**

Chapleau Public Utilities Corporation

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	0	0	0



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

Chapleau Public Utilities Corporation

Schedule 7-1 Loss Carry Forward - Histroic Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historic	475,717	0	475,717

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual Historic			0



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

Chapleau Public Utilities Corporation

Adjusted Taxable Income - Historic Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	62,635		62,635
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	40,368		40,368
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121			0
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123	5,699		5,699
Non-deductible company pension plans	124	16,862		16,862
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
				0

				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		62,929	0	62,929
Deductions:				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403			0
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
Total Deductions		0	0	0
Net Income for Tax Purposes		125,564	0	125,564
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		125,564	0	125,564



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

Chapleau Public Utilities Corporation

PILs Tax Provision - Historic Year

Note: Input the actual information from the tax returns for the historic year.

Wires Only

Regulatory Taxable Income

\$ 125,564 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

5.00% B

\$ 6,278 C = A * B

Small business credit

Ontario Small Business Threshold
Rate reduction (negative)

\$ - D
-8.00% E

\$ - F = D * E

Ontario Income tax

\$ 6,278 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate
Combined tax rate

5.00% K = J / A
11.00% L

16.00% M = L + L

Total Income Taxes

\$ 20,090 N = A * M

Investment Tax Credits

O

Miscellaneous Tax Credits

P

Total Tax Credits

\$ - Q = O + P

Corporate PILs/Income Tax Provision for Bridge Year

\$ 20,090 R = N - Q



Chapleau Public Utilities Corporation

Schedule 8 CCA - Bridge Year

[illegible]



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

2012 REBASING YEAR

Chapleau Public Utilities Corporation
Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital

0

Additions

Cost of Eligible Capital Property Acquired during Test Year

Other Adjustments

Subtotal

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

Amount transferred on amalgamation or wind-up of subsidiary

Subtotal

x 3/4 = 0

x 1/2 = 0

0

0

0

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

Subtotal

x 3/4 = 0

Cumulative Eligible Capital Balance

0

Current Year Deduction

0 x 7% = 0

Cumulative Eligible Capital - Closing Balance

0



Ontario Energy Board

2012 REBASING YEAR

Chapleau Public Utilities Corporation
Schedule 13 Tax Reserves - Bridge Year

[illegible]



Ontario Energy Services

**PILS / INCOME TAX
FORM**

2012 REBASING

Chapleau Public Utilities Corporation
Schedule 7-1 Loss Carry Forward - Bridge Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total
Actual Historic	475,717
Application of Loss Carry Forward to reduce taxable income in Bridge Year	54,128
Other Adjustments Add (+) Deduct (-)	0
Balance available for use in Test Year	421,589
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	421,589

Net Capital Loss Carry Forward Deduction	Total
Actual Historic	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

Chapleau Public Utilities Corporation
Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	A	45,473
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	37,651
Amortization of intangible assets	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	2,000
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	6,170
Non-deductible company pension plans	124	18,879
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

Chapleau Public Utilities Corporation Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
Total Additions		64,700
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	36,045
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	0
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)		



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

**Chapleau Public Utilities Corporation
Adjusted Taxable Income - Bridge Year**

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Total Deductions		36,045
Net Income for Tax Purposes		74,128
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
TAXABLE INCOME		74,128



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

Chapleau Public Utilities Corporation

PILs Tax Provision - Bridge Year

Wires Only

Regulatory Taxable Income

\$ 74,128 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

4.50%

B

\$

3,336 C = A * B

Small business credit

Ontario Small Business Threshold
Rate reduction

\$ -
-7.25%

D

E

- F = D * E

Ontario Income tax

\$ 3,336 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate
Combined tax rate

4.50%
11.00%

K = J / A
L

15.50% M = L + L

Total Income Taxes

\$ 11,490 N = A * M

Investment Tax Credits

O

Miscellaneous Tax Credits

P

Total Tax Credits

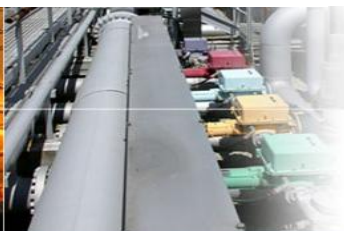
\$ - Q = O + P

Corporate PILs/Income Tax Provision for Bridge Year

\$ 11,490 R = N - Q

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.



PILS / INCOME TAXES WORK FORM

Chapleau Public Utilities Corporation

Schedule 8 CCA - Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 868,685	58,590		\$ 927,275	\$ 29,295	\$ 897,980	4%	\$ 35,919	\$ 891,356
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
8	General Office/Stores Equip	\$ -			\$ -	\$ -	\$ -	20%	\$ -	\$ -
10	Computer Hardware/ Vehicles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ -			\$ -	\$ -	\$ -	100%	\$ -	\$ -
13 1	Lease # 1	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13 2	Lease #2	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13 3	Lease # 3	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13 4	Lease # 4	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than B	\$ -			\$ -	\$ -	\$ -	8%	\$ -	\$ -
42	Fibre Optic Cable	\$ -			\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment	\$ -			\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ -			\$ -	\$ -	\$ -	45%	\$ -	\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ -			\$ -	\$ -	\$ -	8%	\$ -	\$ -
50	Data Network Infrastructure Equipment - post Mar 2007	\$ -			\$ -	\$ -	\$ -	55%	\$ -	\$ -
52	Computer Hardware and system software	\$ -			\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
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					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
	TOTAL	\$ 868,685	\$ 58,590	\$ -	\$ 927,275	\$ 29,295	\$ 897,980		\$ 35,919	\$ 891,356



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

Chapleau Public Utilities Corporation

Schedule 10 CEC - Test Year

Cumulative Eligible Capital

0

Additions

Cost of Eligible Capital Property Acquired during Test Year

0

Other Adjustments

0

Subtotal

0

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

0

0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

0

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

Subtotal

0

x 3/4 = 0

Cumulative Eligible Capital Balance

0

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")

0 x 7% =

0

Cumulative Eligible Capital - Closing Balance

0



PILS / INCOME TAXES WORK FORM

2012 REBASING YEAR

Schedule 13 Tax Reserves - Test Year

[illegible]



Ontario Energy Board

**PILS / INCOME TAXES
WORK FORM**

Chapleau Public Utilities Corporation

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	421,589		421,589
Application of Loss Carry Forward to reduce taxable income in 2005	73,036		73,036
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	348,553	0	348,553
Amount to be used in Test Year			0
Balance available for use post Test Year	348,553	0	348,553

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

Chapleau Public Utilities Corporation Taxable Income - Test Year

	Test Year Taxable Income
Net Income Before Taxes	52,058

	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	75,576
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	6,477
Non-deductible company pension plans	124	21,000
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<i>Other Additions: (please explain in detail the nature of the item)</i>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
Total Additions		103,053
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	35,919
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	0
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Total Deductions		35,919
NET INCOME FOR TAX PURPOSES		119,192
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		119,192



Ontario Energy Board

PILS / INCOME TAXES WORK FORM

Chapleau Public Utilities Corporation

PILs Tax Provision - Test Year

Wires Only

Regulatory Taxable Income

\$ 119,192 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

4.50%

B

\$

5,364 C = A * B

Small business credit

Ontario Small Business Threshold
Rate reduction

\$ -
-6.75%

D
E

\$

- F = D * E

Ontario Income tax

\$ 5,364 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate
Combined tax rate

4.50%
11.00%

K = J / A
L

15.50% M = L + L

Total Income Taxes

\$ 18,475 N = A * M

Investment Tax Credits

O

Miscellaneous Tax Credits

P

Total Tax Credits

\$ - Q = O + P

Corporate PILs/Income Tax Provision for Test Year

\$ 18,475 R = N - Q

Corporate PILs/Income Tax Provision Gross Up ¹

84.50%

S = 1 - M

\$ 3,389 T = R / S - N

Income Tax (grossed-up)

\$ 21,864 U = R + T

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.