Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Version 1.0

Utility Name	Hydro Ottawa Limited
Assigned EB Number	EB-2015-0004
Name and Title	Geoff Simpson, Chief Financial Officer
Phone Number	613-738-5499
Email Address	geoffsimpson@hydroottawa.com
Date	Settement - Test Year - 2016
Last COS Re-based Year	**2012**

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

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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.

Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Revenue Requirement Workform. The Revenue Requirement Workform is on tab 3 of the Revenue Requirement Workform.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year).
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- capital additions (Schedule 8 - B8 and T8)
- cumulative eligible expenditures (Schedule 10 - B10 and T10)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H1 to H13 relate to the Historical Year.
Tabs B1 to B13 relate to the Bridge Year.
Tabs T1 to T13 relate to the Test Year.

s The amounts on tabs H1 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

e On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

For the 2016 Application, the "Test Year" is 2016, the "Historical Year" is 2014, and the "Bridge Year" is 2015.

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1. Info
S. Summary
A. Data Input Sheet
B. Tax Rates & Exemptions

Historical Year

H0 - PILs, Tax Provision Historical Year
H1 - Adj. Taxable Income Historical Year
H4 - Schedule 4 Loss Carry Forward Historical Year
H8 - Schedule 8 Historical'!A1
H10 - Schedule 10 CEC Historical Year
H13 - Schedule 13 Tax Reserves Historical

Bridge Year

B0 - PILs,Tax Provision Bridge Year
B1 - Adj. Taxable Income Bridge Year
B4 - Schedule 4 Loss Carry Forward Bridge Year
B8 - Schedule 8 CCA Bridge Year
B10 - Schedule 10 CEC Bridge Year
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year

T0 PILs, Tax Provision Test Year
T1 Taxable Income Test Year
T4 Schedule 4 Loss Carry Forward Test Year
T8 Schedule 8 CCA Test Year
T10 Schedule 10 CEC Test Year
T13 Schedule 13 Reserve Test Year

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No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference		
Adjustments required to arrive at taxable income	as below	**-19,578,061**	
Test Year - Payments in Lieu of Taxes (PILs)	T0	**2,760,062**	
Test Year - Grossed-up PILs	T0	**3,755,187**	
Federal Tax Rate	T0	**15.0%**	
Ontario Tax Rate	T0	**11.5%**	

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	30,625,466	
Taxable Income	T1	11,047,405	
Difference	calculated	-19,578,061	as above

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Rate Base		S	**$**	**833,119,318**		
Return on Ratebase						
Deemed ShortTerm Debt %	4.00%	T	$	33,324,773	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$	466,546,818	*X = S * U*	
Deemed Equity %	40.00%	V	$	333,247,727	*Y = S * V*	
Short Term Interest Rate	2.16%	Z	$	719,815	*AC = W * Z*	
Long Term Interest	3.53%	AA	$	16,459,772	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.19%	AB	**$**	**30,625,466**	*AE = Y * AB*	T1
Return on Rate Base			**$**	**47,805,053**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
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)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

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Tax Rates Federal & Provincial As of June 15, 2015	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceds $15 million the maximum tax rates apply.
3. If taxable capital is below $10 million the minimum tax rates apply.
4. Where taxable capital is between $10 million and $15 million, the tax rate will be calculated.

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PILs Tax Provision - Historical Year

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

					Wires Only	
Regulatory Taxable Income				H1	$ 1,027,371	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**M = K + L**
Total Income Taxes					**$ 272,253**	**E = A * D**
Investment Tax Credits						**F**
Miscellaneous Tax Credits						**G**
Total Tax Credits					**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ 272,253**	**I = H + E**

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Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	28,783,000		28,783,000
Additions:				
Interest and penalties on taxes	103	6,439		6,439
Amortization of tangible assets	104	30,249,000		30,249,000
Amortization of intangible assets	106	5,791,000		5,791,000
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	1,509,282		1,509,282
Charitable donations	112	212,515		212,515
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	70,010		70,010
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	1,110,910		1,110,910
Reserves from financial statements- balance at end of year	126	5,371,304		5,371,304
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	597,824		597,824
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense		10,438		10,438
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		11,878		11,878
Current Year Investment Tax Credits received		226,323		226,323

Impairment charge		1,250,168		1,250,168
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**46,417,091**	**0**	**46,417,091**
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	64,818,889		64,818,889
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	91,757		91,757
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	3,227,504		3,227,504
Reserves from financial statements - balance at beginning of year	414	3,063,750		3,063,750
Contributions to deferred income plans	416	570,527		570,527
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	1,857,000		1,857,000
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		103,721		103,721
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
Tax credits accrued for in current year & deducted in financials in current year		227,057		227,057
				0
				0
				0
				0
				0
				0
Total Deductions		**73,960,205**	**0**	**73,960,205**
Net Income for Tax Purposes		**1,239,886**	**0**	**1,239,886**
Charitable donations from Schedule 2	311	212,515		212,515
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		**1,027,371**	**0**	**1,027,371**

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Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	0		0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

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Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	194,128,563	994,943	193,133,620
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	23,891,295	735,570	23,155,725
2	Distribution System - pre 1988	63,500,604		63,500,604
8	General Office/Stores Equip	8,163,885		8,163,885
10	Computer Hardware/ Vehicles	5,514,836		5,514,836
10.1	Certain Automobiles			0
12	Computer Software	16,489,286		16,489,286
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	371,686		371,686
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment	85,572	85,572	0
45	Computers & Systems Software acq'd post Mar 22/04	26,138		26,138
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	357,958,594		357,958,594
50	Data Network Infrastructure Equipment - post Mar 2007	1,986,143		1,986,143
52	Computer Hardware and system software			0
95	CWIP			0
3	Building - pre 1988	9,673,783		9,673,783
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	681,790,385	1,816,085	679,974,300

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Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				**824,938**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	647,837			
Other Adjustments	0			
Subtotal	647,837	**x 3/4 =**	485,878	
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	
			485,878	**485,878**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**1,310,816**
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				**1,310,816**
Current Year Deduction		**1,310,816**	**x 7% =**	**91,757**
Cumulative Eligible Capital - Closing Balance				**1,219,059**

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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	B13
Tax Reserves Not Deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)	3,227,504		3,227,504	B13
Reserve for goods and services not delivered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss. 20(1)(n)			0	B13
Debt & Share Issue Expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
			0	
			0	
			0	
			0	
			0	
Total	**3,227,504**	**0**	**3,227,504**	
Financial Statement Reserves (not deductible for Tax Purposes)				
General Reserve for Inventory Obsolescence (non-specific)			0	B13
General reserve for bad debts	3,828,062		3,828,062	B13
Accrued Employee Future Benefits:			0	B13
- Medical and Life Insurance			0	B13
-Short & Long-term Disability			0	B13
-Accmulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13
Other Contingent Liabilities	1,543,242		1,543,242	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
			0	
			0	
Total	**5,371,304**	**0**	**5,371,304**	

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PILS Tax Provision - Bridge Year

			Reference	Wires Only	
Regulatory Taxable Income			B1	-$ 6,256,777	**A**
Combined Tax Rate and PILs	Effective Ontario Tax Rate	11.50%	**B**		
	Federal tax rate (Maximum 15%)	15.00%	**C**		
	Combined tax rate			26.50%	**D = B + C**
Total Income Taxes			calculated	**-$ 1,658,046**	**E = A * D**
Investment Tax Credits					**F**
Miscellaneous Tax Credits				$ -	**G**
Total Tax Credits				**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year				**$ -**	**I = H + E**

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.

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Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		27,637,000

Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets	104		38,416,273
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	3,227,504
Reserves from financial statements- balance at end of year	126	B13	5,371,304
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		

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Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits Received			182,500
Total Additions			**48,890,634**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	71,086,230
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	998,873
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	3,227,504
Reserves from financial statements - balance at beginning of year	414	B13	5,371,304
Contributions to deferred income plans	416		600,000
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)			

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Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390		1,427,000
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		calculated	**82,710,911**
Net Income for Tax Purposes		calculated	**-6,183,277**
Charitable donations from Schedule 2	311		-73,500
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	B4	0
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		calculated	**-6,256,777**

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Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)	B1	0	
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year	B1	0	
Balance available for use post Bridge Year	calculated	0	T4

Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)			
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year			
Balance available for use post Bridge Year	calculated	0	T4

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Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 193,133,620			$ 193,133,620	$ -	$ 193,133,620	4%	$ 7,725,345		$ 185,408,275
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 23,155,725	$ 2,259,608		$ 25,415,333	$ 1,129,804	$ 24,285,529	6%	$ 1,457,132		$ 23,958,201
2	Distribution System - pre 1988	H8	$ 63,500,604			$ 63,500,604	$ -	$ 63,500,604	6%	$ 3,810,036		$ 59,690,568
8	General Office/Stores Equip	H8	$ 8,163,885	$ 1,531,020		$ 9,694,905	$ 765,510	$ 8,929,395	20%	$ 1,785,879		$ 7,909,026
10	Computer Hardware/ Vehicles	H8	$ 5,514,836	$ 1,464,507		$ 6,979,343	$ 732,254	$ 6,247,090	30%	$ 1,874,127		$ 5,105,216
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 16,489,286	$ 8,494,616		$ 24,983,902	$ 4,247,308	$ 20,736,594	100%	$ 20,736,594		$ 4,247,308
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	H8	$ 371,686			$ 371,686	$ -	$ 371,686	12%	$ 44,602		$ 327,084
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 26,138			$ 26,138	$ -	$ 26,138	45%	$ 11,762		$ 14,376
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	H8	$ 357,958,594	$ 78,153,441		$ 436,112,035	$ 39,076,721	$ 397,035,315	8%	$ 31,762,825		$ 404,349,210
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 1,986,143	$ 1,097,672		$ 3,083,815	$ 548,836	$ 2,534,979	55%	$ 1,394,238		$ 1,689,577
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8				$ -	$ -	$ -		$ -		$ -
3	Building - pre 1988		$ 9,673,783			$ 9,673,783	$ -	$ 9,673,783	5%	$ 483,689		$ 9,190,094
						$ -	$ -	$ -	10%	$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 679,974,300	$ 93,000,864	$ -	$ 772,975,164	$ 46,500,432	$ 726,474,732		$ 71,086,230	B1	$ 701,888,934

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filer

Schedule 10 CEC - Bridge Year

				Reference	
Cumulative Eligible Capital				H10	**1,219,059**
Additions					
Cost of Eligible Capital Property Acquired during Test Year	17,400,735				
Other Adjustments	0				
Subtotal	17,400,735		**x 3/4 =**	########	
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	
				########	**13,050,551**
Amount transferred on amalgamation or wind-up of subsidiary	0				**0**
	Subtotal				**14,269,610**
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			**14,269,610**
Current Year Deduction	**14,269,610**	**x 7% =**	**998,873**
Cumulative Eligible Capital - Closing Balance			**13,270,737**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments: Additions	Bridge Year Adjustments: Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	3,227,504		3,227,504				3,227,504	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0				0	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	B1	**0**	**0**	**3,227,504**	B1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General reserve for bad debts	H13	3,828,062		3,828,062				3,828,062	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
-Short & Long-term Disability	H13	0		0				0	T13	0	
-Accmulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	1,543,242		1,543,242				1,543,242	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	B1	**0**	**0**	**5,371,304**	B1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Test Year

					Wires Only		
Regulatory Taxable Income				T1	$ 11,047,405	A	
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B				
	Federal tax rate (Maximum 15%)	15.00%	C				
	Combined tax rate (Maximum 26.5%)				26.50%	D = B + C	
Total Income Taxes					**$ 2,927,562**	E = A * D	
Investment Tax Credits						F	
Miscellaneous Tax Credits					$ 167,500	G	
Total Tax Credits					**$ 167,500**	H = F + G	
Corporate PILs/Income Tax Provision for Test Year					**$ 2,760,062**	I = H + E	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]		73.50%	J		**$ 995,125**	K = J * I	
Income Tax (grossed-up)					**$ 3,755,187**	L = K + I	S. Su

Note:

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

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	30,625,466

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		40,378,861
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	3,227,504
Reserves from financial statements- balance at end of year	126	T13	5,371,304
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		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits received			167,500
Total Additions			**50,838,222**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	60,268,749
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	948,726
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	3,227,504
Reserves from financial statements - balance at beginning of year	414	T13	5,371,304
Contributions to deferred income plans	416		600,000
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)			
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		calculated	**70,416,283**	
NET INCOME FOR TAX PURPOSES		calculated	**11,047,405**	
Charitable donations	311			
Taxable dividends received under section 112 or 113	320			
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0	
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		calculated	**11,047,405**	T0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	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	B8	$ 185,408,275			$ 185,408,275	$ -	$ 185,408,275	4%	$ 7,416,331		$ 177,991,944
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 23,958,201	3,085,755		$ 27,043,956	$ 1,542,878	$ 25,501,079	6%	$ 1,530,065		$ 25,513,892
2	Distribution System - pre 1988	B8	$ 59,690,568			$ 59,690,568	$ -	$ 59,690,568	6%	$ 3,581,434		$ 56,109,134
8	General Office/Stores Equip	B8	$ 7,909,026	4,688,193		$ 12,597,219	$ 2,344,097	$ 10,253,123	20%	$ 2,050,625		$ 10,546,595
10	Computer Hardware/ Vehicles	B8	$ 5,105,216	1,289,703		$ 6,394,919	$ 644,852	$ 5,750,068	30%	$ 1,725,020		$ 4,669,899
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 4,247,308	5,746,639		$ 9,993,947	$ 2,873,320	$ 7,120,628	100%	$ 7,120,628		$ 2,873,320
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	B8	$ -			$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	B8	$ 327,084			$ 327,084	$ -	$ 327,084	12%	$ 39,250		$ 287,834
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 14,376			$ 14,376	$ -	$ 14,376	45%	$ 6,469		$ 7,907
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	B8	$ 404,349,210	55,468,861		$ 459,818,071	$ 27,734,431	$ 432,083,640	8%	$ 34,566,691		$ 425,251,380
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 1,689,577	3,067,144		$ 4,756,721	$ 1,533,572	$ 3,223,149	55%	$ 1,772,732		$ 2,983,989
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ -			$ -	$ -	$ -	0%	$ -		$ -
3	Building - pre 1988		$ 9,190,094			$ 9,190,094	$ -	$ 9,190,094	5%	$ 459,505		$ 8,730,589
			$ -			$ -	$ -	$ -	10%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 701,888,934	$ 73,346,295	$ -	$ 775,235,229	$ 36,673,148	$ 738,562,082		$ 60,268,749	T1	$ 714,966,480

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital				B10	**13,270,737**
Additions					
Cost of Eligible Capital Property Acquired during Test Year		376,655			
Other Adjustments		0			
	Subtotal	376,655	**x 3/4 =**	282,491	
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	
				282,491	**282,491**
Amount transferred on amalgamation or wind-up of subsidiary		0			**0**
	Subtotal				**13,553,228**
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			**13,553,228**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	**13,553,228**	**x 7% =**	**948,726**
Cumulative Eligible Capital - Closing Balance			**12,604,502**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Test Year Adjustments: Additions	Test Year Adjustments: Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	3,227,504		3,227,504		0	0	3,227,504		0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	T1	**0**	**0**	**3,227,504**	T1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	3,828,062		3,828,062				3,828,062		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	1,543,242		1,543,242				1,543,242		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	T1	**0**	**0**	**5,371,304**	T1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Version 1.0

Utility Name	Hydro Ottawa Limited
Assigned EB Number	EB-2015-0004
Name and Title	Geoff Simpson, Chief Financial Officer
Phone Number	613-738-5499
Email Address	geoffsimpson@hydroottawa.com
Date	Settement - Test Year - 2017
Last COS Re-based Year	**2012**

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

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Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Revenue Requirement Workform. The Revenue Requirement Workform is on tab 3 of the Revenue Requirement Workform.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year).
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- capital additions (Schedule 8 - B8 and T8)
- cumulative eligible expenditures (Schedule 10 - B10 and T10)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H1 to H13 relate to the Historical Year.
Tabs B1 to B13 relate to the Bridge Year.
Tabs T1 to T13 relate to the Test Year.

s The amounts on tabs H1 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

e On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

For the 2016 Application, the "Test Year" is 2016, the "Historical Year" is 2014, and the "Bridge Year" is 2015.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

1. Info
S. Summary
A. Data Input Sheet
B. Tax Rates & Exemptions

Historical Year

H0 - PILs, Tax Provision Historical Year
H1 - Adj. Taxable Income Historical Year
H4 - Schedule 4 Loss Carry Forward Historical Year
H8 - Schedule 8 Historical'!A1
H10 - Schedule 10 CEC Historical Year
H13 - Schedule 13 Tax Reserves Historical

Bridge Year

B0 - PILs,Tax Provision Bridge Year
B1 - Adj. Taxable Income Bridge Year
B4 - Schedule 4 Loss Carry Forward Bridge Year
B8 - Schedule 8 CCA Bridge Year
B10 - Schedule 10 CEC Bridge Year
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year

T0 PILs, Tax Provision Test Year
T1 Taxable Income Test Year
T4 Schedule 4 Loss Carry Forward Test Year
T8 Schedule 8 CCA Test Year
T10 Schedule 10 CEC Test Year
T13 Schedule 13 Reserve Test Year

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference		
Adjustments required to arrive at taxable income	as below	**-21,165,928**	
Test Year - Payments in Lieu of Taxes (PILs)	T0	**2,671,102**	
Test Year - Grossed-up PILs	T0	**3,634,152**	
Federal Tax Rate	T0	**15.0%**	
Ontario Tax Rate	T0	**11.5%**	

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	31,971,974	
Taxable Income	T1	10,806,045	
Difference	calculated	-21,165,928	as above

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Income Tax/PILs Workform for 2016 Filers

Rate Base		S	**$**	**869,749,016**		
Return on Ratebase						
Deemed ShortTerm Debt %	4.00%	T	$	34,789,961	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$	487,059,449	*X = S * U*	
Deemed Equity %	40.00%	V	$	347,899,606	*Y = S * V*	
Short Term Interest Rate	2.16%	Z	$	751,463	*AC = W * Z*	
Long Term Interest	3.59%	AA	$	17,461,081	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.19%	AB	**$**	**31,971,974**	*AE = Y * AB*	T1
Return on Rate Base			**$**	**50,184,518**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
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)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Tax Rates Federal & Provincial As of June 15, 2015	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceds $15 million the maximum tax rates apply.
3. If taxable capital is below $10 million the minimum tax rates apply.
4. Where taxable capital is between $10 million and $15 million, the tax rate will be calculated.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Historical Year

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

					Wires Only	
Regulatory Taxable Income				H1	-$ 6,256,777	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**M = K + L**
Total Income Taxes					**-$ 1,658,046**	**E = A * D**
	Investment Tax Credits					**F**
	Miscellaneous Tax Credits					**G**
Total Tax Credits					**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ -**	**I = H + E**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	27,637,000		27,637,000
Additions:				
Interest and penalties on taxes	103	5,000		5,000
Amortization of tangible assets	104	38,416,273		38,416,273
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	1,013,053		1,013,053
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	75,000		75,000
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	3,227,504		3,227,504
Reserves from financial statements- balance at end of year	126	5,371,304		5,371,304
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	600,000		600,000
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
Current Year Investment Tax Credits received		182,500		182,500

Impairment charge				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**48,890,634**	**0**	**48,890,634**
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	71,086,230		71,086,230
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	998,873		998,873
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	3,227,504		3,227,504
Reserves from financial statements - balance at beginning of year	414	5,371,304		5,371,304
Contributions to deferred income plans	416	600,000		600,000
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	1,427,000		1,427,000
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
Tax credits accrued for in current year & deducted in financials in current year				0
				0
				0
				0
				0
				0
				0
Total Deductions		**82,710,911**	**0**	**82,710,911**
Net Income for Tax Purposes		**-6,183,277**	**0**	**-6,183,277**
Charitable donations from Schedule 2	311	73,500		73,500
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		**-6,256,777**	**0**	**-6,256,777**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	0		0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	185,408,275		185,408,275
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	23,958,201		23,958,201
2	Distribution System - pre 1988	59,690,568		59,690,568
8	General Office/Stores Equip	7,909,026		7,909,026
10	Computer Hardware/ Vehicles	5,105,216		5,105,216
10.1	Certain Automobiles			0
12	Computer Software	4,247,308		4,247,308
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	327,084		327,084
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment	0		0
45	Computers & Systems Software acq'd post Mar 22/04	14,376		14,376
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	404,349,210		404,349,210
50	Data Network Infrastructure Equipment - post Mar 2007	1,689,577		1,689,577
52	Computer Hardware and system software			0
95	CWIP			0
3	Building - pre 1988	9,190,094		9,190,094
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	701,888,934	0	701,888,934

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Income Tax/PILs Workform for 2016 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				**1,219,059**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	17,400,735			
Other Adjustments	0			
Subtotal	17,400,735	**x 3/4 =**	########	
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	
			########	**13,050,551**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**14,269,610**
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			**14,269,610**
Current Year Deduction	**14,269,610**	**x 7% =**	**998,873**
Cumulative Eligible Capital - Closing Balance			**13,270,737**

Ontario Energy Board

Income Tax/PILs Workform for 2016 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	B13
Tax Reserves Not Deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)	3,227,504		3,227,504	B13
Reserve for goods and services not delivered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss. 20(1)(n)			0	B13
Debt & Share Issue Expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
			0	
			0	
			0	
			0	
			0	
Total	**3,227,504**	**0**	**3,227,504**	
Financial Statement Reserves (not deductible for Tax Purposes)				
General Reserve for Inventory Obsolescence (non-specific)			0	B13
General reserve for bad debts	3,828,062		3,828,062	B13
Accrued Employee Future Benefits:			0	B13
- Medical and Life Insurance			0	B13
-Short & Long-term Disability			0	B13
-Accmulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13
Other Contingent Liabilities	1,543,242		1,543,242	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
			0	
			0	
Total	**5,371,304**	**0**	**5,371,304**	

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILS Tax Provision - Bridge Year

			Reference	Wires Only	
Regulatory Taxable Income			B1	$ 11,047,405	**A**
Combined Tax Rate and PILs	Effective Ontario Tax Rate	11.50%	**B**		
	Federal tax rate (Maximum 15%)	15.00%	**C**		
	Combined tax rate			26.50%	**D = B + C**
Total Income Taxes			calculated	**$ 2,927,562**	**E = A * D**
Investment Tax Credits					**F**
Miscellaneous Tax Credits				$ 167,500	**G**
Total Tax Credits				**$ 167,500**	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year				**$ 2,760,062**	**I = H + E**

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.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		30,625,466

Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets	104		40,378,861
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	3,227,504
Reserves from financial statements- balance at end of year	126	B13	5,371,304
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		

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Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits Received			167,500
Total Additions			**50,838,222**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	60,268,749
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	948,726
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	3,227,504
Reserves from financial statements - balance at beginning of year	414	B13	5,371,304
Contributions to deferred income plans	416		600,000
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

Income Tax/PILs Workform for 2016 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			
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		calculated	**70,416,283**
Net Income for Tax Purposes		calculated	**11,047,405**
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	B4	0
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		calculated	**11,047,405**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)	B1	0	
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year	B1	0	
Balance available for use post Bridge Year	calculated	0	T4

Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)			
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year			
Balance available for use post Bridge Year	calculated	0	T4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 185,408,275			$ 185,408,275	$ -	$ 185,408,275	4%	$ 7,416,331		$ 177,991,944
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 23,958,201	$ 3,085,755		$ 27,043,956	$ 1,542,878	$ 25,501,079	6%	$ 1,530,065		$ 25,513,892
2	Distribution System - pre 1988	H8	$ 59,690,568			$ 59,690,568	$ -	$ 59,690,568	6%	$ 3,581,434		$ 56,109,134
8	General Office/Stores Equip	H8	$ 7,909,026	$ 4,688,193		$ 12,597,219	$ 2,344,097	$ 10,253,123	20%	$ 2,050,625		$ 10,546,595
10	Computer Hardware/ Vehicles	H8	$ 5,105,216	$ 1,289,703		$ 6,394,919	$ 644,852	$ 5,750,068	30%	$ 1,725,020		$ 4,669,899
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 4,247,308	$ 5,746,639		$ 9,993,947	$ 2,873,320	$ 7,120,628	100%	$ 7,120,628		$ 2,873,320
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	H8	$ 327,084			$ 327,084	$ -	$ 327,084	12%	$ 39,250		$ 287,834
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 14,376			$ 14,376	$ -	$ 14,376	45%	$ 6,469		$ 7,907
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	H8	$ 404,349,210	$ 55,468,861		$ 459,818,071	$ 27,734,431	$ 432,083,640	8%	$ 34,566,691		$ 425,251,380
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 1,689,577	$ 3,067,144		$ 4,756,721	$ 1,533,572	$ 3,223,149	55%	$ 1,772,732		$ 2,983,989
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8				$ -	$ -	$ -		$ -		$ -
3	Building - pre 1988		$ 9,190,094			$ 9,190,094	$ -	$ 9,190,094	5%	$ 459,505		$ 8,730,589
						$ -	$ -	$ -	10%	$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 701,888,934	$ 73,346,295	$ -	$ 775,235,229	$ 36,673,148	$ 738,562,082		$ 60,268,749	B1	$ 714,966,480

Schedule 10 CEC - Bridge Year

			Reference	
Cumulative Eligible Capital			H10	**13,270,737**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	376,655			
Other Adjustments	0			
Subtotal	376,655	**x 3/4 =**	282,491	
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	
			282,491	**282,491**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**13,553,228**
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			**13,553,228**
Current Year Deduction	**13,553,228**	**x 7% =**	**948,726**
Cumulative Eligible Capital - Closing Balance			**12,604,502**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments: Additions	Bridge Year Adjustments: Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	3,227,504		3,227,504				3,227,504	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0				0	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	B1	**0**	**0**	**3,227,504**	B1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General reserve for bad debts	H13	3,828,062		3,828,062				3,828,062	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
-Short & Long-term Disability	H13	0		0				0	T13	0	
-Accmulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	1,543,242		1,543,242				1,543,242	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	B1	**0**	**0**	**5,371,304**	B1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Test Year

					Wires Only		
Regulatory Taxable Income				T1	$ 10,806,045	**A**	
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**				
	Federal tax rate (Maximum 15%)	15.00%	**C**				
	Combined tax rate (Maximum 26.5%)				26.50%	**D = B + C**	
Total Income Taxes					**$ 2,863,602**	**E = A * D**	
Investment Tax Credits						**F**	
Miscellaneous Tax Credits					$ 192,500	**G**	
Total Tax Credits					**$ 192,500**	**H = F + G**	
Corporate PILs/Income Tax Provision for Test Year					**$ 2,671,102**	**I = H + E**	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]		73.50%	**J**		**$ 963,050**	**K = J * I**	
Income Tax (grossed-up)					**$ 3,634,152**	**L = K + I**	S. Su

Note:

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

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	31,971,974

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		43,558,281
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	3,227,504
Reserves from financial statements- balance at end of year	126	T13	5,371,304
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		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits received			192,500
Total Additions			**54,042,642**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	65,124,596
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	885,167
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	3,227,504
Reserves from financial statements - balance at beginning of year	414	T13	5,371,304
Contributions to deferred income plans	416		600,000
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)			
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		calculated	**75,208,570**	
NET INCOME FOR TAX PURPOSES		calculated	**10,806,045**	
Charitable donations	311			
Taxable dividends received under section 112 or 113	320			
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0	
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		calculated	**10,806,045**	T0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	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	B8	$ 177,991,944			$ 177,991,944	$ -	$ 177,991,944	4%	$ 7,119,678		$ 170,872,266
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 25,513,892	2,500,925		$ 28,014,817	$ 1,250,463	$ 26,764,354	6%	$ 1,605,861		$ 26,408,955
2	Distribution System - pre 1988	B8	$ 56,109,134			$ 56,109,134	$ -	$ 56,109,134	6%	$ 3,366,548		$ 52,742,586
8	General Office/Stores Equip	B8	$ 10,546,595	5,659,176		$ 16,205,771	$ 2,829,588	$ 13,376,183	20%	$ 2,675,237		$ 13,530,534
10	Computer Hardware/ Vehicles	B8	$ 4,669,899	1,035,059		$ 5,704,958	$ 517,530	$ 5,187,428	30%	$ 1,556,229		$ 4,148,729
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 2,873,320	14,487,488		$ 17,360,808	$ 7,243,744	$ 10,117,064	100%	$ 10,117,064		$ 7,243,744
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	B8	$ -			$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	B8	$ 287,834			$ 287,834	$ -	$ 287,834	12%	$ 34,540		$ 253,294
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 7,907			$ 7,907	$ -	$ 7,907	45%	$ 3,558		$ 4,349
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	B8	$ 425,251,380	57,120,445		$ 482,371,825	$ 28,560,223	$ 453,811,602	8%	$ 36,304,928		$ 446,066,896
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 2,983,989	957,202		$ 3,941,191	$ 478,601	$ 3,462,590	55%	$ 1,904,424		$ 2,036,766
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ -			$ -	$ -	$ -	0%	$ -		$ -
3	Building - pre 1988		$ 8,730,589			$ 8,730,589	$ -	$ 8,730,589	5%	$ 436,529		$ 8,294,060
			$ -			$ -	$ -	$ -	10%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 714,966,480	$ 81,760,295	$ -	$ 796,726,775	$ 40,880,148	$ 755,846,628		$ 65,124,596	T1	$ 731,602,180

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Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital				B10	**12,604,502**
Additions					
Cost of Eligible Capital Property Acquired during Test Year		54,317			
Other Adjustments		0			
	Subtotal	54,317	**x 3/4 =**	40,738	
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	
				40,738	**40,738**
Amount transferred on amalgamation or wind-up of subsidiary		0			**0**
	Subtotal				**12,645,240**
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			**12,645,240**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	**12,645,240**	**x 7% =**	**885,167**
Cumulative Eligible Capital - Closing Balance			**11,760,073**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Test Year Adjustments: Additions	Test Year Adjustments: Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	3,227,504		3,227,504		0	0	3,227,504		0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	T1	**0**	**0**	**3,227,504**	T1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	3,828,062		3,828,062				3,828,062		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	1,543,242		1,543,242				1,543,242		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	T1	**0**	**0**	**5,371,304**	T1	**0**	**0**

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Income Tax/PILs Workform for 2016 Filers

Version 1.0

Utility Name	Hydro Ottawa Limited
Assigned EB Number	EB-2015-0004
Name and Title	Geoff Simpson, Chief Financial Officer
Phone Number	613-738-5499
Email Address	geoffsimpson@hydroottawa.com
Date	Settement - Test Year - 2018
Last COS Re-based Year	**2012**

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

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Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Revenue Requirement Workform. The Revenue Requirement Workform is on tab 3 of the Revenue Requirement Workform.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year).
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- capital additions (Schedule 8 - B8 and T8)
- cumulative eligible expenditures (Schedule 10 - B10 and T10)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H1 to H13 relate to the Historical Year.
Tabs B1 to B13 relate to the Bridge Year.
Tabs T1 to T13 relate to the Test Year.

s The amounts on tabs H1 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

e On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

For the 2016 Application, the "Test Year" is 2016, the "Historical Year" is 2014, and the "Bridge Year" is 2015.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

1. Info
S. Summary
A. Data Input Sheet
B. Tax Rates & Exemptions

Historical Year

H0 - PILs, Tax Provision Historical Year
H1 - Adj. Taxable Income Historical Year
H4 - Schedule 4 Loss Carry Forward Historical Year
H8 - Schedule 8 Historical'!A1
H10 - Schedule 10 CEC Historical Year
H13 - Schedule 13 Tax Reserves Historical

Bridge Year

B0 - PILs,Tax Provision Bridge Year
B1 - Adj. Taxable Income Bridge Year
B4 - Schedule 4 Loss Carry Forward Bridge Year
B8 - Schedule 8 CCA Bridge Year
B10 - Schedule 10 CEC Bridge Year
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year

T0 PILs, Tax Provision Test Year
T1 Taxable Income Test Year
T4 Schedule 4 Loss Carry Forward Test Year
T8 Schedule 8 CCA Test Year
T10 Schedule 10 CEC Test Year
T13 Schedule 13 Reserve Test Year

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference		
Adjustments required to arrive at taxable income	as below	**-19,474,050**	
Test Year - Payments in Lieu of Taxes (PILs)	T0	**3,599,306**	
Test Year - Grossed-up PILs	T0	**4,897,014**	
Federal Tax Rate	T0	**15.0%**	
Ontario Tax Rate	T0	**11.5%**	

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	33,556,335	
Taxable Income	T1	14,082,285	
Difference	calculated	-19,474,050	as above

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Rate Base		S	**$**	**912,849,158**		
Return on Ratebase						
Deemed ShortTerm Debt %	4.00%	T	$	36,513,966	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$	511,195,528	*X = S * U*	
Deemed Equity %	40.00%	V	$	365,139,663	*Y = S * V*	
Short Term Interest Rate	2.16%	Z	$	788,702	*AC = W * Z*	
Long Term Interest	3.65%	AA	$	18,653,525	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.19%	AB	**$**	**33,556,335**	*AE = Y * AB*	T1
Return on Rate Base			**$**	**52,998,562**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
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)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Tax Rates Federal & Provincial As of June 15, 2015	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceds $15 million the maximum tax rates apply.
3. If taxable capital is below $10 million the minimum tax rates apply.
4. Where taxable capital is between $10 million and $15 million, the tax rate will be calculated.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Historical Year

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

					Wires Only	
Regulatory Taxable Income				H1	$ 11,047,405	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**M = K + L**
Total Income Taxes					**$ 2,927,562**	**E = A * D**
Investment Tax Credits						**F**
Miscellaneous Tax Credits					$ 167,500	**G**
Total Tax Credits					**$ 167,500**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ 2,760,062**	**I = H + E**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	30,625,466		30,625,466
Additions:				
Interest and penalties on taxes	103	5,000		5,000
Amortization of tangible assets	104	40,378,861		40,378,861
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	1,013,053		1,013,053
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	75,000		75,000
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	3,227,504		3,227,504
Reserves from financial statements- balance at end of year	126	5,371,304		5,371,304
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	600,000		600,000
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
Current Year Investment Tax Credits received		167,500		167,500

Impairment charge				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**50,838,222**	**0**	**50,838,222**
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	60,268,749		60,268,749
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	948,726		948,726
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	3,227,504		3,227,504
Reserves from financial statements - balance at beginning of year	414	5,371,304		5,371,304
Contributions to deferred income plans	416	600,000		600,000
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
Tax credits accrued for in current year & deducted in financials in current year				0
				0
				0
				0
				0
				0
				0
Total Deductions		**70,416,283**	**0**	**70,416,283**
Net Income for Tax Purposes		**11,047,405**	**0**	**11,047,405**
Charitable donations from Schedule 2	311	0		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		**11,047,405**	**0**	**11,047,405**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	0		0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	177,991,944		177,991,944
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	25,513,892		25,513,892
2	Distribution System - pre 1988	56,109,134		56,109,134
8	General Office/Stores Equip	10,546,595		10,546,595
10	Computer Hardware/ Vehicles	4,669,899		4,669,899
10.1	Certain Automobiles			0
12	Computer Software	2,873,320		2,873,320
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	287,834		287,834
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment	0		0
45	Computers & Systems Software acq'd post Mar 22/04	7,907		7,907
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	425,251,380		425,251,380
50	Data Network Infrastructure Equipment - post Mar 2007	2,983,989		2,983,989
52	Computer Hardware and system software			0
95	CWIP			0
3	Building - pre 1988	8,730,589		8,730,589
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	714,966,480	0	714,966,480

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				**13,270,737**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	376,655			
Other Adjustments	0			
Subtotal	376,655	**x 3/4 =**	282,491	
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	
			282,491	**282,491**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**13,553,228**
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				**13,553,228**
Current Year Deduction		**13,553,228**	**x 7% =**	**948,726**
Cumulative Eligible Capital - Closing Balance				**12,604,502**

Ontario Energy Board

Income Tax/PILs Workform for 2016 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	B13
Tax Reserves Not Deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)	3,227,504		3,227,504	B13
Reserve for goods and services not delivered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss. 20(1)(n)			0	B13
Debt & Share Issue Expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
			0	
			0	
			0	
			0	
			0	
Total	**3,227,504**	**0**	**3,227,504**	
Financial Statement Reserves (not deductible for Tax Purposes)				
General Reserve for Inventory Obsolescence (non-specific)			0	B13
General reserve for bad debts	3,828,062		3,828,062	B13
Accrued Employee Future Benefits:			0	B13
- Medical and Life Insurance			0	B13
-Short & Long-term Disability			0	B13
-Accmulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13
Other Contingent Liabilities	1,543,242		1,543,242	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
			0	
			0	
Total	**5,371,304**	**0**	**5,371,304**	

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILS Tax Provision - Bridge Year

			Reference	Wires Only	
Regulatory Taxable Income			B1	$ 10,806,045	**A**
Combined Tax Rate and PILs	Effective Ontario Tax Rate	11.50%	**B**		
	Federal tax rate (Maximum 15%)	15.00%	**C**		
	Combined tax rate			26.50%	**D = B + C**
Total Income Taxes			calculated	**$ 2,863,602**	**E = A * D**
Investment Tax Credits					**F**
Miscellaneous Tax Credits				$ 192,500	**G**
Total Tax Credits				**$ 192,500**	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year				**$ 2,671,102**	**I = H + E**

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.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		31,971,974

Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets	104		43,558,281
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	3,227,504
Reserves from financial statements- balance at end of year	126	B13	5,371,304
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

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits Received			192,500
Total Additions			**54,042,642**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	65,124,596
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	885,167
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	3,227,504
Reserves from financial statements - balance at beginning of year	414	B13	5,371,304
Contributions to deferred income plans	416		600,000
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

Income Tax/PILs Workform for 2016 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			
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		calculated	**75,208,570**
Net Income for Tax Purposes		calculated	**10,806,045**
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	B4	0
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		calculated	**10,806,045**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)	B1	0	
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year	B1	0	
Balance available for use post Bridge Year	calculated	0	T4

Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)			
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year			
Balance available for use post Bridge Year	calculated	0	T4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 177,991,944			$ 177,991,944	$ -	$ 177,991,944	4%	$ 7,119,678		$ 170,872,266
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 25,513,892	$ 2,500,925		$ 28,014,817	$ 1,250,463	$ 26,764,354	6%	$ 1,605,861		$ 26,408,955
2	Distribution System - pre 1988	H8	$ 56,109,134			$ 56,109,134	$ -	$ 56,109,134	6%	$ 3,366,548		$ 52,742,586
8	General Office/Stores Equip	H8	$ 10,546,595	$ 5,659,176		$ 16,205,771	$ 2,829,588	$ 13,376,183	20%	$ 2,675,237		$ 13,530,534
10	Computer Hardware/ Vehicles	H8	$ 4,669,899	$ 1,035,059		$ 5,704,958	$ 517,530	$ 5,187,428	30%	$ 1,556,229		$ 4,148,729
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 2,873,320	$ 14,487,488		$ 17,360,808	$ 7,243,744	$ 10,117,064	100%	$ 10,117,064		$ 7,243,744
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	H8	$ 287,834			$ 287,834	$ -	$ 287,834	12%	$ 34,540		$ 253,294
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 7,907			$ 7,907	$ -	$ 7,907	45%	$ 3,558		$ 4,349
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	H8	$ 425,251,380	$ 57,120,445		$ 482,371,825	$ 28,560,223	$ 453,811,602	8%	$ 36,304,928		$ 446,066,896
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 2,983,989	$ 957,202		$ 3,941,191	$ 478,601	$ 3,462,590	55%	$ 1,904,424		$ 2,036,766
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8				$ -	$ -	$ -		$ -		$ -
3	Building - pre 1988		$ 8,730,589			$ 8,730,589	$ -	$ 8,730,589	5%	$ 436,529		$ 8,294,060
						$ -	$ -	$ -	10%	$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 714,966,480	$ 81,760,295	$ -	$ 796,726,775	$ 40,880,148	$ 755,846,628		$ 65,124,596	B1	$ 731,602,180

Schedule 10 CEC - Bridge Year

			Reference	
Cumulative Eligible Capital			H10	**12,604,502**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	54,317			
Other Adjustments	0			
Subtotal	54,317	**x 3/4 =**	40,738	
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	
			40,738	**40,738**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**12,645,240**
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			**12,645,240**
Current Year Deduction	**12,645,240**	**x 7% =**	**885,167**
Cumulative Eligible Capital - Closing Balance			**11,760,073**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments: Additions	Bridge Year Adjustments: Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	3,227,504		3,227,504				3,227,504	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0				0	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	B1	**0**	**0**	**3,227,504**	B1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General reserve for bad debts	H13	3,828,062		3,828,062				3,828,062	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
-Short & Long-term Disability	H13	0		0				0	T13	0	
-Accmulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	1,543,242		1,543,242				1,543,242	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	B1	**0**	**0**	**5,371,304**	B1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Test Year

					Wires Only		
Regulatory Taxable Income				T1	$ 14,082,285	A	
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B				
	Federal tax rate (Maximum 15%)	15.00%	C				
	Combined tax rate (Maximum 26.5%)				26.50%	D = B + C	
Total Income Taxes					**$ 3,731,806**	E = A * D	
Investment Tax Credits						F	
Miscellaneous Tax Credits					$ 132,500	G	
Total Tax Credits					**$ 132,500**	H = F + G	
Corporate PILs/Income Tax Provision for Test Year					**$ 3,599,306**	I = H + E	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]		73.50%	J		**$ 1,297,709**	K = J * I	
Income Tax (grossed-up)					**$ 4,897,014**	L = K + I	S. Su

Note:

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

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	33,556,335

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		46,388,393
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	3,227,504
Reserves from financial statements- balance at end of year	126	T13	5,371,304
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		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits received			132,500
Total Additions			**56,812,754**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	66,246,978
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	841,018
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	3,227,504
Reserves from financial statements - balance at beginning of year	414	T13	5,371,304
Contributions to deferred income plans	416		600,000
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)			
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		calculated	**76,286,804**	
NET INCOME FOR TAX PURPOSES		calculated	**14,082,285**	
Charitable donations	311			
Taxable dividends received under section 112 or 113	320			
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0	
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		calculated	**14,082,285**	T0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	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	B8	$ 170,872,266			$ 170,872,266	$ -	$ 170,872,266	4%	$ 6,834,891		$ 164,037,376
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 26,408,955	2,929,713		$ 29,338,668	$ 1,464,857	$ 27,873,812	6%	$ 1,672,429		$ 27,666,240
2	Distribution System - pre 1988	B8	$ 52,742,586			$ 52,742,586	$ -	$ 52,742,586	6%	$ 3,164,555		$ 49,578,031
8	General Office/Stores Equip	B8	$ 13,530,534	4,303,997		$ 17,834,531	$ 2,151,999	$ 15,682,533	20%	$ 3,136,507		$ 14,698,025
10	Computer Hardware/ Vehicles	B8	$ 4,148,729	1,451,508		$ 5,600,237	$ 725,754	$ 4,874,483	30%	$ 1,462,345		$ 4,137,892
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 7,243,744	4,427,066		$ 11,670,810	$ 2,213,533	$ 9,457,277	100%	$ 9,457,277		$ 2,213,533
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	B8	$ -			$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	B8	$ 253,294			$ 253,294	$ -	$ 253,294	12%	$ 30,395		$ 222,898
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 4,349			$ 4,349	$ -	$ 4,349	45%	$ 1,957		$ 2,392
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	B8	$ 446,066,896	74,671,869		$ 520,738,765	$ 37,335,935	$ 483,402,831	8%	$ 38,672,226		$ 482,066,539
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 2,036,766	1,016,261		$ 3,053,027	$ 508,131	$ 2,544,897	55%	$ 1,399,693		$ 1,653,334
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ -			$ -	$ -	$ -	0%	$ -		$ -
3	Building - pre 1988		$ 8,294,060			$ 8,294,060	$ -	$ 8,294,060	5%	$ 414,703		$ 7,879,357
			$ -			$ -	$ -	$ -	10%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 731,602,180	$ 88,800,414	$ -	$ 820,402,594	$ 44,400,207	$ 776,002,387		$ 66,246,978	T1	$ 754,155,616

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital				B10	**11,760,073**
Additions					
Cost of Eligible Capital Property Acquired during Test Year		339,288			
Other Adjustments		0			
	Subtotal	339,288	**x 3/4 =**	254,466	
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	
				254,466	**254,466**
Amount transferred on amalgamation or wind-up of subsidiary		0			**0**
	Subtotal				**12,014,539**
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			**12,014,539**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	**12,014,539**	**x 7% =**	**841,018**
Cumulative Eligible Capital - Closing Balance			**11,173,522**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Test Year Adjustments: Additions	Test Year Adjustments: Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	3,227,504		3,227,504		0	0	3,227,504		0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	T1	**0**	**0**	**3,227,504**	T1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	3,828,062		3,828,062				3,828,062		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	1,543,242		1,543,242				1,543,242		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	T1	**0**	**0**	**5,371,304**	T1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Version 1.0

Utility Name	Hydro Ottawa Limited
Assigned EB Number	EB-2015-0004
Name and Title	Geoff Simpson, Chief Financial Officer
Phone Number	613-738-5499
Email Address	geoffsimpson@hydroottawa.com
Date	Settement - Test Year - 2019
Last COS Re-based Year	**2012**

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

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Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Revenue Requirement Workform. The Revenue Requirement Workform is on tab 3 of the Revenue Requirement Workform.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year).
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- capital additions (Schedule 8 - B8 and T8)
- cumulative eligible expenditures (Schedule 10 - B10 and T10)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H1 to H13 relate to the Historical Year.
Tabs B1 to B13 relate to the Bridge Year.
Tabs T1 to T13 relate to the Test Year.

s The amounts on tabs H1 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

e On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

For the 2016 Application, the "Test Year" is 2016, the "Historical Year" is 2014, and the "Bridge Year" is 2015.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

1. Info
S. Summary
A. Data Input Sheet
B. Tax Rates & Exemptions

Historical Year

H0 - PILs, Tax Provision Historical Year
H1 - Adj. Taxable Income Historical Year
H4 - Schedule 4 Loss Carry Forward Historical Year
H8 - Schedule 8 Historical'!A1
H10 - Schedule 10 CEC Historical Year
H13 - Schedule 13 Tax Reserves Historical

Bridge Year

B0 - PILs,Tax Provision Bridge Year
B1 - Adj. Taxable Income Bridge Year
B4 - Schedule 4 Loss Carry Forward Bridge Year
B8 - Schedule 8 CCA Bridge Year
B10 - Schedule 10 CEC Bridge Year
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year

T0 PILs, Tax Provision Test Year
T1 Taxable Income Test Year
T4 Schedule 4 Loss Carry Forward Test Year
T8 Schedule 8 CCA Test Year
T10 Schedule 10 CEC Test Year
T13 Schedule 13 Reserve Test Year

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference		
Adjustments required to arrive at taxable income	as below	**-13,976,513**	
Test Year - Payments in Lieu of Taxes (PILs)	T0	**5,289,883**	
Test Year - Grossed-up PILs	T0	**7,197,120**	
Federal Tax Rate	T0	**15.0%**	
Ontario Tax Rate	T0	**11.5%**	

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	34,411,923	
Taxable Income	T1	20,435,409	
Difference	calculated	-13,976,513	as above

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Rate Base		S	**$**	**936,124,120**		
Return on Ratebase						
Deemed ShortTerm Debt %	4.00%	T	$	37,444,965	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$	524,229,507	*X = S * U*	
Deemed Equity %	40.00%	V	$	374,449,648	*Y = S * V*	
Short Term Interest Rate	2.16%	Z	$	808,811	*AC = W * Z*	
Long Term Interest	3.72%	AA	$	19,485,611	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.19%	AB	**$**	**34,411,923**	*AE = Y * AB*	T1
Return on Rate Base			**$**	**54,706,345**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
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)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Tax Rates Federal & Provincial As of June 15, 2015	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceds $15 million the maximum tax rates apply.
3. If taxable capital is below $10 million the minimum tax rates apply.
4. Where taxable capital is between $10 million and $15 million, the tax rate will be calculated.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Historical Year

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

					Wires Only	
Regulatory Taxable Income				H1	$ 10,806,045	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**M = K + L**
Total Income Taxes					**$ 2,863,602**	**E = A * D**
Investment Tax Credits						**F**
Miscellaneous Tax Credits					$ 192,500	**G**
Total Tax Credits					**$ 192,500**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ 2,671,102**	**I = H + E**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	31,971,974		31,971,974
Additions:				
Interest and penalties on taxes	103	5,000		5,000
Amortization of tangible assets	104	43,558,281		43,558,281
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	1,013,053		1,013,053
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	75,000		75,000
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	3,227,504		3,227,504
Reserves from financial statements- balance at end of year	126	5,371,304		5,371,304
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	600,000		600,000
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
Current Year Investment Tax Credits received		192,500		192,500

Impairment charge				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**54,042,642**	**0**	**54,042,642**
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	65,124,596		65,124,596
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	885,167		885,167
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	3,227,504		3,227,504
Reserves from financial statements - balance at beginning of year	414	5,371,304		5,371,304
Contributions to deferred income plans	416	600,000		600,000
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
Tax credits accrued for in current year & deducted in financials in current year				0
				0
				0
				0
				0
				0
				0
Total Deductions		**75,208,570**	**0**	**75,208,570**
Net Income for Tax Purposes		**10,806,045**	**0**	**10,806,045**
Charitable donations from Schedule 2	311	0		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		**10,806,045**	**0**	**10,806,045**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	0		0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	170,872,266		170,872,266
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	26,408,955		26,408,955
2	Distribution System - pre 1988	52,742,586		52,742,586
8	General Office/Stores Equip	13,530,534		13,530,534
10	Computer Hardware/ Vehicles	4,148,729		4,148,729
10.1	Certain Automobiles			0
12	Computer Software	7,243,744		7,243,744
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	253,294		253,294
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment	0		0
45	Computers & Systems Software acq'd post Mar 22/04	4,349		4,349
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	446,066,896		446,066,896
50	Data Network Infrastructure Equipment - post Mar 2007	2,036,766		2,036,766
52	Computer Hardware and system software			0
95	CWIP			0
3	Building - pre 1988	8,294,060		8,294,060
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	731,602,180	0	731,602,180

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital					**12,604,502**
Additions					
Cost of Eligible Capital Property Acquired during Test Year	54,317				
Other Adjustments	0				
Subtotal	54,317	**x 3/4 =**	40,738		
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		
			40,738		**40,738**
Amount transferred on amalgamation or wind-up of subsidiary	0				**0**
Subtotal					**12,645,240**
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					**12,645,240**
Current Year Deduction		**12,645,240**	**x 7% =**		**885,167**
Cumulative Eligible Capital - Closing Balance					**11,760,073**

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Income Tax/PILs Workform for 2016 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	B13
Tax Reserves Not Deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)	3,227,504		3,227,504	B13
Reserve for goods and services not delivered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss. 20(1)(n)			0	B13
Debt & Share Issue Expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
			0	
			0	
			0	
			0	
			0	
Total	**3,227,504**	**0**	**3,227,504**	
Financial Statement Reserves (not deductible for Tax Purposes)				
General Reserve for Inventory Obsolescence (non-specific)			0	B13
General reserve for bad debts	3,828,062		3,828,062	B13
Accrued Employee Future Benefits:			0	B13
- Medical and Life Insurance			0	B13
-Short & Long-term Disability			0	B13
-Accmulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13
Other Contingent Liabilities	1,543,242		1,543,242	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
			0	
			0	
Total	**5,371,304**	**0**	**5,371,304**	

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILS Tax Provision - Bridge Year

			Reference	Wires Only	
Regulatory Taxable Income			B1	$ 14,082,285	**A**
Combined Tax Rate and PILs	Effective Ontario Tax Rate	11.50%	**B**		
	Federal tax rate (Maximum 15%)	15.00%	**C**		
	Combined tax rate			26.50%	**D = B + C**
Total Income Taxes			calculated	**$ 3,731,806**	**E = A * D**
Investment Tax Credits					**F**
Miscellaneous Tax Credits				$ 132,500	**G**
Total Tax Credits				**$ 132,500**	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year				**$ 3,599,306**	**I = H + E**

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.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		33,556,335

Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets	104		46,388,393
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	3,227,504
Reserves from financial statements- balance at end of year	126	B13	5,371,304
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		

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Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits Received			132,500
Total Additions			**56,812,754**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	66,246,978
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	841,018
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	3,227,504
Reserves from financial statements - balance at beginning of year	414	B13	5,371,304
Contributions to deferred income plans	416		600,000
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

Income Tax/PILs Workform for 2016 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			
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		calculated	**76,286,804**
Net Income for Tax Purposes		calculated	**14,082,285**
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	B4	0
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		calculated	**14,082,285**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)	B1	0	
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year	B1	0	
Balance available for use post Bridge Year	calculated	0	T4

Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)			
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year			
Balance available for use post Bridge Year	calculated	0	T4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 170,872,266			$ 170,872,266	$ -	$ 170,872,266	4%	$ 6,834,891		$ 164,037,376
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 26,408,955	$ 2,929,713		$ 29,338,668	$ 1,464,857	$ 27,873,812	6%	$ 1,672,429		$ 27,666,240
2	Distribution System - pre 1988	H8	$ 52,742,586			$ 52,742,586	$ -	$ 52,742,586	6%	$ 3,164,555		$ 49,578,031
8	General Office/Stores Equip	H8	$ 13,530,534	$ 4,303,997		$ 17,834,531	$ 2,151,999	$ 15,682,533	20%	$ 3,136,507		$ 14,698,025
10	Computer Hardware/ Vehicles	H8	$ 4,148,729	$ 1,451,508		$ 5,600,237	$ 725,754	$ 4,874,483	30%	$ 1,462,345		$ 4,137,892
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 7,243,744	$ 4,427,066		$ 11,670,810	$ 2,213,533	$ 9,457,277	100%	$ 9,457,277		$ 2,213,533
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	H8	$ 253,294			$ 253,294	$ -	$ 253,294	12%	$ 30,395		$ 222,898
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 4,349			$ 4,349	$ -	$ 4,349	45%	$ 1,957		$ 2,392
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	H8	$ 446,066,896	$ 74,671,869		$ 520,738,765	$ 37,335,935	$ 483,402,831	8%	$ 38,672,226		$ 482,066,539
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 2,036,766	$ 1,016,261		$ 3,053,027	$ 508,131	$ 2,544,897	55%	$ 1,399,693		$ 1,653,334
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8				$ -	$ -	$ -		$ -		$ -
3	Building - pre 1988		$ 8,294,060			$ 8,294,060	$ -	$ 8,294,060	5%	$ 414,703		$ 7,879,357
						$ -	$ -	$ -	10%	$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 731,602,180	$ 88,800,414	$ -	$ 820,402,594	$ 44,400,207	$ 776,002,387		$ 66,246,978	B1	$ 754,155,616

Schedule 10 CEC - Bridge Year

			Reference	
Cumulative Eligible Capital			H10	**11,760,073**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	339,288			
Other Adjustments	0			
Subtotal	339,288	**x 3/4 =**	254,466	
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	
			254,466	**254,466**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**12,014,539**
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			**12,014,539**
Current Year Deduction	**12,014,539**	**x 7% =**	**841,018**
Cumulative Eligible Capital - Closing Balance			**11,173,522**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments: Additions	Bridge Year Adjustments: Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	3,227,504		3,227,504				3,227,504	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0				0	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	B1	**0**	**0**	**3,227,504**	B1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General reserve for bad debts	H13	3,828,062		3,828,062				3,828,062	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
-Short & Long-term Disability	H13	0		0				0	T13	0	
-Accmulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	1,543,242		1,543,242				1,543,242	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	B1	**0**	**0**	**5,371,304**	B1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Test Year

					Wires Only		
Regulatory Taxable Income				T1	$ 20,435,409	A	
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B				
	Federal tax rate (Maximum 15%)	15.00%	C				
	Combined tax rate (Maximum 26.5%)				26.50%	D = B + C	
Total Income Taxes					**$ 5,415,383**	E = A * D	
Investment Tax Credits						F	
Miscellaneous Tax Credits					$ 125,500	G	
Total Tax Credits					**$ 125,500**	H = F + G	
Corporate PILs/Income Tax Provision for Test Year					**$ 5,289,883**	I = H + E	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]		73.50%	J		**$ 1,907,237**	K = J * I	
Income Tax (grossed-up)					**$ 7,197,120**	L = K + I	S. Su

Note:

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

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	34,411,923

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		48,157,576
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	3,227,504
Reserves from financial statements- balance at end of year	126	T13	5,371,304
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		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits received			125,500
Total Additions			**58,574,937**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	62,567,518
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	785,124
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	3,227,504
Reserves from financial statements - balance at beginning of year	414	T13	5,371,304
Contributions to deferred income plans	416		600,000
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)			
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		calculated	**72,551,450**	
NET INCOME FOR TAX PURPOSES		calculated	**20,435,409**	
Charitable donations	311			
Taxable dividends received under section 112 or 113	320			
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0	
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		calculated	**20,435,409**	T0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	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	B8	$ 164,037,376			$ 164,037,376	$ -	$ 164,037,376	4%	$ 6,561,495		$ 157,475,881
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 27,666,240	860,917		$ 28,527,157	$ 430,459	$ 28,096,698	6%	$ 1,685,802		$ 26,841,355
2	Distribution System - pre 1988	B8	$ 49,578,031			$ 49,578,031	$ -	$ 49,578,031	6%	$ 2,974,682		$ 46,603,349
8	General Office/Stores Equip	B8	$ 14,698,025	3,095,502		$ 17,793,527	$ 1,547,751	$ 16,245,776	20%	$ 3,249,155		$ 14,544,371
10	Computer Hardware/ Vehicles	B8	$ 4,137,892	1,479,811		$ 5,617,703	$ 739,906	$ 4,877,798	30%	$ 1,463,339		$ 4,154,364
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 2,213,533	4,325,277		$ 6,538,810	$ 2,162,639	$ 4,376,172	100%	$ 4,376,172		$ 2,162,639
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	B8	$ -			$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	B8	$ 222,898			$ 222,898	$ -	$ 222,898	12%	$ 26,748		$ 196,151
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 2,392			$ 2,392	$ -	$ 2,392	45%	$ 1,076		$ 1,315
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	B8	$ 482,066,539	52,817,278		$ 534,883,817	$ 26,408,639	$ 508,475,178	8%	$ 40,678,014		$ 494,205,803
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 1,653,334	900,848		$ 2,554,182	$ 450,424	$ 2,103,758	55%	$ 1,157,067		$ 1,397,115
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ -			$ -	$ -	$ -	0%	$ -		$ -
3	Building - pre 1988		$ 7,879,357			$ 7,879,357	$ -	$ 7,879,357	5%	$ 393,968		$ 7,485,389
			$ -			$ -	$ -	$ -	10%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 754,155,616	$ 63,479,633	$ -	$ 817,635,249	$ 31,739,817	$ 785,895,432		$ 62,567,518	T1	$ 755,067,731

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital				B10	**11,173,522**
Additions					
Cost of Eligible Capital Property Acquired during Test Year	56,723				
Other Adjustments	0				
Subtotal	56,723	**x 3/4 =**	42,542		
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		
			42,542		**42,542**
Amount transferred on amalgamation or wind-up of subsidiary	0				**0**
Subtotal					**11,216,064**
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			**11,216,064**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	**11,216,064**	**x 7% =**	**785,124**
Cumulative Eligible Capital - Closing Balance			**10,430,939**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Test Year Adjustments: Additions	Test Year Adjustments: Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	3,227,504		3,227,504		0	0	3,227,504		0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	T1	**0**	**0**	**3,227,504**	T1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	3,828,062		3,828,062				3,828,062		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	1,543,242		1,543,242				1,543,242		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	T1	**0**	**0**	**5,371,304**	T1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Version 1.0

Utility Name	Hydro Ottawa Limited
Assigned EB Number	EB-2015-0004
Name and Title	Geoff Simpson, Chief Financial Officer
Phone Number	613-738-5499
Email Address	geoffsimpson@hydroottawa.com
Date	Settement - Test Year - 2020
Last COS Re-based Year	**2012**

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

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Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Revenue Requirement Workform. The Revenue Requirement Workform is on tab 3 of the Revenue Requirement Workform.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year).
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- capital additions (Schedule 8 - B8 and T8)
- cumulative eligible expenditures (Schedule 10 - B10 and T10)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H1 to H13 relate to the Historical Year.
Tabs B1 to B13 relate to the Bridge Year.
Tabs T1 to T13 relate to the Test Year.

s The amounts on tabs H1 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

e On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

For the 2016 Application, the "Test Year" is 2016, the "Historical Year" is 2014, and the "Bridge Year" is 2015.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

1. Info
S. Summary
A. Data Input Sheet
B. Tax Rates & Exemptions

Historical Year

H0 - PILs, Tax Provision Historical Year
H1 - Adj. Taxable Income Historical Year
H4 - Schedule 4 Loss Carry Forward Historical Year
H8 - Schedule 8 Historical'!A1
H10 - Schedule 10 CEC Historical Year
H13 - Schedule 13 Tax Reserves Historical

Bridge Year

B0 - PILs,Tax Provision Bridge Year
B1 - Adj. Taxable Income Bridge Year
B4 - Schedule 4 Loss Carry Forward Bridge Year
B8 - Schedule 8 CCA Bridge Year
B10 - Schedule 10 CEC Bridge Year
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year

T0 PILs, Tax Provision Test Year
T1 Taxable Income Test Year
T4 Schedule 4 Loss Carry Forward Test Year
T8 Schedule 8 CCA Test Year
T10 Schedule 10 CEC Test Year
T13 Schedule 13 Reserve Test Year

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference		
Adjustments required to arrive at taxable income	as below	**-18,049,075**	
Test Year - Payments in Lieu of Taxes (PILs)	T0	**4,584,682**	
Test Year - Grossed-up PILs	T0	**6,237,663**	
Federal Tax Rate	T0	**15.0%**	
Ontario Tax Rate	T0	**11.5%**	

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	35,796,933	
Taxable Income	T1	17,747,858	
Difference	calculated	-18,049,075	as above

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Rate Base		S	**$**	**973,801,235**		
Return on Ratebase						
Deemed ShortTerm Debt %	4.00%	T	$	38,952,049	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$	545,328,692	*X = S * U*	
Deemed Equity %	40.00%	V	$	389,520,494	*Y = S * V*	
Short Term Interest Rate	2.16%	Z	$	841,364	*AC = W * Z*	
Long Term Interest	3.75%	AA	$	20,433,466	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.19%	AB	**$**	**35,796,933**	*AE = Y * AB*	T1
Return on Rate Base			**$**	**57,071,764**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
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)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Tax Rates Federal & Provincial As of June 15, 2015	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceds $15 million the maximum tax rates apply.
3. If taxable capital is below $10 million the minimum tax rates apply.
4. Where taxable capital is between $10 million and $15 million, the tax rate will be calculated.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Historical Year

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

					Wires Only	
Regulatory Taxable Income				H1	$ 14,082,285	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**M = K + L**
Total Income Taxes					**$ 3,731,806**	**E = A * D**
Investment Tax Credits						**F**
Miscellaneous Tax Credits					$ 132,500	**G**
Total Tax Credits					**$ 132,500**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ 3,599,306**	**I = H + E**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	33,556,335		33,556,335
Additions:				
Interest and penalties on taxes	103	5,000		5,000
Amortization of tangible assets	104	46,388,393		46,388,393
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	1,013,053		1,013,053
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	75,000		75,000
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	3,227,504		3,227,504
Reserves from financial statements- balance at end of year	126	5,371,304		5,371,304
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	600,000		600,000
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
Current Year Investment Tax Credits received		132,500		132,500

Impairment charge				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**56,812,754**	**0**	**56,812,754**
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	66,246,978		66,246,978
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	841,018		841,018
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	3,227,504		3,227,504
Reserves from financial statements - balance at beginning of year	414	5,371,304		5,371,304
Contributions to deferred income plans	416	600,000		600,000
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
Tax credits accrued for in current year & deducted in financials in current year				0
				0
				0
				0
				0
				0
				0
Total Deductions		**76,286,804**	**0**	**76,286,804**
Net Income for Tax Purposes		**14,082,285**	**0**	**14,082,285**
Charitable donations from Schedule 2	311	0		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		**14,082,285**	**0**	**14,082,285**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	0		0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	164,037,376		164,037,376
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	27,666,240		27,666,240
2	Distribution System - pre 1988	49,578,031		49,578,031
8	General Office/Stores Equip	14,698,025		14,698,025
10	Computer Hardware/ Vehicles	4,137,892		4,137,892
10.1	Certain Automobiles			0
12	Computer Software	2,213,533		2,213,533
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	222,898		222,898
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment	0		0
45	Computers & Systems Software acq'd post Mar 22/04	2,392		2,392
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	482,066,539		482,066,539
50	Data Network Infrastructure Equipment - post Mar 2007	1,653,334		1,653,334
52	Computer Hardware and system software			0
95	CWIP			0
3	Building - pre 1988	7,879,357		7,879,357
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	754,155,616	0	754,155,616

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital					**11,760,073**
Additions					
Cost of Eligible Capital Property Acquired during Test Year	339,288				
Other Adjustments	0				
Subtotal	339,288	**x 3/4 =**	254,466		
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		
			254,466		**254,466**
Amount transferred on amalgamation or wind-up of subsidiary	0				**0**
Subtotal					**12,014,539**
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					**12,014,539**
Current Year Deduction		**12,014,539**	**x 7% =**		**841,018**
Cumulative Eligible Capital - Closing Balance					**11,173,522**

Ontario Energy Board

Income Tax/PILs Workform for 2016 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	B13
Tax Reserves Not Deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)	3,227,504		3,227,504	B13
Reserve for goods and services not delivered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss. 20(1)(n)			0	B13
Debt & Share Issue Expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
			0	
			0	
			0	
			0	
			0	
Total	**3,227,504**	**0**	**3,227,504**	
Financial Statement Reserves (not deductible for Tax Purposes)				
General Reserve for Inventory Obsolescence (non-specific)			0	B13
General reserve for bad debts	3,828,062		3,828,062	B13
Accrued Employee Future Benefits:			0	B13
- Medical and Life Insurance			0	B13
-Short & Long-term Disability			0	B13
-Accmulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13
Other Contingent Liabilities	1,543,242		1,543,242	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
			0	
			0	
Total	**5,371,304**	**0**	**5,371,304**	

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILS Tax Provision - Bridge Year

			Reference	Wires Only	
Regulatory Taxable Income			B1	$ 20,435,409	**A**
Combined Tax Rate and PILs	Effective Ontario Tax Rate	11.50%	**B**		
	Federal tax rate (Maximum 15%)	15.00%	**C**		
	Combined tax rate			26.50%	**D = B + C**
Total Income Taxes			calculated	**$ 5,415,383**	**E = A * D**
Investment Tax Credits					**F**
Miscellaneous Tax Credits				$ 125,500	**G**
Total Tax Credits				**$ 125,500**	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year				**$ 5,289,883**	**I = H + E**

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.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		34,411,923

Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets	104		48,157,576
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	3,227,504
Reserves from financial statements- balance at end of year	126	B13	5,371,304
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

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits Received			125,500
Total Additions			**58,574,937**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	62,567,518
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	785,124
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	3,227,504
Reserves from financial statements - balance at beginning of year	414	B13	5,371,304
Contributions to deferred income plans	416		600,000
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

Income Tax/PILs Workform for 2016 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			
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		calculated	**72,551,450**
Net Income for Tax Purposes		calculated	**20,435,409**
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	B4	0
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		calculated	**20,435,409**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)	B1	0	
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year	B1	0	
Balance available for use post Bridge Year	calculated	0	T4

Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)			
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year			
Balance available for use post Bridge Year	calculated	0	T4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 164,037,376			$ 164,037,376	$ -	$ 164,037,376	4%	$ 6,561,495		$ 157,475,881
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 27,666,240	$ 860,917		$ 28,527,157	$ 430,459	$ 28,096,698	6%	$ 1,685,802		$ 26,841,355
2	Distribution System - pre 1988	H8	$ 49,578,031			$ 49,578,031	$ -	$ 49,578,031	6%	$ 2,974,682		$ 46,603,349
8	General Office/Stores Equip	H8	$ 14,698,025	$ 3,095,502		$ 17,793,527	$ 1,547,751	$ 16,245,776	20%	$ 3,249,155		$ 14,544,371
10	Computer Hardware/ Vehicles	H8	$ 4,137,892	$ 1,479,811		$ 5,617,703	$ 739,906	$ 4,877,798	30%	$ 1,463,339		$ 4,154,364
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 2,213,533	$ 4,325,277		$ 6,538,810	$ 2,162,639	$ 4,376,172	100%	$ 4,376,172		$ 2,162,639
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	H8	$ 222,898			$ 222,898	$ -	$ 222,898	12%	$ 26,748		$ 196,151
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 2,392			$ 2,392	$ -	$ 2,392	45%	$ 1,076		$ 1,315
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	H8	$ 482,066,539	$ 52,817,278		$ 534,883,817	$ 26,408,639	$ 508,475,178	8%	$ 40,678,014		$ 494,205,803
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 1,653,334	$ 900,848		$ 2,554,182	$ 450,424	$ 2,103,758	55%	$ 1,157,067		$ 1,397,115
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8				$ -	$ -	$ -		$ -		$ -
3	Building - pre 1988		$ 7,879,357			$ 7,879,357	$ -	$ 7,879,357	5%	$ 393,968		$ 7,485,389
						$ -	$ -	$ -	10%	$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 754,155,616	$ 63,479,633	$ -	$ 817,635,249	$ 31,739,817	$ 785,895,432		$ 62,567,518	B1	$ 755,067,731

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filer

Schedule 10 CEC - Bridge Year

			Reference	
Cumulative Eligible Capital			H10	**11,173,522**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	56,723			
Other Adjustments	0			
Subtotal	56,723	**x 3/4 =**	42,542	
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	
			42,542	**42,542**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**11,216,064**
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			**11,216,064**
Current Year Deduction	**11,216,064**	**x 7% =**	**785,124**
Cumulative Eligible Capital - Closing Balance			**10,430,939**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments: Additions	Bridge Year Adjustments: Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	3,227,504		3,227,504				3,227,504	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0				0	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	B1	**0**	**0**	**3,227,504**	B1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General reserve for bad debts	H13	3,828,062		3,828,062				3,828,062	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
-Short & Long-term Disability	H13	0		0				0	T13	0	
-Accmulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	1,543,242		1,543,242				1,543,242	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	B1	**0**	**0**	**5,371,304**	B1	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Test Year

					Wires Only		
Regulatory Taxable Income				T1	$ 17,747,858	A	
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B				
	Federal tax rate (Maximum 15%)	15.00%	C				
	Combined tax rate (Maximum 26.5%)				26.50%	D = B + C	
Total Income Taxes					**$ 4,703,182**	E = A * D	
Investment Tax Credits						F	
Miscellaneous Tax Credits					$ 118,500	G	
Total Tax Credits					**$ 118,500**	H = F + G	
Corporate PILs/Income Tax Provision for Test Year					**$ 4,584,682**	I = H + E	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]		73.50%	J		**$ 1,652,981**	K = J * I	
Income Tax (grossed-up)					**$ 6,237,663**	L = K + I	S. Su

Note:

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

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	35,796,933

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		5,000
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		49,383,520
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		1,013,053
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		75,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	3,227,504
Reserves from financial statements- balance at end of year	126	T13	5,371,304
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		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		600,000
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			
Current Year Investment Tax Credits received			118,500
Total Additions			**59,793,881**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	67,909,279
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	734,870
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	3,227,504
Reserves from financial statements - balance at beginning of year	414	T13	5,371,304
Contributions to deferred income plans	416		600,000
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)			
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		calculated	**77,842,956**	
NET INCOME FOR TAX PURPOSES		calculated	**17,747,858**	
Charitable donations	311			
Taxable dividends received under section 112 or 113	320			
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0	
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		calculated	**17,747,858**	T0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	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	B8	$ 157,475,881			$ 157,475,881	$ -	$ 157,475,881	4%	$ 6,299,035		$ 151,176,846
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 26,841,355	7,064,568		$ 33,905,923	$ 3,532,284	$ 30,373,639	6%	$ 1,822,418		$ 32,083,504
2	Distribution System - pre 1988	B8	$ 46,603,349			$ 46,603,349	$ -	$ 46,603,349	6%	$ 2,796,201		$ 43,807,148
8	General Office/Stores Equip	B8	$ 14,544,371	4,684,276		$ 19,228,647	$ 2,342,138	$ 16,886,509	20%	$ 3,377,302		$ 15,851,346
10	Computer Hardware/ Vehicles	B8	$ 4,154,364	1,572,486		$ 5,726,850	$ 786,243	$ 4,940,607	30%	$ 1,482,182		$ 4,244,668
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 2,162,639	11,398,852		$ 13,561,491	$ 5,699,426	$ 7,862,065	100%	$ 7,862,065		$ 5,699,426
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	B8	$ -			$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	B8	$ 196,151			$ 196,151	$ -	$ 196,151	12%	$ 23,538		$ 172,612
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 1,315			$ 1,315	$ -	$ 1,315	45%	$ 592		$ 724
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	B8	$ 494,205,803	82,851,650		$ 577,057,453	$ 41,425,825	$ 535,631,628	8%	$ 42,850,530		$ 534,206,923
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 1,397,115	919,028		$ 2,316,143	$ 459,514	$ 1,856,629	55%	$ 1,021,146		$ 1,294,997
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ -			$ -	$ -	$ -	0%	$ -		$ -
3	Building - pre 1988		$ 7,485,389			$ 7,485,389	$ -	$ 7,485,389	5%	$ 374,269		$ 7,111,119
			$ -			$ -	$ -	$ -	10%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 755,067,731	$ 108,490,860	$ -	$ 863,558,591	$ 54,245,430	$ 809,313,161		$ 67,909,279	T1	$ 795,649,312

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital				B10	**10,430,939**
Additions					
Cost of Eligible Capital Property Acquired during Test Year		89,596			
Other Adjustments		0			
	Subtotal	89,596	**x 3/4 =**	67,197	
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	
				67,197	**67,197**
Amount transferred on amalgamation or wind-up of subsidiary		0			**0**
	Subtotal				**10,498,136**
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			**10,498,136**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	**10,498,136**	**x 7% =**	**734,870**
Cumulative Eligible Capital - Closing Balance			**9,763,267**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Test Year Adjustments: Additions	Test Year Adjustments: Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	3,227,504		3,227,504		0	0	3,227,504		0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**3,227,504**	**0**	**3,227,504**	T1	**0**	**0**	**3,227,504**	T1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	3,828,062		3,828,062				3,828,062		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	1,543,242		1,543,242				1,543,242		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**5,371,304**	**0**	**5,371,304**	T1	**0**	**0**	**5,371,304**	T1	**0**	**0**