



## Inno Workfo

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Assigned EB Number EB-2012-0139

Name and Title Brenda Pinke, Regulatory Manager

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Date 17-Sep-12

Last COS Re-based Year 2009

**Note: Drop-down lists are shaded blue; Input cells are shaded green.**

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# Income Tax/PILs Form for 2013 Filers

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## Income T Workform for

### [1. Info](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

[C. Sch 8 Hist](#)

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# Tax/PILs r 2013 Filers

[K. Sch 13 Tax Reserves Bridge](#)  
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## Income Tax/PILs Workform for 2013 Filers

### Rate Base

**\$ 38,010,954**

### Return on Ratebase

Deemed ShortTerm Debt %

4.00%

T

\$

1,520,438

$W = S * T$

Deemed Long Term Debt %

56.00%

U

\$

21,286,134

$X = S * U$

Deemed Equity %

40.00%

V

\$

15,204,382

$Y = S * V$

Short Term Interest Rate

2.08%

Z

\$

31,625

$AC = W * Z$

Long Term Interest

5.11%

AA

\$

1,088,190

$AD = X * AA$

**Return on Equity (Regulatory Income)**

9.12%

AB

\$

**1,386,640**

$AE = Y * AB$

**Return on Rate Base**

**\$**

**2,506,454**

$AF = AC + AD + AE$

### Questions that must be answered

1. Does the applicant have any Investment Tax Credits (ITC)?
2. Does the applicant have any SRED Expenditures?
3. Does the applicant have any Capital Gains or Losses for tax purposes?
4. Does the applicant have any Capital Leases?
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
6. Since 1999, has the applicant acquired another regulated applicant's assets?
7. Did the applicant pay dividends?  
*If Yes, please describe what was the tax treatment in the manager's summary.*
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historic	Bridge	Test Year
Yes	Yes	Yes
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	No	No
Yes	Yes	Yes
No	No	No





## Income Tax/PILs Workform for 2013 Filers

### Tax Rates Federal & Provincial As of June 20, 2012

#### Federal income tax

General corporate rate  
Federal tax abatement  
Adjusted federal rate

Rate reduction

#### Ontario income tax

#### Combined federal and Ontario

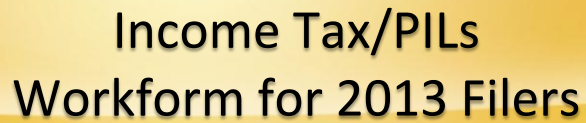
#### Federal & Ontario Small Business

Federal small business threshold  
Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

	Effective January-01-11	Effective January-01-12	Effective January-01-13	Effective January-01-14
General corporate rate	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%
	16.50%	15.00%	15.00%	15.00%
Ontario income tax	11.75%	11.50%	11.50%	11.50%
Combined federal and Ontario	28.25%	26.50%	26.50%	26.50%
Federal small business threshold	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	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%



<b>Class</b>	<b>Class Description</b>	<b>UCC End of Year Historic per tax returns</b>	<b>Less: Non- Distribution Portion</b>	<b>UCC Regulated Historic Year</b>
<b>1</b>	Distribution System - post 1987	14,160,463		14,160,463
<b>1 Enhanced</b>	Non-residential Buildings Reg. 1100(1)(a.1) election			0
<b>2</b>	Distribution System - pre 1988			0
<b>8</b>	General Office/Stores Equip	733,538		733,538
<b>10</b>	Computer Hardware/ Vehicles	679,501		679,501
<b>10.1</b>	Certain Automobiles			0
<b>12</b>	Computer Software	36,623		36,623
<b>13<sub>1</sub></b>	Lease # 1			0
<b>13<sub>2</sub></b>	Lease #2			0
<b>13<sub>3</sub></b>	Lease # 3			0
<b>13<sub>4</sub></b>	Lease # 4			0
<b>14</b>	Franchise			0
<b>17</b>	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0
<b>42</b>	Fibre Optic Cable			0
<b>43.1</b>	Certain Energy-Efficient Electrical Generating Equipment			0
<b>43.2</b>	Certain Clean Energy Generation Equipment			0
<b>45</b>	Computers & Systems Software acq'd post Mar 22/04	5,592		5,592
<b>46</b>	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
<b>47</b>	Distribution System - post February 2005	15,678,237		15,678,237
<b>50</b>	Data Network Infrastructure Equipment - post Mar 2007	17,532		17,532
<b>52</b>	Computer Hardware and system software			0
<b>95</b>	CWIP	110,615		110,615
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	31,422,101	0	31,422,101





# Income Tax/PILs Workform for 2013 Filers

## Schedule 10 CEC - Historical Year

### Cumulative Eligible Capital

341,931

#### Additions

Cost of Eligible Capital Property Acquired during Test Year

1,981

Other Adjustments

0

Subtotal

1,981

x 3/4 = 1,486

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

1,486

1,486

Amount transferred on amalgamation or wind-up of subsidiary

0

0

**Subtotal**

**343,417**

#### Deductions

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

7,742

Other Adjustments

0

**Subtotal**

**7,742**

x 3/4 =

**5,807**

**Cumulative Eligible Capital Balance**

**337,610**

**Current Year Deduction**

**337,610**

x 7% =

**23,633**

**Cumulative Eligible Capital - Closing Balance**

**313,978**



# Income Tax/PILs Workform for 2013 Filers

## 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
<b>Tax Reserves Not Deducted for accounting purposes</b>			
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>			
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	81,910		81,910
			0
			0
<b>Total</b>	<b>81,910</b>	<b>0</b>	<b>81,910</b>



## Income Tax/PILs Workform for 2013 Filers

### Schedule 7-1 Loss Carry Forward - Historic

#### Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
Actual Historic			0

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



# Income Tax/PILs Workform for 2013 Filers

## Adjusted Taxable Income - Historic Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
<b>Income before PILs/Taxes</b>	<b>A</b>	<b>1,110,860</b>		1,110,860
<b>Additions:</b>				
Interest and penalties on taxes	103	80		80
Amortization of tangible assets	104	1,894,236		1,894,236
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	126,618		126,618
Charitable donations	112	290		290
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118	332,356		332,356
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	6,041		6,041
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125	65,441		65,441
Reserves from financial statements- balance at end of year	126	81,910		81,910
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
<b>Other Additions</b>				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
Provision for taxes - current	294	437,400		437,400
Provision for taxes - deferred	295	-144,000		-144,000
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))		522,497		522,497
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Co-operative Education Tax Credit Claimed		13,524		13,524

Apprenticeship tax credits		12,192		12,192
Recovery of smart meter costs		351,736		351,736
				0
				0
				0
				0
				0
				0
<b>Total Additions</b>		<b>3,700,321</b>	<b>0</b>	<b>3,700,321</b>
<b>Deductions:</b>				
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	2,279,128		2,279,128
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	23,633		23,633
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411	241,497		241,497
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
Refund of previous tax interest paid	393	767		767
SRED revenue accrued for accounting	394	153,377		153,377
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received		521,407		521,407
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
<b>Total Deductions</b>		<b>3,219,809</b>	<b>0</b>	<b>3,219,809</b>
<b>Net Income for Tax Purposes</b>		<b>1,591,372</b>	<b>0</b>	<b>1,591,372</b>
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
<b>TAXABLE INCOME</b>		<b>1,591,372</b>	<b>0</b>	<b>1,591,372</b>











# Income Tax/PILs Workform for 2013 Filers

## PILs Tax Provision - Historic Year

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

### Regulatory Taxable Income

### Wires Only

\$ 1,591,372 **A**

### Ontario Income Taxes

*Income tax payable*

Ontario Income Tax

11.75% **B**

\$ 186,919 **C = A \* B**

*Small business credit*

Ontario Small Business Threshold  
Rate reduction (negative)

\$ 500,000 **D**

-7.25% **E**

-\$ 36,240 **F = D \* E**

*Ontario Income tax*

\$ 150,679 **J = C + F**

### Combined Tax Rate and PILs

Effective Ontario Tax Rate  
Federal tax rate  
Combined tax rate

9.47%

**K = J / A**

16.50%

**L**

25.97% **M = K + L**

### Total Income Taxes

\$ 413,255 **N = A \* M**

Investment Tax Credits

\$ 68,448 **O**

Miscellaneous Tax Credits

\$ 41,890 **P**

### Total Tax Credits

\$ 110,338 **Q = O + P**

### Corporate PILs/Income Tax Provision for Historic Year

\$ 302,917 **R = N - Q**





# Income Tax/PILs Workform for 2013 Filers

## Schedule 10 CEC - Bridge Year

<b>Cumulative Eligible Capital</b>	<b>313,978</b>
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### 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
<b>Subtotal</b>				<b>313,978</b>

### Deductions

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

<b>Cumulative Eligible Capital Balance</b>	<b>313,978</b>
--	----------------

<b>Current Year Deduction</b>	<b>313,978</b>	x 7% =	<b>21,978</b>
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<b>Cumulative Eligible Capital - Closing Balance</b>	<b>291,999</b>
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## Schedule 13 Tax Reserves - Bridge Year

### Continuity of Reserves

Description	Historic Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	Change During the Year	Disallowed Expenses
				Additions	Disposals			
Capital Gains Reserves ss.40(1)	0		0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	0		0			0	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
- Short & Long-term Disability	0		0			0	0	
- Accumulated Sick Leave	0		0			0	0	
- Termination Cost	0		0			0	0	
- Other Post-Employment Benefits	0		0			0	0	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	81,910		81,910			81,910	0	
	0		0			0	0	
	0		0			0	0	
<b>Total</b>	<b>81,910</b>	<b>0</b>	<b>81,910</b>	<b>0</b>	<b>0</b>	<b>81,910</b>	<b>0</b>	<b>0</b>





# Income Tax/PILs Workform for 2013 Filers

## Corporation Loss Continuity and Application

### Schedule 7-1 Loss Carry Forward - Bridge Year

<b>Non-Capital Loss Carry Forward Deduction</b>	<b>Total</b>
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
<b>Amount to be used in Bridge Year</b>	
Balance available for use post Bridge Year	0

<b>Net Capital Loss Carry Forward Deduction</b>	<b>Total</b>
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
<b>Amount to be used in Bridge Year</b>	
Balance available for use post Bridge Year	0



# Income Tax/PILs Workform for 2013 Filers

## Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	A	1,717,904
<b>Additions:</b>		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	1,539,226
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	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	202,000
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	5,900
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	81,910
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	



# Income Tax/PILs Workform for 2013 Filers

## Adjusted Taxable Income - Bridge Year

<b>Other Additions</b>		
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))		1,083,954
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
<b>Total Additions</b>		<b>2,912,990</b>
<b>Deductions:</b>		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	2,579,538
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	21,978
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	81,910
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)		



# Income Tax/PILs Workform for 2013 Filers

## 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		1,083,954
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)		
<b>Total Deductions</b>		<b>3,767,381</b>
<b>Net Income for Tax Purposes</b>		<b>863,513</b>
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	
<b>TAXABLE INCOME</b>		<b>863,513</b>

# Income Tax/PILs Workform for 2013 Filers

## PILS Tax Provision - Bridge Year

### Wires Only

Regulatory Taxable Income

\$ 863,513 A

#### Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.50% B

\$

99,304 C = A \* B

Small business credit

Ontario Small Business Threshold  
Rate reduction

\$ 500,000 D

-7.00% E

-\$

35,000 F = D \* E

Ontario Income tax

\$ 64,304 J = C + F

#### Combined Tax Rate and PILs

Effective Ontario Tax Rate  
Federal tax rate  
Combined tax rate

7.45%

K = J / A

15.00%

L

22.45% M = K + L

#### Total Income Taxes

Investment Tax Credits

Miscellaneous Tax Credits

#### Total Tax Credits

\$ 193,831 N = A \* M

O

P

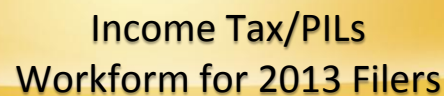
\$ - Q = O + P

#### Corporate PILs/Income Tax Provision for Bridge Year

\$ 193,831 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.



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	\$ 13,594,044			\$ 13,594,044	\$ -	\$ 13,594,044	4%	\$ 543,762	\$ 13,050,283
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
8	General Office/Stores Equip	\$ 645,330	78,200		\$ 723,530	\$ 39,100	\$ 684,430	20%	\$ 136,886	\$ 586,644
10	Computer Hardware/ Vehicles	\$ 579,776	238,000		\$ 817,776	\$ 119,000	\$ 698,776	30%	\$ 209,633	\$ 608,143
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 141,075	278,500		\$ 419,575	\$ 139,250	\$ 280,325	100%	\$ 280,325	\$ 139,250
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	\$ 3,076			\$ 3,076	\$ -	\$ 3,076	45%	\$ 1,384	\$ 1,692
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 19,069,678	8,426,152	-325,500	\$ 27,170,330	\$ 4,050,326	\$ 23,120,004	8%	\$ 1,849,600	\$ 25,320,730
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 7,889			\$ 7,889	\$ -	\$ 7,889	55%	\$ 4,339	\$ 3,550
52	Computer Hardware and system software	\$ -			\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ 75,000			\$ 75,000	\$ -	\$ 75,000	0%	\$ -	\$ 75,000
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
	TOTAL	\$ 34,115,869	\$ 9,020,852	-\$ 325,500	\$ 42,811,221	\$ 4,347,676	\$ 38,463,545		\$ 3,025,929	\$ 39,785,299





# Income Tax/PILs Workform for 2013 Filers

## Schedule 10 CEC - Test Year

### Cumulative Eligible Capital

291,999
---------

#### 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**

291,999
---------

#### 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**

291,999
---------

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

291,999	x 7% =	20,440
---------	--------	--------

**Cumulative Eligible Capital - Closing Balance**

271,559
---------





# Income Tax/PILs Workform for 2013 Filers

## Schedule 13 Tax Reserves - Test Year

### Continuity of Reserves

Description	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
				Additions	Disposals			
Capital Gains Reserves ss.40(1)	0		0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	0		0			0	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accumulated Sick Leave	0		0			0	0	
- Termination Cost	0		0			0	0	
- Other Post-Employment Benefits	0		0			0	0	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	81,910		81,910			81,910	0	
	0		0			0	0	
	0		0			0	0	
<b>Total</b>	<b>81,910</b>	<b>0</b>	<b>81,910</b>	<b>0</b>	<b>0</b>	<b>81,910</b>	<b>0</b>	<b>0</b>





# Income Tax/PILs Workform for 2013 Filers

## Schedule 7-1 Loss Carry Forward - Test Year

### Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
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
<b>Amount to be used in Test Year</b>			0
Balance available for use post Test Year	0	0	0

	Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>			
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
<b>Amount to be used in Test Year</b>			0
Balance available for use post Test Year	0	0	0



# Income Tax/PILs Workform for 2013 Filers

## Taxable Income - Test Year

		<b>Test Year Taxable Income</b>
<b>Net Income Before Taxes</b>		<b>1,386,640</b>

	<b>T2 S1 line #</b>	
<b>Additions:</b>		
Interest and penalties on taxes	103	
Amortization of tangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P489</i>	104	1,782,754
Amortization of intangible assets <i>2-4 ADJUSTED ACCOUNTING DATA P490</i>	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	218,000
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	6,015
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	81,910
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))		382,523
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
<b>Total Additions</b>		<b>2,471,202</b>
<b>Deductions:</b>		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	3,025,929
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	20,440
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	81,910
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	
SRED revenue accrued	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		382,523
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)		
<b>Total Deductions</b>		<b>3,510,802</b>
<b>NET INCOME FOR TAX PURPOSES</b>		<b>347,040</b>
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	
<b>REGULATORY TAXABLE INCOME</b>		<b>347,040</b>



# Income Tax/PILs Workform for 2013 Filers

## PILs Tax Provision - Test Year

					<b>Wires Only</b>	
<b>Regulatory Taxable Income</b>					\$ 347,040	A
<b>Ontario Income Taxes</b>						
<i>Income tax payable</i>	<b>Ontario Income Tax</b>	4.50%	B	\$ 15,617	C = A * B	
<i>Small business credit</i>	Ontario Small Business Threshold	\$ -	D			
	Rate reduction	-7.00%	E	\$ -	F = D * E	
<i>Ontario Income tax</i>					\$ 15,617	J = C + F
<b>Combined Tax Rate and PILs</b>						
	Effective Ontario Tax Rate	4.50%	K = J / A			
	Federal tax rate	11.00%	L			
	Combined tax rate			15.50%	M = K + L	
<b>Total Income Taxes</b>					\$ 53,791	N = A * M
	Investment Tax Credits			\$ 20,000	O	
	Miscellaneous Tax Credits			\$ 12,000	P	
<b>Total Tax Credits</b>					\$ 32,000	Q = O + P
<b>Corporate PILs/Income Tax Provision for Test Year</b>					\$ 21,791	R = N - Q
Corporate PILs/Income Tax Provision Gross Up <sup>1</sup>					84.50%	S = 1 - M
					\$ 3,997	T = R / S - R
<b>Income Tax (grossed-up)</b>					\$ 25,788	U = R + T

### Note:

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