Ontario Energy Board

# Income Tax/PILs Workform for 2019 Filers

**Version** 1.10

| | |
|---|---|
| **Utility Name** | ENWIN Utilities Ltd. |
| **Assigned EB Number** | EB-2019-0032 |
| **Name and Title** | Paul Gleason |
| **Phone Number** | 519-255-2888 ext. 325 |
| **Email Address** | regulatory@enwin.com |
| **Date** | |
| **Last COS Re-based Year** | **2009** |

**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 Data Input Sheet of the Revenue Requirement Workform.

Tab S1 Integrity Checks must be completed after the completion of the PILS calculation in this workbook.

**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 Bridge Year and the Test Year.
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- loss carryforward (Schedule 4 - B4 and T4)
- capital cost allowance (Schedule 8 - B8 and T8)
- 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 H0 to H13 relate to the Historical Year.
Tabs B0 to B13 relate to the Bridge Year.
Tabs T0 to T13 relate to the Test Year.

The amounts on tabs H0 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.

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

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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
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
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
T13 Schedule 13 Reserve Test Year

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**No inputs required on this worksheet.**

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**Integrity Checks**

The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case:

| | Item | Utility Confirmation (Y/N) | Notes |
|---|---|---|---|
| 1 | The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application | Y | Agrees to 2-BA |
| 2 | The capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historical, bridge and test years | Y | Adjusted for shared service assets |
| 3 | Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non- distribution tax amounts on Schedule 8. | Y | |
| 4 | The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the UCC schedules for the same years filed in the application | Y | |
| 5 | Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application | N/A | |
| 6 | A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized | N/A | |
| 7 | CCA is maximized even if there are tax loss carry-forwards | Y | |
| 8 | Accounting OPEB and pension amounts added back on Schedule 1 to reconcile accounting income to net income for tax purposes, must agree with the OM&A analysis for compensation. The amounts deducted must be reasonable when compared with the notes in the audited financial statements, FSCO reports, and the actuarial valuations. | Y | |
| 9 | The income tax rate used to calculate the tax expense must be consistent with the utility's actual tax facts and evidence filed in the application. | Y | |

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| | | | | Test Year | Bridge Year | |
|---|---|---|---|---|---|---|
| **Rate Base** | | S | **$** | **247,972,502** | | |
| **Return on Ratebase** | | | | | | |
| Deemed ShortTerm Debt % | 4.00% | T | $ | 9,918,900 | *W = S * T* | |
| Deemed Long Term Debt % | 56.00% | U | $ | 138,864,601 | *X = S * U* | |
| Deemed Equity % | 40.00% | V | $ | 99,189,001 | *Y = S * V* | |
| Short Term Interest Rate | 2.82% | Z | $ | 279,713 | *AC = W * Z* | |
| Long Term Interest | 4.13% | AA | $ | 5,735,108 | *AD = X * AA* | |
| **Return on Equity (Regulatory Income)** | 8.98% | AB | **$** | **8,907,172** | *AE = Y * AB* | T1 |
| **Return on Rate Base** | | | **$** | **14,921,993** | *AF = AC + AD + AE* | |

## Questions that must be answered

| | Historical Year | Bridge Year | Test Year |
|---|---|---|---|
| 1. Does the applicant have any Investment Tax Credits (ITC)? | Yes | No | No |
| 2. Does the applicant have any SRED Expenditures? | Yes | No | No |
| 3. Does the applicant have any Capital Gains or Losses for tax purposes? | Yes | 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<br>Federal & Provincial<br>As of June 29, 2018 | Effective<br>January 1, 2014 | Effective<br>January 1, 2015 | Effective<br>January 1, 2016 | Effective<br>January 1, 2017 | Effective<br>January 1, 2018 | Effective<br>January 1, 2019 |
|---|---|---|---|---|---|---|
| **Federal income tax** | | | | | | |
| General corporate rate | 38.00% | 38.00% | 38.00% | 38.00% | 38.00% | 38.00% |
| Federal tax abatement | -10.00% | -10.00% | -10.00% | -10.00% | -10.00% | -10.00% |
| Adjusted federal rate | 28.00% | 28.00% | 28.00% | 28.00% | 28.00% | 28.00% |
| Rate reduction | -13.00% | -13.00% | -13.00% | -13.00% | -13.00% | -13.00% |
| **Federal Income Tax** | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% |
| **Ontario income tax** | 11.50% | 11.50% | 11.50% | 11.50% | 11.50% | 11.50% |
| **Combined federal and Ontario** | 26.50% | 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 | 500,000 |
| Ontario Small Business Threshold | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Federal small business rate | 11.00% | 11.00% | 11.00% | 10.50% | 10.00% | 9.00% |
| Ontario small business rate | 4.50% | 4.50% | 4.50% | 4.50% | 3.50% | 3.50% |

**Notes**

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. Regarding the small business deduction, if applicable,
   a. If taxable capital exceeds $15 million, the small business rate will not be applicable.
   b. If taxable capital is below $10 million, the small business rate would be applicable.
   c. If taxable capital is between $10 million and $15 million, the appropriate small business rate will be calculated.

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# Income Tax/PILs Workform for 2019 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 | $ 7,211,503 | **A** |
| **Combined Tax Rate and PILs** | Ontario Tax Rate (Maximum 11.5%) | 10.18% | **B** | | | |
| | Federal tax rate (Maximum 15%) | 14.94% | **C** | | | |
| | Combined tax rate (Maximum 26.5%) | | | | 25.12% | **D = B+C** |
| **Total Income Taxes** | | | | | **$ 1,811,530** | **E = A * D** |
| Investment Tax Credits | | | | | $ 80,305 | **F** |
| Miscellaneous Tax Credits | | | | | $ 2,846 | **G** |
| **Total Tax Credits** | | | | | **$ 83,151** | **H = F + G** |
| **Corporate PILs/Income Tax Provision for Historical Year** | | | | | **$ 1,728,379** | **I = E - H** |

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# Income Tax/PILs Workform for 2019 Filers

## Adjusted Taxable Income - Historical Year

| | T2S1 line # | Total for Legal Entity | Non-Distribution Eliminations | Historic Wires Only |
|---|---|---|---|---|
| **Income before PILs/Taxes** | **(A + 101 + 102)** | 6,740,875 | -7,244 | 6,748,119 |
| **Additions:** | | | | |
| Interest and penalties on taxes | 103 | | | 0 |
| Amortization of tangible assets | 104 | 13,143,662 | -102,722 | 13,246,384 |
| Amortization of intangible assets | 106 | | | 0 |
| Recapture of capital cost allowance from Schedule 8 | 107 | 95,607 | | 95,607 |
| Gain on sale of eligible capital property from Schedule 10 | 108 | | | 0 |
| Income or loss for tax purposes- joint ventures or partnerships | 109 | | | 0 |
| Loss in equity of subsidiaries and affiliates | 110 | | | 0 |
| Loss on disposal of assets | 111 | | | 0 |
| Charitable donations | 112 | 37,315 | 23,336 | 13,979 |
| Taxable Capital Gains | 113 | 74,540 | | 74,540 |
| Political Donations | 114 | | | 0 |
| Deferred and prepaid expenses | 116 | | | 0 |
| Scientific research expenditures deducted on financial statements | 118 | 400,814 | | 400,814 |
| Capitalized interest | 119 | | | 0 |
| Non-deductible club dues and fees | 120 | | | 0 |
| Non-deductible meals and entertainment expense | 121 | 30,824 | 18,835 | 11,989 |
| 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 | 1,250,532 | | 1,250,532 |
| Reserves from financial statements- balance at end of year | 126 | 67,749,576 | 22,705,102 | 45,044,474 |
| 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 | 163,036 | | 163,036 |
| Gain on settlement of debt | 220 | | | 0 |
| Non-deductible advertising | 226 | | | 0 |
| Non-deductible interest | 227 | | | 0 |
| Non-deductible legal and accounting fees | 228 | | | 0 |
| Recapture of SR&ED expenditures | 231 | | | 0 |
| Share issue expense | 235 | | | 0 |
| Write down of capital property | 236 | | | 0 |
| Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237 | | | 0 |
| ***Other Additions*** | | | | |
| Interest Expensed on Capital Leases | 290 | | | 0 |
| Realized Income from Deferred Credit Accounts | 291 | | | 0 |
| Pensions | 292 | | | 0 |
| Non-deductible penalties | 293 | | | 0 |
| | 294 | | | 0 |
| Regulatory asset/liability adjustment, foreign taxes, inducement under 12(1)(x) ITA | 295 | 2,965,850 | | 2,965,850 |
| ARO Accretion expense | | | | 0 |
| Capital Contributions Received (ITA 12(1)(x)) | | | | 0 |
| Lease Inducements Received (ITA 12(1)(x)) | | | | 0 |
| Deferred Revenue (ITA 12(1)(a)) | | | | 0 |
| Prior Year Investment Tax Credits received | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| **Total Additions** | | **85,911,756** | **22,644,551** | **63,267,205** |

| | | | | |
|---|---|---|---|---|
| **Deductions:** | | | | |
| Gain on disposal of assets per financial statements | 401 | 66,271 | 2,466 | 63,805 |
| Dividends not taxable under section 83 | 402 | | | 0 |
| Capital cost allowance from Schedule 8 | 403 | 15,222,731 | | 15,222,731 |
| Terminal loss from Schedule 8 | 404 | | | 0 |
| Allowable business investment loss | 406 | | | 0 |
| Deferred and prepaid expenses | 409 | | | 0 |
| Scientific research expenses claimed in year | 411 | 312,253 | | 312,253 |
| Tax reserves claimed in current year | 413 | 1,038,077 | | 1,038,077 |
| Reserves from financial statements - balance at beginning of year | 414 | 58,077,349 | 18,484,730 | 39,592,619 |
| Contributions to deferred income plans | 416 | | | 0 |
| Book income of joint venture or partnership | 305 | | | 0 |
| Equity in income from subsidiary or affiliates | 306 | | | 0 |
| *Other deductions: (Please explain in detail the nature of the item)* | | | | |
| | | | | |
| Interest capitalized for accounting deducted for tax | 390 | 132,252 | | 132,252 |
| Capital Lease Payments | 391 | 144,952 | | 144,952 |
| Non-taxable imputed interest income on deferral and variance accounts | 392 | | | 0 |
| Capital gains allocated per T slips | 393 | 75,949 | | 75,949 |
| | 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 |
| Non-taxable/deductible other comprehensive income items | | 1,525,817 | | 1,525,817 |
| SR&ED income for accounting | | 96,545 | | 96,545 |
| SR&ED cost capitalized for accounting | | 25,913 | | 25,913 |
| Capitalized burdens and overheads | | 1,699,587 | | 1,699,587 |
| Pole replacements | | 2,845,181 | | 2,845,181 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| **Total Deductions** | | **81,262,877** | **18,487,196** | **62,775,681** |
| | | | | |
| **Net Income for Tax Purposes** | | **11,389,754** | **4,150,111** | **7,239,643** |
| | | | | |
| Charitable donations from Schedule 2 | 311 | 37,315 | 23,336 | 13,979 |
| Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82) | 320 | 14,161 | | 14,161 |
| 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** | | **11,338,278** | **4,126,775** | **7,211,503** |

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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 | B4 |

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

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# Income Tax/PILs Workform for 2019 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 | $ 101,330,430.00 | | $ 101,330,430.00 |
| 1 Enhanced | Non-residential Buildings Reg. 1100(1)(a.1) election | | | $ - |
| 2 | Distribution System - pre 1988 | $ 14,544,459.00 | | $ 14,544,459.00 |
| 8 | General Office/Stores Equip | $ 5,464,533.00 | $ 2,176,946.00 | $ 3,287,587.00 |
| 10 | Computer Hardware/ Vehicles | | | $ - |
| 10.1 | Certain Automobiles | | | $ - |
| 12 | Computer Software | $ 560,539.00 | $ 232,023.00 | $ 328,516.00 |
| 13 1 | Lease # 1 | | | $ - |
| 13 2 | Lease #2 | | | $ - |
| 13 3 | Lease # 3 | | | $ - |
| 13 4 | Lease # 4 | | | $ - |
| 14 | Franchise | | | $ - |
| 17 | New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs | | | $ - |
| 42 | Fibre Optic Cable | | | $ - |
| 43.1 | Certain Energy-Efficient Electrical Generating Equipment | | | $ - |
| 43.2 | Certain Clean Energy Generation Equipment | | | $ - |
| 45 | Computers & Systems Software acq'd post Mar 22/04 | $ 681.00 | | $ 681.00 |
| 46 | Data Network Infrastructure Equipment (acq'd post Mar 22/04) | | | $ - |
| 47 | Distribution System - post February 2005 | $ 69,060,616.00 | | $ 69,060,616.00 |
| 50 | Data Network Infrastructure Equipment - post Mar 2007 | $ 1,300,307.00 | | $ 1,300,307.00 |
| 52 | Computer Hardware and system software | | | $ - |
| 95 | CWIP | | | $ - |
| 14.1 | Eligible Capital Property (acq'd pre Jan 1, 2017)[1] | | | $ - |
| 14.1 | Eligible Capital Property (acq'd post Jan 1, 2017)[1] | $ 3,768,108.00 | | $ 3,768,108.00 |
| | | | | $ - |
| 3 | Buildings | $ 1,820,217.00 | $ 608,735.00 | $ 1,211,482.00 |
| 1b | Buildings after March 18, 2007 | $ 499,813.00 | $ 167,153.00 | $ 332,660.00 |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | $ - |
| | | | | 0 |
| | SUB-TOTAL - UCC | 198,349,703 | 3,184,857 | 195,164,846 |

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# Income Tax/PILs Workform for 2

## Schedule 13 Tax Reserves - Historical

### Continuity of Reserves

| Description | Historical Balance as per tax returns | Non-Distribution Eliminations | Utility Only |
|---|---|---|---|
| | | | |
| Capital Gains Reserves ss.40(1) | | | 0 |
| **Tax Reserves Not Deducted for accounting purposes** | | | |
| Reserve for doubtful accounts ss. 20(1)(l) | 1,038,077 | | 1,038,077 |
| Reserve for goods and services not delivered ss. 20(1)(m) | | | 0 |
| Reserve for unpaid amounts ss. 20(1)(n) | | | 0 |
| Debt & Share Issue Expenses ss. 20(1)(e) | | | 0 |
| Other tax reserves | | | 0 |
| | | | 0 |
| | | | 0 |
| | | | 0 |
| | | | 0 |
| | | | 0 |
| **Total** | **1,038,077** | **0** | **1,038,077** |
| | | | |
| **Financial Statement Reserves (not deductible for Tax Purposes)** | | | |
| General Reserve for Inventory Obsolescence (non-specific) | 996,870 | | 996,870 |
| General reserve for bad debts | | | 0 |
| Accrued Employee Future Benefits: | | | 0 |
| - Medical and Life Insurance | | | 0 |
| -Short & Long-term Disability | | | 0 |
| -Accmulated Sick Leave | | | 0 |
| - Termination Cost | 69,671 | | 69,671 |
| - Other Post-Employment Benefits | 65,515,530 | 25,581,972 | 39,933,558 |
| Provision for Environmental Costs | | | 0 |
| Restructuring Costs | | | 0 |
| Accrued Contingent Litigation Costs | | | 0 |
| Accrued Self-Insurance Costs | | | 0 |
| Other Contingent Liabilities | | | 0 |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4) | 29,428 | | 29,428 |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1) | | | 0 |
| Other | 100,000 | | 100,000 |
| | | | |
| | | | |
| | | | |
| | | | 0 |
| | | | 0 |
| **Total** | **66,711,499** | **25,581,972** | **41,129,527** |

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# Income Tax/PILs Workform for 2019 Filers

## PILS Tax Provision - Bridge Year

| | | | | | | Reference | Wires Only | |
|---|---|---|---|---|---|---|---|---|
| **Regulatory Taxable Income** | | | | | | B1 | $ 11,851,703 | **A** |
| | Tax Rate | Small Business Rate (If Applicable) | Taxes Payable | Effective Tax Rate | | | | |
| Ontario (Max 11.5%) | 11.5% | 3.5% | ######## | 11.2% | **B** | | | |
| Federal (Max 15%) | 15.0% | 10.0% | ######## | 14.8% | **C** | | | |
| Combined effective tax rate (Max 26.5%) | | | | | | | 25.95% | **D = B + C** |
| **Total Income Taxes** | | | | | | | **$ 3,075,701** | **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** | | | | | | | **$ 3,075,701** | **I = E - H** |

**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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# Income Tax/PILs Workform for 2019 Filers

## Adjusted Taxable Income - Bridge Year

| | T2S1 line # | Working Paper Reference | Total for Regulated Utility |
|---|---|---|---|
| **Income before PILs/Taxes** | (A + 101 + 102) | | 11,114,351 |
| **Additions:** | | | |
| Interest and penalties on taxes | 103 | | |
| Amortization of tangible assets | 104 | | 11,123,769 |
| Amortization of intangible assets | 106 | | |
| Recapture of capital cost allowance from Schedule 8 | 107 | | |
| Gain on sale of eligible capital property from Schedule 10 | 108 | | |
| Income or loss for tax purposes- joint ventures or partnerships | 109 | | |
| Loss in equity of subsidiaries and affiliates | 110 | | |
| Loss on disposal of assets | 111 | | |
| Charitable donations | 112 | | 58,259 |
| 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 | | 31,942 |
| 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 | 1,038,077 |
| Reserves from financial statements- balance at end of year | 126 | B13 | 40,930,428 |
| 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 | | 107,209 |
| 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*** | | | |
| Interest Expensed on Capital Leases | 290 | | |
| Realized Income from Deferred Credit Accounts | 291 | | |
| Pensions | 292 | | |
| Non-deductible penalties | 293 | | |
| | 294 | | |
| Regulatory asset/liability adjustment | 295 | | 3,211,444 |
| ARO Accretion expense | | | |

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## Adjusted Taxable Income - Bridge Year

| | | | |
|---|---|---|---|
| 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 | | | |
| 0 | | | |
| 0 | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| **Total Additions** | | | **56,501,128** |
| **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 | 13,654,431 |
| Terminal loss from Schedule 8 | 404 | | |
| 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 | 1,038,077 |
| Reserves from financial statements - balance at beginning of year | 414 | B13 | 41,129,527 |
| Contributions to deferred income plans | 416 | | |
| Book income of joint venture or partnership | 305 | | |
| Equity in income from subsidiary or affiliates | 306 | | |
| *Other deductions: (Please explain in detail the nature of the item)* | | | |
| | | | |
| 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) | | | |

Ontario Energy Board

# Income Tax/PILs Workform for 2019 Filers

## Adjusted Taxable Income - Bridge Year

| | | | |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| **Total Deductions** | | calculated | **55,822,035** |
| | | | |
| **Net Income for Tax Purposes** | | calculated | **11,793,444** |
| Charitable donations from Schedule 2 | 311 | | 58,259 |
| 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 | B4 | 0 |
| Limited partnership losses of preceding taxation years from Schedule 4 | 335 | | |
| | | | |
| **TAXABLE INCOME** | | calculated | **11,851,703** |

Ontario Energy Board

# Income Tax/PILs Workform for 2019 Filers

## Corporation Loss Continuity and Application

## Schedule 4 Loss Carry Forward - Bridge Year

| Non-Capital Loss Carry Forward Deduction | | Total | |
|---|---|---|---|
| Actual Historical | H4 | 0 | |
| **Amount to be used in Bridge Year** | B1 | 0 | |
| Loss Carry Forward Generated in Bridge Year (if any) | B1 | 0 | |
| Other Adjustments | | | |
| Balance available for use post Bridge Year | calculated | 0 | T4 |

| Net Capital Loss Carry Forward Deduction | | Total | |
|---|---|---|---|
| Actual Historical | H4 | 0 | |
| **Amount to be used in Bridge Year** | | | |
| Loss Carry Forward Generated in Bridge Year (if any) | B1 | | |
| Other Adjustments | | | |
| Balance available for use post Bridge Year | calculated | 0 | T4 |

Ontario Energy Board

# Income Tax/PILs Workform for 2019 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 | ############# | $ 2,159,000 | -$ 4,018,839 | $ 99,470,591 | $ - | $ 99,470,591 | 4% | $ 3,978,824 | | $ 95,491,767 |
| 1 Enhanced | Non-residential Buildings Reg. 1100(1)(a.1) election | H8 | | | | $ - | $ - | $ - | 6% | $ - | | $ - |
| 2 | Distribution System - pre 1988 | H8 | $ 14,544,459.00 | | -$ 872,669 | $ 13,671,790 | $ - | $ 13,671,790 | 6% | $ 820,307 | | $ 12,851,483 |
| 8 | General Office/Stores Equip | H8 | $ 3,287,587.00 | $ 2,803,480 | -$ 927,171 | $ 5,163,896 | $ 938,155 | $ 4,225,742 | 20% | $ 845,148 | | $ 4,318,748 |
| 10 | Computer Hardware/ Vehicles | H8 | | | | $ - | $ - | $ - | 30% | $ - | | $ - |
| 10.1 | Certain Automobiles | H8 | | | | $ - | $ - | $ - | 30% | $ - | | $ - |
| 12 | Computer Software | H8 | $ 328,516.00 | $ 1,023,956 | -$ 332,429 | $ 1,020,043 | $ 345,764 | $ 674,280 | 100% | $ 674,280 | | $ 345,764 |
| 13 1 | Lease # 1 | H8 | | $ 365,330 | | $ 365,330 | $ 182,665 | $ 182,665 | 5% | $ 9,133 | | $ 356,197 |
| 13 2 | Lease #2 | H8 | | | | $ - | $ - | $ - | 10% | $ - | | $ - |
| 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 | | | | $ - | $ - | $ - | 12% | $ - | | $ - |
| 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 | $ 681.00 | | -$ 306 | $ 375 | $ - | $ 375 | 45% | $ 169 | | $ 206 |
| 46 | Data Network Infrastructure Equipment (acq'd post Mar 22/04) | H8 | | | | $ - | $ - | $ - | 30% | $ - | | $ - |
| 47 | Distribution System - post February 2005 | H8 | $ 69,060,616.00 | $ 21,869,930 | -$ 6,031,358 | $ 84,899,188 | $ 7,919,286 | $ 76,979,902 | 8% | $ 6,158,392 | | $ 78,740,796 |
| 50 | Data Network Infrastructure Equipment - post Mar 2007 | H8 | $ 1,300,307.00 | $ 1,546,481 | -$ 827,513 | $ 2,019,275 | $ 359,484 | $ 1,659,791 | 55% | $ 912,885 | | $ 1,106,390 |
| 52 | Computer Hardware and system software | H8 | | | | $ - | $ - | $ - | 100% | $ - | | $ - |
| 95 | CWIP | H8 | | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| 14.1 | Eligible Capital Property (acq'd pre Jan 1, 2017)[1] | H8 | | | | $ - | $ - | $ - | 7% | $ - | | $ - |
| 14.1 | Eligible Capital Property (acq'd post Jan 1, 2017)[1] | H8 | $ 3,768,108.00 | | -$ 188,405 | $ 3,579,703 | $ - | $ 3,579,703 | 5% | $ 178,985 | | $ 3,400,718 |
| | | | | | | $ - | $ - | $ - | | $ - | | $ - |
| 3 | Buildings | | $ 1,211,482.00 | | -$ 60,574 | $ 1,150,908 | $ - | $ 1,150,908 | 5% | $ 57,545 | | $ 1,093,363 |
| 1b | Buildings after March 18, 2007 | | $ 332,660.00 | | -$ 19,959 | $ 312,701 | $ - | $ 312,701 | 6% | $ 18,762 | | $ 293,939 |
| | | | | | | $ - | $ - | $ - | | $ - | | $ - |
| | | | | | | $ - | $ - | $ - | | $ - | | $ - |
| | | | | | | $ - | $ - | $ - | | $ - | | $ - |
| | | | | | | $ - | $ - | $ - | | $ - | | $ - |
| | | | | | | $ - | $ - | $ - | | $ - | | $ - |
| | TOTAL | | $ 195,164,846 | $ 29,768,177 | -$ 13,279,223 | $ 211,653,800 | $ 9,745,353 | $ 201,908,447 | | $ 13,654,431 | B1 | $ 197,999,369 |

Ontario Energy Board

# Income Tax/PILs Workform for 2019 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 | 1,038,077 | | 1,038,077 | | 1,038,077 | 1,038,077 | 1,038,077 | 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** | | **1,038,077** | **0** | **1,038,077** | B1 | **1,038,077** | **1,038,077** | **1,038,077** | B1 | **0** | **0** |
| | | | | | | | | | | | |
| **Financial Statement Reserves (not deductible for Tax Purposes)** | | | | | | | | | | | |
| General Reserve for Inventory Obsolescence (non-specific) | H13 | 996,870 | | 996,870 | | 996,870 | 996,870 | 996,870 | T13 | 0 | |
| General reserve for bad debts | H13 | 0 | | 0 | | | | 0 | 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 | 69,671 | | 69,671 | | 0 | 69,671 | 0 | T13 | -69,671 | |
| - Other Post-Employment Benefits | H13 | 39,933,558 | | 39,933,558 | | 39,933,558 | 39,933,558 | 39,933,558 | T13 | 0 | |
| Provision for Environmental Costs | H13 | 0 | | 0 | | | 0 | 0 | T13 | 0 | |
| Restructuring Costs | H13 | 0 | | 0 | | | 0 | 0 | T13 | 0 | |
| Accrued Contingent Litigation Costs | H13 | 0 | | 0 | | | 0 | 0 | T13 | 0 | |
| Accrued Self-Insurance Costs | H13 | 0 | | 0 | | | 0 | 0 | T13 | 0 | |
| Other Contingent Liabilities | H13 | 0 | | 0 | | | 0 | 0 | T13 | 0 | |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4) | H13 | 29,428 | | 29,428 | | 0 | 29,428 | 0 | T13 | -29,428 | |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1) | H13 | 0 | | 0 | | | 0 | 0 | T13 | 0 | |
| Other | H13 | 100,000 | | 100,000 | | 0 | 100,000 | 0 | T13 | -100,000 | |
| | | 0 | | 0 | | | | 0 | | 0 | |
| | | 0 | | 0 | | | | 0 | | 0 | |
| **Total** | | **41,129,527** | **0** | **41,129,527** | B1 | **40,930,428** | **41,129,527** | **40,930,428** | B1 | **-199,099** | **0** |

Ontario Energy Board

# Income Tax/PILs Workform for 2019 Filers

## PILs Tax Provision - Test Year

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Wires Only** | |
| **Regulatory Taxable Income** | | | | | | | T1 | $ 5,753,599 | **A** |
| | Tax Rate | Small Business Rate (If Applicable) | Taxes Payable | | Effective Tax Rate | | | | |
| Ontario (Max 11.5%) | 11.5% | 11.5% | $ | 661,664 | 11.5% | **B** | | | |
| Federal (Max 15%) | 15.0% | 15.0% | $ | 863,040 | 15.0% | **C** | | | |
| Combined effective tax rate (Max 26.5%) | | | | | | | | 26.50% | **D = B + C** |
| **Total Income Taxes** | | | | | | | | **$ 1,524,704** | **E = A * D** |
| Investment Tax Credits | | | | | | | | | **F** |
| Miscellaneous Tax Credits | | | | | | | | | **G** |
| **Total Tax Credits** | | | | | | | | **$ -** | **H = F + G** |
| **Corporate PILs/Income Tax Provision for Test Year** | | | | | | | | **$ 1,524,704** | **I = E - H** S. Su |
| Corporate PILs/Income Tax Provision Gross Up [1] | | | | | | | 73.50% **J = 1-D** | **$ 549,723** | **K = I/J-I** |
| **Income Tax** (grossed-up) | | | | | | | | **$ 2,074,427** | **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 2019 Filers

## Taxable Income - Test Year

| | | Working Paper Reference | Test Year Taxable Income |
|---|---|---|---|
| ***Net Income Before Taxes*** | | A. | 8,907,172 |
| | **T2 S1 line #** | | |
| **Additions:** | | | |
| Interest and penalties on taxes | 103 | | |
| Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489* | 104 | | 10,799,612 |
| Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490* | 106 | | |
| Recapture of capital cost allowance from Schedule 8 | 107 | | |
| Gain on sale of eligible capital property from Schedule 10 | 108 | | |
| Income or loss for tax purposes- joint ventures or partnerships | 109 | | |
| Loss in equity of subsidiaries and affiliates | 110 | | |
| Loss on disposal of assets | 111 | | |
| Charitable donations | 112 | | 58,259 |
| 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 | | 29,461 |
| Non-deductible automobile expenses | 122 | | |
| Non-deductible life insurance premiums | 123 | | |
| Non-deductible company pension plans | 124 | | |
| Tax reserves beginning of year | 125 | T13 | 1,038,077 |
| Reserves from financial statements- balance at end of year | 126 | T13 | 40,930,428 |
| 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 | | 107,774 |
| 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 | | |
| Non-deductible penalties | 293 | | |
| | 294 | | |
| Regulatory asset/liability adjustment | 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 | | | |
| 0 | | | |
| 0 | | | |
| | | | |
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|---|---|---|---|---|
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| | | | | |
| | | | | |
| | | | | |
| **Total Additions** | | | **52,963,611** | |
| **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 | 14,090,421 | |
| Terminal loss from Schedule 8 | 404 | | | |
| Allowable business investment loss | 406 | | | |
| Deferred and prepaid expenses | 409 | | | |
| Scientific research expenses claimed in year | 411 | | | |
| Tax reserves end of year | 413 | T13 | 1,038,077 | |
| Reserves from financial statements - balance at beginning of year | 414 | T13 | 40,930,428 | |
| Contributions to deferred income plans | 416 | | | |
| Book income of joint venture or partnership | 305 | | | |
| Equity in income from subsidiary or affiliates | 306 | | | |
| *Other deductions: (Please explain in detail the nature of the item)* | | | | |
| Interest capitalized for accounting deducted for tax | 390 | | | |
| Capital Lease Payments | 391 | | | |
| Non-taxable imputed interest income on deferral and variance accounts | 392 | | | |
| 1 | 393 | | | |
| 1 | 394 | | | |
| 1 | 395 | | | |
| 1 | 396 | | | |
| 1 | 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) | | | | |
| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| **Total Deductions** | | calculated | **56,058,926** | |
| | | | | |
| **NET INCOME FOR TAX PURPOSES** | | calculated | **5,811,858** | |
| | | | | |
| Charitable donations | 311 | | 58,259 | |
| 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 | T4 | 0 | |
| Limited partnership losses of preceding taxation years from Schedule 4 | 335 | | | |
| | | | | |
| **REGULATORY TAXABLE INCOME** | | calculated | **5,753,599** | T0 |

Ontario Energy Board

# Income Tax/PILs Workform for 2019 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 Carried Forward | B4 | 0 | | 0 |
| **Amount to be used in Test Year and Price Cap Years** | T1 | 0 | | 0 |
| Number of years loss until next cost of service (i.e. years the loss is to be spread over) | | | | |
| **Amount to be used in Test Year** | calculated | 0 | | 0 |
| Loss Carry Forward Generated in Test Year (if any) | T1 | 0 | | 0 |
| Other Adjustments | | | | 0 |
| Balance available for use in Future Years | calculated | 0 | | 0 |

| Net Capital Loss Carry Forward Deduction | | Total | Non-Distribution Portion | Utility Balance |
|---|---|---|---|---|
| Actual/Estimated Bridge Year Carried Forward | B4 | 0 | | 0 |
| **Amount to be used in Test Year and Price Cap Years** | | | | 0 |
| Number of years loss until next cost of service (i.e. years the loss is to be spread over) | | | | |
| **Amount to be used in Test Year** | T1 | 0 | | 0 |
| Loss Carry Forward Generated in Test Year (if any) | | | | 0 |
| Other Adjustments | | | | 0 |
| Balance available for use in Future Years | | 0 | | 0 |

Ontario Energy Board

# Income Tax/PILs Workform for 2019 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 | $ 95,491,767 | 1,267,500 | | $ 96,759,267 | $ 633,750 | $ 96,125,517 | 4% | $ 3,845,021 | | $ 92,914,247 |
| 1 Enhanced | Non-residential Buildings Reg. 1100(1)(a.1) election | B8 | $ - | | | $ - | $ - | $ - | 6% | $ - | | $ - |
| 2 | Distribution System - pre 1988 | B8 | $ 12,851,483 | | | $ 12,851,483 | $ - | $ 12,851,483 | 6% | $ 771,089 | | $ 12,080,394 |
| 8 | General Office/Stores Equip | B8 | $ 4,318,748 | 1,690,762 | -192 | $ 6,009,318 | $ 845,285 | $ 5,164,033 | 20% | $ 1,032,807 | | $ 4,976,511 |
| 10 | Computer Hardware/ Vehicles | B8 | $ - | | | $ - | $ - | $ - | 30% | $ - | | $ - |
| 10.1 | Certain Automobiles | B8 | $ - | | | $ - | $ - | $ - | 30% | $ - | | $ - |
| 12 | Computer Software | B8 | $ 345,764 | 469,820 | | $ 815,584 | $ 234,910 | $ 580,674 | 100% | $ 580,674 | | $ 234,910 |
| 13 1 | Lease # 1 | B8 | $ 356,197 | | | $ 356,197 | $ - | $ 356,197 | 5% | $ 17,810 | | $ 338,387 |
| 13 2 | Lease #2 | B8 | $ - | | | $ - | $ - | $ - | 10% | $ - | | $ - |
| 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 | $ - | | | $ - | $ - | $ - | 12% | $ - | | $ - |
| 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 | $ 206 | | | $ 206 | $ - | $ 206 | 45% | $ 93 | | $ 113 |
| 46 | Data Network Infrastructure Equipment (acq'd post Mar 22/04) | B8 | $ - | | | $ - | $ - | $ - | 30% | $ - | | $ - |
| 47 | Distribution System - post February 2005 | B8 | $ 78,740,796 | 12,576,000 | | $ 91,316,796 | $ 6,288,000 | $ 85,028,796 | 8% | $ 6,802,304 | | $ 84,514,492 |
| 50 | Data Network Infrastructure Equipment - post Mar 2007 | B8 | $ 1,106,390 | 735,000 | | $ 1,841,390 | $ 367,500 | $ 1,473,890 | 55% | $ 810,639 | | $ 1,030,750 |
| 52 | Computer Hardware and system software | B8 | $ - | | | $ - | $ - | $ - | 100% | $ - | | $ - |
| 95 | CWIP | B8 | $ - | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| 14.1 | Eligible Capital Property (acq'd pre Jan 1, 2017)1 | B8 | $ - | | | $ - | $ - | $ - | 7% | $ - | | $ - |
| 14.1 | Eligible Capital Property (acq'd post Jan 1, 2017)1 | B8 | $ 3,400,718 | | | $ 3,400,718 | $ - | $ 3,400,718 | 5% | $ 170,036 | | $ 3,230,682 |
| | | | $ - | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| 3 | Buildings | | $ 1,093,363 | | | $ 1,093,363 | $ - | $ 1,093,363 | 5% | $ 54,668 | | $ 1,038,694 |
| 1b | Buildings after March 18, 2007 | | $ 293,939 | | -205,920 | $ 88,019 | $ - | $ 88,019 | 6% | $ 5,281 | | $ 82,738 |
| | | | $ - | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| | | | $ - | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| | | | $ - | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| | | | $ - | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| | | | $ - | | | $ - | $ - | $ - | 0% | $ - | | $ - |
| | TOTAL | | $ 197,999,369 | $ 16,739,082 | -$ 206,112 | $ 214,532,339 | $ 8,369,445 | $ 206,162,894 | | $ 14,090,421 | T1 | $ 200,441,919 |

1. New CCA class 14.1 effective January 1, 2017. The class includes property that was eligible capital property immediately before January 1, 2017. For tax years that end prior to 2027, transitional rules apply to class 14.1 that were acquired before January 1, 2017

Ontario Energy Board

# Income Tax/PILs Workform for 2019 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 | 1,038,077 | | 1,038,077 | | 1,038,077 | 1,038,077 | 1,038,077 | | 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** | | **1,038,077** | **0** | **1,038,077** | T1 | **1,038,077** | **1,038,077** | **1,038,077** | T1 | **0** | **0** |
| | | | | | | | | | | | |
| **Financial Statement Reserves (not deductible for Tax Purposes)** | | | | | | | | | | | |
| General Reserve for Inventory Obsolescence (non-specific) | B13 | 996,870 | | 996,870 | | 996,870 | 996,870 | 996,870 | | 0 | |
| General reserve for bad debts | B13 | 0 | | 0 | | | | 0 | | 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 | 39,933,558 | | 39,933,558 | | 39,933,558 | 39,933,558 | 39,933,558 | | 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 | 0 | | 0 | | | | 0 | | 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** | | **40,930,428** | **0** | **40,930,428** | T1 | **40,930,428** | **40,930,428** | **40,930,428** | T1 | **0** | **0** |