

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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Tab S Summary is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform

Methodology To calculate the PILs for the Test Year:

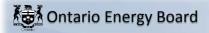
- 1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
 2) input the balances for the Bridge Year and the Test Year.
 Inputs should include:
 non-deductible expenses (Schedule 1 B1 and T1)
 loss can'yfoward (Schedule 4 B4 and T4)
 capital cost allowance (Schedule 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.

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.



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 <u>B0 - PILs,Tax Provision Bridge Year</u>

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

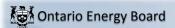
Test Year To PILs, Tax Provision Test Year

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

1

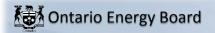


No inputs required on this worksheet.

Integrity Checks

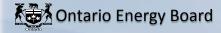
The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case:

		Utility Confirmation	
	Item	(Y/N)	Notes
	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	Υ	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	Υ	Adjusted for shared service assets
	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.	Υ	
	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		
4	schedules for the same years filed in the application	Υ	
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	Υ	
	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		
8	statements, FSCO reports, and the actuarial valuations.	Υ	
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.	Υ	



				Test Year	Bridge Year
Rate Base		S	\$	247,972,502	
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	Т	\$	9,918,900	W = S * T
Deemed Long Term Debt %	56.00%	U	\$	138,864,601	X = S * U
Deemed Equity %	40.00%	٧	\$	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



Tax Rates Federal & Provincial As of June 29, 2018	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	Effective January 1, 2018	Effective 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.



PILs Tax Provision - Historical Year

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

Regulatory Taxable Income

Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%)
Federal tax rate (Maximum 15%)

Combined tax rate (Maximum 26.5%)

Total Income Taxes

Investment Tax Credits Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Historical Year

Wires Only

\$ 7,211,503 **A**

10.18%

14.94%

В

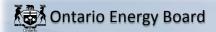
С

25.12% **D = B+C**

\$ 1,811,530 E = A * D \$ 80,305 F \$ 2,846 G

\$ 1,728,379 I = E - H

83,151 H = F + G



Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal	Non-Distribution	Historic
		Entity	Eliminations	Wires Only
Income before PILs/Taxes	(A + 101 + 102)	6,740,875	-7,244	6,748,119
Additions:				
Interest and penalties on taxes	103			(
Amortization of tangible assets	104	13,143,662	-102,722	13,246,384
Amortization of intangible assets	106	05.007		(
Recapture of capital cost allowance from Schedule 8	107	95,607		95,607
Gain on sale of eligible capital property from Schedule 10	108			(
Income or loss for tax purposes- joint ventures or partnerships	109 110			
Loss in equity of subsidiaries and affiliates	111			
Loss on disposal of assets Charitable donations	111	27.245	23,336	13,979
Taxable Capital Gains	113	37,315 74,540	23,330	74,540
Political Donations	114	74,540		74,540
Deferred and prepaid expenses	116			
Scientific research expenditures deducted on financial statements	118	400,814		400,814
Capitalized interest	119	400,014		400,01-
Non-deductible club dues and fees	120			
Non-deductible meals and entertainment expense	121	30,824	18,835	11,989
Non-deductible automobile expenses	122	00,024	10,000	11,000
Non-deductible life insurance premiums	123			
Non-deductible company pension plans	124			(
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. ,0,0.0	22,700,102	(
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	163,036		163,036
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, foreign taxes, inducement under 12(1)(x) ITA	295	2,965,850		2,965,850
ARO Accretion expense				(
Capital Contributions Received (ITA 12(1)(x))				(
Lease Inducements Received (ITA 12(1)(x))				(
Deferred Revenue (ITA 12(1)(a))				(
Prior Year Investment Tax Credits received				(
				(
				(
				(
				(
				(
				(
				(
				(
Total Additions		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			(
Capital cost allowance from Schedule 8	403	15,222,731		15,222,731
Terminal loss from Schedule 8	404			(
Allowable business investment loss	406			(
Deferred and prepaid expenses	409			(
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	<i>' '</i>	, ,	(
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)				
	000	100.050		100.050
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			(
Capital gains allocated per T slips	393	75,949		75,949
ARO Payments - Deductible for Tax when Paid	394			(
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)				
Non-taxable/deductible other comprehensive income items		1,525,817		1,525,817
SR&ED income for accounting				96,545
SR&ED income for accounting SR&ED cost capitalized for accounting		96,545 25,913		25,913
Capitalized burdens and overheads				1,699,587
		1,699,587		
Pole replacements		2,845,181		2,845,181
				(
			10.10= 100	(
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
Obertable de artires form Orbertale O	01	07.045	22.222	10.5=
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			(
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and	332			C
calculation in Manager's summary) Limited partnership losses of preceding taxation years from Schedule 4	335			
Elimited partificionip losses of preceding taxation years from Schedule 4	335			
TAXABLE INCOME		11,338,278	4,126,775	7,211,503



Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

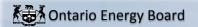
Non-Capital Loss Carry Forward Deduction	Total	Non- Distribution Portion	Utility Balance
Actual Historical			0

<u>B4</u>

B4

NonTotal Distribution Utility Balance
Portion

Actual Historical 0



Schedule 8 - Historical Year

Class	Class Description	UCC End of Year orical per tax returns	Les	s: 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
					\$	-
					\$	-
					\$	-
					\$	-
	OUR TOTAL HOO					0
	SUB-TOTAL - UCC	198,349,703		3,184,857		195,164,84



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 p	urposes		
Reserve for doubtful accounts ss. 20(1)(I)	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	o for Tax Burnasas)		
General Reserve for Inventory Obsolescence	Flor Tax Purposes)		
(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	00,010,000	20,001,012	00,000,000
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			0
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



PILS Tax Provision - Bridge Year

Regulatory Taxable Income

Effective Tax Rate Tax Rate Small Taxes **Business** Payable Rate (If Applicable) Ontario (Max 11.5%) 11.5% 3.5% ######## 11.2% В С Federal (Max 15%) 15.0% 10.0% ######## 14.8%

Combined effective tax rate (Max 26.5%)

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Bridge Year

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.

Wires Only

Reference R1

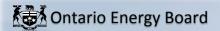
1 \$ 11,851,703 **A**

25.95%	D	=	В	+	С
25 05%	_		В		\sim
23.33 /0	υ	=	D	+	u

\$ 3,075,701	E = A * D

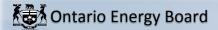
	F
	G
\$ -	H = F + G

\$ 3,075,701 I = E - H



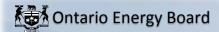
Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		11,114,351
Additions:	400		
Interest and penalties on taxes	103		11 122 760
Amortization of tangible assets Amortization of intangible assets	104 106		11,123,769
Recapture of capital cost allowance from	100		
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	400		40,020,429
at end of year Soft costs on construction and renovation of	126	<u>B13</u>	40,930,428
buildings	127		
Book loss on joint ventures or partnerships Capital items expensed	205		
Debt issue expense	208		
Development expenses claimed in current	212		
year Financing fees deducted in books	240		407 200
Gain on settlement of debt	216 220		107,209
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
-	224		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1)	236		
and 12(1)(z.2)			
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			



Adjusted Taxable Income - Bridge Year

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	+	
		56,501,128
	•	
401		
	<u>B8</u>	13,654,431
409		
411		
413	<u>B13</u>	1,038,077
414	B13	41,129,527
	510	11,120,027
416		
305		
306		
390		
	+	
	+	
392		
393		
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394		
_ _		
ļi.	1	
	413 414 416 305 306 390 391 392 393	402 403 B8 404 406 409 411 413 B13 414 B13 416 305 306 390 391 392 393



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	<u>B4</u>	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	<u>B4</u>	0
Limited partnership losses of preceding taxation years from Schedule 4	335		
TAXABLE INCOME		calculated	11,851,703
			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,



Corporation Loss Continuity and Application

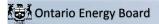
Schedule 4 Loss Carry Forward - Bridge Year

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

<u>T4</u>

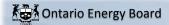
Net Capital Loss Carry Forward Deduction		Total
Actual Historical	<u>H4</u>	0
Amount to be used in Bridge Year		
Loss Carry Forward Generated in Bridge Year (if any)	<u>B1</u>	
Other Adjustments		
Balance available for use post Bridge Year	calculated	0

<u>T4</u>



Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions		Disposals (Negative)	C Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year Co	CA	ucc	C End of Bridge Year
1	Distribution System - post 1987	<u>H8</u>	############	\$ 2,159,0	000 -\$	4,018,839	\$ 99,470,591	\$ -	\$ 99,470,591	4%	\$ 3,978,8	324	\$	95,491,767
	Non-residential Buildings Reg. 1100(1)(a.1) election	<u>H8</u>					\$ -	\$ -	\$ -	6%	\$		\$	-
2	Distribution System - pre 1988	<u>H8</u>	\$ 14,544,459.00		-\$	872,669	\$ 13,671,790	\$ -	\$ 13,671,790	6%	\$ 820,3	107	\$	12,851,483
8	General Office/Stores Equip	<u>H8</u>	\$ 3,287,587.00	\$ 2,803,4	480 -\$	927,171	\$ 5,163,896	\$ 938,155	\$ 4,225,742		\$ 845,1	48	\$	4,318,748
10	Computer Hardware/ Vehicles	<u>H8</u>					\$ -	\$ -	\$ -	30%	\$		\$	-
10.1	Certain Automobiles	<u>H8</u>					\$ -	\$ -	\$ -	30%	\$		\$	-
	Computer Software	<u>H8</u>	\$ 328,516.00	\$ 1,023,9	956 -\$	332,429	\$ 1,020,043	\$ 345,764	\$ 674,280	100%	\$ 674,2	280	\$	345,764
13 1	Lease # 1	<u>H8</u>		\$ 365,3	330		\$ 365,330	\$ 182,665	\$ 182,665		\$ 9,1	33	\$	356,197
13 2	Lease #2	<u>H8</u>					\$ -	\$ -	\$ -	10%	\$		\$	-
13 3	Lease # 3	<u>H8</u>					\$ -	\$ -	\$ -		\$.	\$	-
13 4	Lease # 4	<u>H8</u>					\$ -	\$ -	\$ -		\$.	\$	-
	Franchise	<u>H8</u>					\$ -	\$ -	\$ -		\$.	\$	-
	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	<u>H8</u>					\$ -	\$ -	\$ -	8%	\$		\$	-
	Fibre Optic Cable	<u>H8</u>					\$ -	\$ -	\$ -	12%	\$.	\$	-
	Certain Energy-Efficient Electrical Generating Equipment	<u>H8</u>					\$ -	\$ -	\$ -	30%	\$.	\$	-
	Certain Clean Energy Generation Equipment	<u>H8</u>					\$ -	\$ -	\$ -	50%	\$.	\$	-
	Computers & Systems Software acq'd post Mar 22/04	<u>H8</u>	\$ 681.00		-\$	306	\$ 375	\$ -	\$ 375		\$ 1	69	\$	206
	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	<u>H8</u>					\$ -	\$ -	\$ -	30%	\$.	\$	-
	Distribution System - post February 2005	<u>H8</u>	\$ 69,060,616.00			6,031,358	\$ 84,899,188	\$ 7,919,286	\$ 76,979,902		\$ 6,158,3		\$	78,740,796
	Data Network Infrastructure Equipment - post Mar 2007	<u>H8</u>	\$ 1,300,307.00	\$ 1,546,4	481 -\$	827,513	\$ 2,019,275	\$ 359,484	\$ 1,659,791	55%	\$ 912,8	85	\$	1,106,390
	Computer Hardware and system software	<u>H8</u>					\$ -	\$ -	\$ -	100%	\$.	\$	-
95	CWIP	<u>H8</u>					\$ -	\$ -	\$ -	0%	\$.	\$	-
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017) ¹	<u>H8</u>					\$ -	\$ -	\$ -	7%	\$		\$	_
14.1	Eligible Capital Property (acg'd post Jan 1, 2017) ¹	H8	\$ 3,768,108.00		-9	188,405	\$ 3,579,703	\$ -	\$ 3,579,703	5%	\$ 178,9	85	\$	3,400,718
							\$ -	\$ -	\$ -		\$ -	. [\$	-
3	Buildings		\$ 1,211,482.00		-\$	60,574	\$ 1,150,908	\$ -	\$ 1,150,908	5%	\$ 57,5	45	\$	1,093,363
1b	Buildings after March 18, 2007		\$ 332,660.00		-\$	19,959	\$ 312,701	\$ -	\$ 312,701	6%	\$ 18,7	62	\$	293,939
							\$ -	\$ -	\$ -		\$ -		\$	-
							\$ -	\$ -	\$ -		\$.		\$	-
				-			\$ -	\$ -	\$ -		\$. [\$	-
							\$ -	\$ -	\$ -		\$. [\$	-
							\$ -	\$ -	\$ -		\$ -	. [\$	-
	TOTAL		\$ 195,164,846	\$ 29,768,	177 -\$	13,279,223	\$ 211,653,800	\$ 9,745,353	\$ 201,908,447		\$ 13,654,4	31	<u>B1</u> \$	197,999,369



Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

						Bridge Year	Bridge Year Adjustments				
Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Additions	Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
		,								1	
Capital Gains Reserves ss.40(1)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(I)	<u>H13</u>	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)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Reserve for unpaid amounts ss. 20(1)(n)	<u>H13</u>	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	<u>H13</u>	0		0				0	T13	0	
Other tax reserves	<u>H13</u>	0		0				0	<u>T13</u>	0	
		0		0				0		0	
Total		1,038,077	0	1,038,077	<u>B1</u>	1,038,077	1,038,077	1,038,077	<u>B1</u>	0	C
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	<u>H13</u>	996,870		996,870		996,870	996,870	996,870	<u>T13</u>	0	
General reserve for bad debts	<u>H13</u>	0		0				0	T13	0	
Accrued Employee Future Benefits:	<u>H13</u>	0		0					<u>T13</u>	0	
- Medical and Life Insurance	<u>H13</u>	0		0					<u>T13</u>	0	
-Short & Long-term Disability	<u>H13</u>	0		0				0	<u>T13</u>	0	
-Accmulated Sick Leave	<u>H13</u>	0		0				0	<u>T13</u>	0	
- Termination Cost	<u>H13</u>	69,671		69,671		0	69,671	0	<u>T13</u>	-69,671	
- Other Post-Employment Benefits	<u>H13</u>	39,933,558		39,933,558		39,933,558	39,933,558	39,933,558	<u>T13</u>	0	
Provision for Environmental Costs	<u>H13</u>	0		0			0	0	<u>T13</u>	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	<u>H13</u>	0		0			0	0	<u>T13</u>	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	<u>H13</u>	29,428		29,428		0	29,428	0	<u>T13</u>	-29,428	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	<u>H13</u>	0		0			0	0	<u>T13</u>	0	
Other	<u>H13</u>	100,000		100,000		0	100,000	0	<u>T13</u>	-100,000	
		0		0				0		0	
		0		0				0		0	
Total		41,129,527	0	41,129,527	<u>B1</u>	40,930,428	41,129,527	40,930,428	<u>B1</u>	-199,099	(



PILs Tax Provision - Test Year

Wires	On	ly
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Regulatory Taxable Income \$\frac{\tau1}{2}\$ \$\\$5,753,599 A

	i ax Rate	Small Business Rate	ıax	es Payable	Effective Lax Rat	е
		(If Applicable)				
Ontario (Max 11.5%)	11.5%	11.5%	\$	661,664	11.5%	_в
Federal (Max 15%)	15.0%	15.0%	\$	863,040	15.0%	С

Combined effective tax rate (Max 26.5%)

26.50% **D = B + C**

Total Income Taxes \$ 1,524,704 E = A * D

Investment Tax Credits
Miscellaneous Tax Credits
Total Tax Credits

F G \$ - H=F+G

Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up 1 73.50% J = 1-D \$ 549,723 K = I/J-I

orporate Files/income Tax Frovision Gross op

Income Tax (grossed-up)

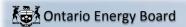
\$ 2,074,427 L = K + I <u>S. Su</u>

1,524,704 I = E - H

S. Su

Note:

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



Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		<u>A.</u>	8,907,17
	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		10,799,61
2-4 ADJUSTED ACCOUNTING DATA P489 Amortization of intangible assets			
2-4 ADJUSTED ACCOUNTING DATA P490	106		
Recapture of capital cost allowance from	107		
Schedule 8	107		
Gain on sale of eligible capital property from	108		
Schedule 10			
Income or loss for tax purposes- joint ventures or	109		
partnerships Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		58,25
Taxable Capital Gains	113		30,20
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	121		29.46
expense			20,40
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124	T10	4 000 0
Tax reserves beginning of year	125	<u>T13</u>	1,038,07
Reserves from financial statements- balance at end of year	126	<u>T13</u>	40,930,42
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		
<u> </u>			
Financing fees deducted in books	216		107,77
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees Recapture of SR&ED expenditures	228 231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying	250		
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			
0			
	1		

		-	
Total Additions			52,963,611
Deductions:			32,903,011
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	<u>T13</u>	1,038,077
Reserves from financial statements - balance at	414	T13	40,930,428
beginning of year		<u></u>	10,000,120
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305	+	
Equity in income from subsidiary or affiliates Other deductions: (Please explain in detail the	306	+	
nature of the item)			
Interest capitalized for accounting deducted for			
tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral	392		
and variance accounts	392		
1	393		
1	394		
1	395		
1			
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)			
		+	
		+	
		+	
		+	
Total Deductions		calculated	56,058,926
Total Deductions		calculated	30,030,320
NET INCOME FOR TAX PURPOSES		calculated	5,811,858
HET HOUSE TON TAX FUNFOUES		calculated	3,011,030
Charitable donations	311	1	58,259
Taxable dividends received under section 112 or		1	00,200
113	320		
Non-capital losses of preceding taxation years from	331	<u>T4</u>	0
Schedule 7-1	331	14	
Net-capital losses of preceding taxation years	332	T4	0
(Please show calculation)			
Limited partnership losses of preceding taxation years from Schedule 4	335		
years norn scriedule 4		+	
REGULATORY TAXABLE INCOME		calculated	5,753,599
	1	calculated	3,133,333

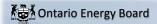


Schedule 7-1 Loss Carry Forward - Test Year

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	<u>B4</u>	0		0
Amount to be used in Test Year and Price Cap Years	<u>T1</u>	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)	<u>T1</u>	0		0
Other Adjustments				0
Balance available for use in Future Years	calculated	0		0

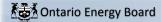
Net Capital Loss Carry Forward Deduction		Total	Non- Distribution Portion	Utility Balance
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	0		0
Amount to be used in Test Year and Price Cap Years				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				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



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	<u>B8</u>	\$ 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	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	6%	\$ -		\$ -
2	Distribution System - pre 1988	<u>B8</u>	\$ 12,851,483			\$ 12,851,483	\$ -	\$ 12,851,483	6%	\$ 771,089		\$ 12,080,394
8	General Office/Stores Equip	<u>B8</u>	\$ 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	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
10.1	Certain Automobiles	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
12	Computer Software	<u>B8</u>	\$ 345,764	469,820		\$ 815,584	\$ 234,910	\$ 580,674	100%	\$ 580,674		\$ 234,910
13 1	Lease # 1	<u>B8</u>	\$ 356,197			\$ 356,197	\$ -	\$ 356,197	5%	\$ 17,810		\$ 338,387
13 2	Lease #2	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	10%	\$ -		\$ -
13 3	Lease # 3	<u>B8</u>	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
13 4	Lease # 4	<u>B8</u>	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
14	Franchise	<u>B8</u>	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than BI	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	8%	\$ -		\$ -
42	Fibre Optic Cable	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	12%	\$ -		\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
43.2	Certain Clean Energy Generation Equipment	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	50%	\$ -		\$ -
45	Computers & Systems Software acq'd post Mar 22/04	<u>B8</u>	\$ 206			\$ 206	\$ -	\$ 206	45%	\$ 93		\$ 113
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
47	Distribution System - post February 2005	<u>B8</u>	\$ 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	<u>B8</u>	\$ 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	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	100%	\$ -		\$ -
95	CWIP	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)1	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	7%	\$ -		\$ -
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)1	<u>B8</u>	\$ 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	<u>T1</u>	\$ 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



Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

						Test Year Adjustments					
Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Additions	Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
			1			1	1				
Capital Gains Reserves ss.40(1)	<u>B13</u>	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(I)	<u>B13</u>	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)	<u>B13</u>	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	<u>B13</u>	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	<u>B13</u>	0		0				0		0	
Other tax reserves	<u>B13</u>	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		1,038,077	0	1,038,077	<u>T1</u>	1,038,077	1,038,077	1,038,077	<u>T1</u>	0	0
									 		
Financial Statement Reserves (not deductible for Tax Purposes)	D.10	000.070		202.072		000.070	000.070	000.070			
General Reserve for Inventory Obsolescence (non-specific)	<u>B13</u>	996,870		996,870		996,870	996,870	996,870		0	
General reserve for bad debts	<u>B13</u>	0		0				0		0	
Accrued Employee Future Benefits:	<u>B13</u>	0		0				0		0	
- Medical and Life Insurance	<u>B13</u>	0		0				0		0	
-Short & Long-term Disability	<u>B13</u>	0		0				0		0	
-Accmulated Sick Leave	<u>B13</u>	0		0				0		0	
- Termination Cost	<u>B13</u>	0		0				0		0	
- Other Post-Employment Benefits	<u>B13</u>	39,933,558		39,933,558		39,933,558	39,933,558	39,933,558		0	
Provision for Environmental Costs	<u>B13</u>	0		0				0		0	
Restructuring Costs	<u>B13</u>	0		0				0		0	
Accrued Contingent Litigation Costs	<u>B13</u>	0		0				0		0	
Accrued Self-Insurance Costs	<u>B13</u>	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)	<u>B13</u>	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	<u>B13</u>	0		0				0		0	
Other	<u>B13</u>	0		0				0		0	
		0		0				0		0	
	•	0		0				0		0	
Total		40,930,428	0	40,930,428	<u>T1</u>	40,930,428	40,930,428	40,930,428	<u>T1</u>	0	0