



Income Tax/PILs Workform for 2021 Filers

Version 1.20

| | |
|------------------------|------------------------------------|
| Utility Name | Oshawa PUC Networks Inc. |
| Assigned EB Number | EB-2020-0048 |
| Name and Title | David Savage, Corporate Controller |
| Phone Number | 905 743-5219 |
| Email Address | dsavage@opuc.on.ca |
| Date | 2021 |
| Last COS Re-based Year | 2015 |

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.

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 | -5,687,145 |
| Test Year - Payments in Lieu of Taxes (PILs) | T0 | - |
| Test Year - Grossed-up PILs | T0 | - |
| Effective Federal Tax Rate | T0 | 15.0% |
| Effective Ontario Tax Rate | T0 | 11.5% |
| <u>Calculation of Adjustments required to arrive at Taxable Income</u> | | |
| Regulatory Income (before income taxes) | T1 | 5,025,821 |
| Taxable Income | T1 | -661,324 |
| Difference | calculated | -5,687,145 as above |

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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 | |
| 2 | The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years | Y | |
| 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 CCA Schedule 8 for the same years filed in the application | Y | |
| 5 | Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application | Y | |
| 6 | A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized | Y | |
| 7 | CCA is maximized even if there are tax loss carry-forwards | Y | |
| 8 | Other post-employment benefits and pension expenses that are added back on Schedule 1 to reconcile accounting income to net income for tax purposes agree with the OM&A analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario reports, and actuarial valuations. | Y | |
| 9 | The income tax rate used to calculate the tax expense is 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 | \$ 147,471,271 | \$ 140,562,092 |
| Return on Ratebase | | | |
| Deemed ShortTerm Debt % | 4.00% | T \$ 5,898,851 | $W = S * T$ |
| Deemed Long Term Debt % | 56.00% | U \$ 82,583,912 | $X = S * U$ |
| Deemed Equity % | 40.00% | V \$ 58,988,508 | $Y = S * V$ |
| Short Term Interest Rate | 2.75% | Z \$ 162,218 | $AC = W * Z$ |
| Long Term Interest | 3.57% | AA \$ 2,951,006 | $AD = X * AA$ |
| Return on Equity (Regulatory Income) | 8.52% | AB \$ 5,025,821 | $AE = Y * AB$ T1 |
| Return on Rate Base | | \$ 8,139,046 | $AF = AC + AD + AE$ |

Questions that must be answered

| | Historical Year | Bridge Year | Test Year |
|---|-----------------|-------------|-----------|
| 1. Does the applicant have any Investment Tax Credits (ITC)? | Yes | Yes | Yes |
| 2. Does the applicant have any SRED Expenditures? | Yes | Yes | Yes |
| 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? <i>If Yes, please describe the tax treatment in the manager's summary.</i> | Yes | Yes | Yes |
| 8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes? | Yes | Yes | Yes |



Income Tax/PILs Workform for 2021 Filers

Tax Rates

Federal & Provincial
As of MMM XX, 2019

Federal income tax

General Corporate Rate
Federal Tax Abatement
Adjusted Federal Rate

Rate Reduction

Federal Income Tax

Ontario Income Tax

Combined Federal and Ontario

Federal & Ontario Small Business

Federal Small Business Limit
Ontario Small Business Limit

Federal Small Business Rate

Ontario Small Business Rate

| | Effective January 1, 2015 | Effective January 1, 2016 | Effective January 1, 2017 | Effective January 1, 2018 | Effective January 1, 2019 | Effective January 1, 2020 | Effective January 1, 2021 |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| General Corporate Rate | 38.00% | 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% | -10.00% |
| Adjusted Federal Rate | 28.00% | 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% | -13.00% |
| Federal Income Tax | 15.00% | 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% | 11.50% |
| Combined Federal and Ontario | 26.50% | 26.50% | 26.50% | 26.50% | 26.50% | 26.50% | 26.50% |
| Federal Small Business Limit | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Ontario Small Business Limit | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Federal Small Business Rate | 11.00% | 10.50% | 10.50% | 10.00% | 9.00% | 9.00% | 9.00% |
| Ontario Small Business Rate | 4.50% | 4.50% | 4.50% | 3.50% | 3.50% | 3.20% | 3.20% |

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.



Income Tax/PILs Workform for 2021 Filers

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%) | 10.36% | B | |
| | | Federal tax rate (Maximum 15%) | 15.00% | C | |
| | | 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

\$3,067,925

A

25.36%

D = B+C

\$778,000

E = A * D

\$29,000

F

G

\$29,000

H = F + G

\$749,000

I = E - H

 Ontario Energy Board

Income Tax/PILs Workform for 2021 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) | 5,963,173 | | 5,963,173 |
| Additions: | | | | |
| Interest and penalties on taxes | 103 | | | 0 |
| Amortization of tangible assets | 104 | 5,620,153 | | 5,620,153 |
| Amortization of intangible assets | 106 | 82,734 | | 82,734 |
| Recapture of capital cost allowance from Schedule 8 | 107 | | | 0 |
| Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10 | 108 | | | 0 |
| Loss in equity of subsidiaries and affiliates | 110 | | | 0 |
| Loss on disposal of assets | 111 | | | 0 |
| Charitable donations and gifts from Schedule 2 | 112 | 5,000 | | 5,000 |
| Taxable capital gains from Schedule 6 | 113 | | | 0 |
| Political contributions | 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 | 15,000 | | 15,000 |
| 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 | | | 0 |
| Reserves from financial statements – balance at the end of the year | 126 | 12,995,170 | | 12,995,170 |
| Soft costs on construction and renovation of buildings | 127 | | | 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 Expended on Capital Leases | 295 | | | 0 |
| Realized Income from Deferred Credit Accounts | 295 | | | 0 |
| Pensions | 295 | | | 0 |
| Non-deductible penalties | 295 | | | 0 |
| | 295 | | | 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 |
| Prior Year Adjustments | | 366,476 | | 366,476 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| Total Additions | | 19,084,533 | 0 | 19,084,533 |
| Deductions: | | | | |
| Gain on disposal of assets per financial statements | 401 | 199,883 | | 199,883 |
| Non-taxable dividends under section 83 | 402 | | | 0 |
| Capital cost allowance from Schedule 8 | 403 | 8,567,147 | | 8,567,147 |
| 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 | | | 0 |
| Tax reserves claimed in current year | 413 | | | 0 |
| Reserves from financial statements - balance at beginning of year | 414 | 12,850,799 | | 12,850,799 |
| 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 | | | | |
| Interest capitalized for accounting deducted for tax | 395 | 356,953 | | 356,953 |
| Capital Lease Payments | 395 | | | 0 |
| Non-taxable imputed interest income on deferral and variance accounts | 395 | | | 0 |
| | 395 | | | 0 |
| | 395 | | | 0 |
| ARO Payments - Deductible for Tax when Paid | | | | 0 |
| ITA 13(7.4) Election - Capital Contributions Received | | | | 0 |
| ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds | | | | 0 |
| Deferred Revenue - ITA 20(1)(m) reserve | | | | 0 |
| Principal portion of lease payments | | | | 0 |
| Lease Inducement Book Amortization credit to income | | | | 0 |
| Financing fees for tax ITA 20(1)(e) and (e.1) | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| Total Deductions | | 21,974,781 | 0 | 21,974,781 |
| | | | | |
| Net Income for Tax Purposes | | 3,072,925 | 0 | 3,072,925 |
| | | | | |
| Charitable donations from Schedule 2 | 311 | 5,000 | | 5,000 |
| Taxable dividends received under section 112 or 113 | 320 | | | 0 |
| Non-capital losses of previous tax years from Schedule 4 | 331 | | | 0 |
| Net capital losses of previous tax years from Schedule 4 | 332 | | | 0 |
| Limited partnership losses of previous tax years from Schedule 4 | 335 | | | 0 |
| | | | | |
| TAXABLE INCOME | | 3,067,925 | 0 | 3,067,925 |



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Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

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

[B4](#)

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

[B4](#)

Schedule 8 - Historical Year

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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 |
| Tax reserves not deducted for accounting purposes | | | |
| Reserve for doubtful accounts ss. 20(1)(l) | 194,511 | | 194,511 |
| Reserve for undelivered goods and services not rendered 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 | 194,511 | 0 | 194,511 |
| Financial Statement Reserves (not deductible for Tax Purposes) | | | |
| General reserve for inventory obsolescence (non-specific) | | | 0 |
| General reserve for bad debts | | | 0 |
| Accrued Employee Future Benefits: | | | 0 |
| - Medical and Life Insurance | 12,801,170 | | 12,801,170 |
| -Short & Long-term Disability | | | 0 |
| -Accumulated Sick Leave | | | 0 |
| - Termination Cost | | | 0 |
| - Other Post-Employment Benefits | | | 0 |
| Provision for Environmental Costs | | | 0 |
| Restructuring Costs | | | 0 |
| Accrued Contingent Litigation Costs | | | 0 |
| Accrued Self-Insurance Costs | | | 0 |
| Other Contingent Liabilities | | | 0 |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4) | | | 0 |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1) | | | 0 |
| Other | | | 0 |
| Offset of provision change (OPEB) 319,659 netted with Mediactl & Life Ins above | | | |
| | | | 0 |
| | | | 0 |
| Total | 12,801,170 | 0 | 12,801,170 |

[B13](#)

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Income Tax/PILs Workform for 2021 Filers

PILS Tax Provision - Bridge Year

Regulatory Taxable Income

| | Tax Rate | Small Business Rate (If Applicable) | Taxes Payable | Effective Tax Rate | |
|---|----------|--|------------------|--------------------|----------|
| Ontario (Max 11.5%) | 11.5% | 11.5% | -\$ 76,451 | 11.5% | B |
| Federal (Max 15%) | 15.0% | 15.0% | -\$ 99,719 | 15.0% | C |
| 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

Wires Only

Reference

[B1](#)

| | | |
|-----|---------|----------|
| -\$ | 664,795 | A |
|-----|---------|----------|

| | | |
|--|--------|------------------|
| | 26.50% | D = B + C |
|--|--------|------------------|

| | | |
|----|---|------------------|
| \$ | - | E = A * D |
|----|---|------------------|

| | | |
|----|--------|----------|
| \$ | 59,636 | F |
|----|--------|----------|

| | | |
|----|--------|----------|
| \$ | 36,226 | G |
|----|--------|----------|

| | | |
|----|--------|------------------|
| \$ | 95,862 | H = F + G |
|----|--------|------------------|

| | | |
|----|---|------------------|
| \$ | - | 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.

Income Tax/PILs Workform for 2021 Filers

Adjusted Taxable Income - Bridge Year

[illegible]



Income Tax/PILs Workform for 2021 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 | 669,795 |
| Other Adjustments | | |
| Balance available for use post Bridge Year | calculated | 669,795 |

[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](#)



Income Tax/PILs Workform for 2021 Filers

Schedule 8 CCA - Bridge Year

| (1) Class | Class Description | Working Paper Reference | (2) Undepreciated capital cost (UCC) at the beginning of the bridge year | (3) Cost of acquisitions during the year (new property must be available for use, except CWIP) | (4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP) | (5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives) | (6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition | (7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition | (8) Proceeds of dispositions | (9) UCC (column 2 plus column 3 plus or minus column 5 minus column 8) | (10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0") | (11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0") | Relevant factor | (12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) | (13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") | (14) CCA Rate % | (15) Recapture of CCA | (16) Terminal Loss | (17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14) | (18) UCC at the end of the bridge year (column 9 minus column 17) | Working Paper Reference |
|-----------------|---|----------------------------|---|--|---|--|---|--|------------------------------------|--|---|--|--------------------|--|--|--------------------|--------------------------|-----------------------|--|--|-------------------------------|
| 1 | Buildings, Distribution System (acq'd post 1987) | H8 | \$ 30,206,002 | | | | | | | \$ 30,206,002 | \$ - | \$ - | 0.50 | \$ - | \$ - | 4% | | | \$ 1,208,240 | \$ 28,997,762 | T8 |
| 1b | Non-Residential Buildings [Reg. 1100(1)(a.1) election] | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 | \$ - | \$ - | 6% | | | \$ - | \$ - | T8 |
| 2 | Distribution System (acq'd pre 1988) | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | 6% | | | \$ - | \$ - | T8 |
| 3 | Buildings (acq'd pre 1988) | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | 5% | | | \$ - | \$ - | T8 |
| 6 | Certain Buildings: Fences | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 | \$ - | \$ - | 10% | | | \$ - | \$ - | T8 |
| 8 | General Office Equipment, Furniture, Fixtures | H8 | \$ 1,114,006 | \$ 310,000 | \$ 310,000 | | | | | \$ 1,424,006 | \$ - | \$ 310,000 | 0.50 | \$ 155,000 | \$ - | 20% | | | \$ 315,801 | \$ 1,108,205 | T8 |
| 10 | Motor Vehicles, Fleet | H8 | \$ 857,958 | \$ 545,000 | \$ 545,000 | | | | | \$ 1,402,958 | \$ - | \$ 545,000 | 0.50 | \$ 272,500 | \$ - | 30% | | | \$ 502,637 | \$ 900,321 | T8 |
| 10.1 | Certain Automobiles | H8 | \$ 1,544 | | | | | | | \$ 1,544 | \$ - | \$ - | 0.50 | \$ - | \$ - | 30% | | | \$ 463 | \$ 1,080 | T8 |
| 12 | Computer Application Software (Non-Systems) | H8 | \$ 87,829 | \$ 300,000 | | | | | | \$ 387,829 | \$ - | \$ - | 0.00 | \$ - | \$ 150,000 | 100% | | | \$ 237,829 | \$ 150,000 | T8 |
| 13 ₁ | Lease # 1 | H8 | \$ 102,729 | \$ 280,000 | | | | | | \$ 382,729 | \$ - | \$ - | 0.00 | \$ - | \$ 140,000 | NA | | | \$ 40,455 | \$ 342,274 | T8 |
| 13 ₂ | Lease # 2 | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 | \$ - | \$ - | NA | | | | \$ - | T8 |
| 13 ₃ | Lease # 3 | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 | \$ - | \$ - | NA | | | | \$ - | T8 |
| 13 ₄ | Lease # 4 | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 | \$ - | \$ - | NA | | | | \$ - | T8 |
| 14 | Limited Period Patents, Franchises, Concessions or Licences | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 | \$ - | \$ - | NA | | | | \$ - | T8 |
| 14.1 | Eligible Capital Property (acq'd pre Jan 1, 2017) | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | 7% | | | \$ - | \$ - | T8 |
| 14.1 | Eligible Capital Property (acq'd post Jan 1, 2017) | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 | \$ - | \$ - | 5% | | | \$ - | \$ - | T8 |
| 17 | Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 | \$ - | \$ - | 8% | | | \$ - | \$ - | T8 |
| 42 | Fibre Optic Cable | H8 | \$ 12,238 | | | | | | | \$ 12,238 | \$ - | \$ - | 0.50 | \$ - | \$ - | 12% | | | \$ 1,469 | \$ 10,769 | T8 |
| 43.1 | Certain Clean Energy/Energy-Efficient Generation Equipment | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 2.33 | \$ - | \$ - | 30% | | | \$ - | \$ - | T8 |
| 43.2 | Certain Clean Energy/Energy-Efficient Generation Equipment | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 1.00 | \$ - | \$ - | 50% | | | \$ - | \$ - | T8 |
| 45 | Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07) | H8 | \$ 110 | | | | | | | \$ 110 | \$ - | \$ - | | \$ - | \$ - | 45% | | | \$ 50 | \$ 61 | T8 |
| 46 | Data Network Infrastructure Equipment (acq'd post Mar 22/04) | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 | \$ - | \$ - | 30% | | | \$ - | \$ - | T8 |
| 47 | Distribution System (acq'd post Feb 22/05) | H8 | \$ 81,090,745 | \$ 13,883,471 | \$ 13,883,471 | | | | | \$ 94,974,217 | \$ - | \$ 13,883,471 | 0.50 | \$ 6,941,736 | \$ - | 8% | | | \$ 8,153,276 | \$ 86,820,940 | T8 |
| 50 | General Purpose Computer Hardware & Software (acq'd post Mar 18/07) | H8 | \$ 185,133 | \$ 971,500 | \$ 971,500 | | | | | \$ 1,156,633 | \$ - | \$ 971,500 | 0.50 | \$ 485,750 | \$ - | 55% | | | \$ 903,311 | \$ 253,322 | T8 |
| 95 | CWIP | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 | \$ - | \$ - | 0% | | | \$ - | \$ - | T8 |
| 13.1 | | H8 | \$ 15,181 | | | | | | | \$ 15,181 | \$ - | \$ - | | \$ - | \$ - | | | | \$ 10,120 | \$ 5,061 | T8 |
| 47 | Capitalized Interest 302,683 netted against Class 47 | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | 8% | | | \$ - | \$ - | T8 |
| | | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | | | | | \$ - | T8 |
| | | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | | | | | \$ - | T8 |
| | | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | | | | | \$ - | T8 |
| | | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | | | | | \$ - | T8 |
| | | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | | | | | \$ - | T8 |
| | | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | | | | | \$ - | T8 |
| | | H8 | \$ - | | | | | | | \$ - | \$ - | \$ - | | \$ - | \$ - | | | | | \$ - | T8 |
| | TOTALS | | \$ 113,673,475 | \$ 16,289,971 | \$ 15,709,971 | \$ - | \$ - | \$ - | \$ - | \$ 129,963,446 | \$ - | \$ 15,709,971 | | \$ 7,854,986 | \$ 290,000 | | \$ - | \$ - | \$ 11,373,650 | B1 \$ 118,589,796 | |

For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years):

<https://www.canada.ca/content/dam/cra-arc/formspubs/pgb/t2sch8/t2sch8-19e.pdf>

Income Tax/PILs Workform for 2021 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 | | Balance for Bridge Year | | Change During the Year | Disallowed Expenses |
|---|-----------|-------------------------|--|--------------------------|-------------------------|-----------|-------------------------|-----|------------------------|---------------------|
| | | | | | Additions | Disposals | | | | |
| 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 | 194,511 | | 194,511 | | | 194,511 | 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 | | 194,511 | 0 | 194,511 | B1 | 0 | 194,511 | 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 | 0 | | 0 | | | 0 | T13 | 0 | |
| Accrued Employee Future Benefits: | H13 | 0 | | 0 | | | 0 | T13 | 0 | |
| - Medical and Life Insurance | H13 | 12,801,170 | | 12,801,170 | | | 12,801,170 | T13 | 0 | |
| - Short & Long-term Disability | H13 | 0 | | 0 | | | 0 | T13 | 0 | |
| - Accumulated 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 | 0 | | 0 | | | 0 | 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 | | 12,801,170 | 0 | 12,801,170 | B1 | 0 | 12,801,170 | B1 | 0 | 0 |



Income Tax/PILs Workform for 2021 Filers

PILs Tax Provision - Test Year

Regulatory Taxable Income

| | Tax Rate | Small Business Rate (If Applicable) | Taxes Payable | Effective Tax Rate | |
|---------------------|----------|--|---------------|--------------------|----------|
| Ontario (Max 11.5%) | 11.5% | 11.5% | -\$ 76,052 | 11.5% | B |
| Federal (Max 15%) | 15.0% | 15.0% | -\$ 99,199 | 15.0% | C |

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 Test Year

Corporate PILs/Income Tax Provision Gross Up ¹

Income Tax (grossed-up)

Note:

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

Wires Only

[T1](#) \$ **A**

D = B + C

\$ **E = A * D**

F

G

H = F + G

I = E - H

[S. Summary](#)

J = 1-D **K = I/J-I**

L = K + I

[S. Summary](#)

Income Tax/PILs Workform for 2021 Filers

Taxable Income - Test Year

| | | |
|--------------------------------|-------------------------------|---|
| | Working Paper Reference | Test Year Taxable Income |
| Net Income Before Taxes | <u>A.</u> | 5,025,821 |

| | | | |
|--|--------------|------------|------------|
| | T2 S1 line # | | |
| Additions: | | | |
| Interest and penalties on taxes | 103 | | |
| Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489 | 104 | | 6,068,050 |
| Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490 | 106 | | 82,734 |
| Recapture of capital cost allowance from Schedule 8 | 107 | T8 | 0 |
| Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10 | 108 | | |
| Loss in equity of subsidiaries and affiliates | 110 | | |
| Loss on disposal of assets | 111 | | 277,875 |
| Charitable donations | 112 | | 5,000 |
| Taxable Capital Gains | 113 | | |
| Political Donations | 114 | | |
| Deferred and prepaid expenses | 116 | | |
| Scientific research expenditures deducted on financial statements | 118 | | 278,696 |
| Capitalized interest | 119 | | |
| Non-deductible club dues and fees | 120 | | |
| Non-deductible meals and entertainment expense | 121 | | 15,000 |
| Non-deductible automobile expenses | 122 | | |
| Non-deductible life insurance premiums | 123 | | |
| Non-deductible company pension plans | 124 | | |
| Tax reserves beginning of year | 125 | T13 | 194,511 |
| Reserves from financial statements- balance at end of year | 126 | T13 | 12,801,170 |
| 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 | | | |
| Interest Expensed on Capital Leases | 295 | | |
| Realized Income from Deferred Credit Accounts | 295 | | |
| Pensions | 295 | | |
| Non-deductible penalties | 295 | | |
| | 295 | | |
| | 295 | | |
| | 295 | | |
| | 295 | | |
| ARO Accretion expense | | | |
| Capital Contributions Received (ITA 12(1)(x)) | | | |
| Lease Inducements Received (ITA 12(1)(x)) | | | |
| Deferred Revenue (ITA 12(1)(a)) | | | |
| Prior Year Investment Tax Credits received | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Additions | | | 19,723,036 |
| 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 | 11,917,708 |
| Terminal loss from Schedule 8 | 404 | T8 | 0 |
| Allowable business investment loss | 406 | | |
| Deferred and prepaid expenses | 409 | | |
| Scientific research expenses claimed in year | 411 | | 194,110 |
| Tax reserves end of year | 413 | T13 | 194,511 |
| Reserves from financial statements - balance at beginning of year | 414 | T13 | 12,801,170 |
| Contributions to deferred income plans | 416 | | |
| Book income of joint venture or partnership | 305 | | |
| Equity in income from subsidiary or affiliates | 306 | | |
| Other deductions | | | |
| Interest capitalized for accounting deducted for tax | 395 | | 302,683 |
| Capital Lease Payments | 395 | | |
| Non-taxable imputed interest income on deferral and variance accounts | 395 | | |
| | 395 | | |
| | 395 | | |
| | 395 | | |
| | 395 | | |
| | 395 | | |
| 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 | 25,410,181 |
| NET INCOME FOR TAX PURPOSES | | calculated | -661,324 |
| | | | |
| Charitable donations | 311 | | |
| Taxable dividends received under section 112 or 113 | 320 | | |
| Non-capital losses of previous tax years from Schedule 4 | 331 | T4 | 0 |
| Net capital losses of previous tax years from Schedule 4 | 332 | T4 | 0 |
| Limited partnership losses of previous tax years from Schedule 4 | 335 | | |
| REGULATORY TAXABLE INCOME | | calculated | -661,324 |



Income Tax/PILs Workform for 2021 Filers

Schedule 4 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

| | Working Paper Reference | Total | Non-Distribution Portion | Utility Balance |
|--|-------------------------|-----------|--------------------------|-----------------|
| Non-Capital Loss Carry Forward Deduction | | | | |
| Actual/Estimated Bridge Year Carried Forward | B4 | 669,795 | | 669,795 |
| Amount to be used in Test Year and Price Cap Years | I1 | 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) | I1 | 661,324 | | 661,324 |
| Other Adjustments | | | | 0 |
| Balance available for use in Future Years | calculated | 1,331,118 | | 1,331,118 |

| | | Total | Non-Distribution Portion | Utility Balance |
|--|----|-------|--------------------------|-----------------|
| Net Capital Loss Carry Forward Deduction | | | | |
| 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 | I1 | 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 2021 Filers

Schedule 8 CCA - Test Year

| (1) Class | Class Description | Working Paper Reference | (2) Undepreciated capital cost (UCC) at the beginning of the test year | (3) Cost of acquisitions during the year (new property must be available for use, except CWIP) | (4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP) | (5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives) | (6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition | (7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition | (8) Proceeds of dispositions | (9) UCC (column 2 plus column 3 plus or minus column 8) | (10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0") | (11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0") | Relevant factor |
|-----------------|---|----------------------------|---|--|---|--|---|--|------------------------------------|--|---|--|--------------------|
| 1 | Buildings, Distribution System (acq'd post 1987) | B8 | \$ 28,997,762 | | | | | | | \$ 28,997,762 | \$ - | \$ - | 0.50 |
| 1b | Non-Residential Buildings [Reg. 1100(1)(a.1) election] | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 |
| 2 | Distribution System (acq'd pre 1988) | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| 3 | Buildings (acq'd pre 1988) | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| 6 | Certain Buildings; Fences | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 |
| 8 | General Office Equipment, Furniture, Fixtures | B8 | \$ 1,108,205 | 150,000 | 150,000 | | | | | \$ 1,258,205 | \$ - | \$ 150,000 | 0.50 |
| 10 | Motor Vehicles, Fleet | B8 | \$ 900,321 | 530,000 | 530,000 | | | | | \$ 1,430,321 | \$ - | \$ 530,000 | 0.50 |
| 10.1 | Certain Automobiles | B8 | \$ 1,080 | | | | | | | \$ 1,080 | \$ - | \$ - | 0.50 |
| 12 | Computer Application Software (Non-Systems) | B8 | \$ 150,000 | 200,000 | | | | | | \$ 350,000 | \$ - | \$ - | 0.00 |
| 13 ₁ | Lease # 1 | B8 | \$ 342,274 | 100,000 | | | | | | \$ 442,274 | \$ - | \$ - | 0.00 |
| 13 ₂ | Lease # 2 | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 |
| 13 ₃ | Lease # 3 | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 |
| 13 ₄ | Lease # 4 | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 |
| 14 | Limited Period Patents, Franchises, Concessions or Licences | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 |
| 14.1 | Eligible Capital Property (acq'd pre Jan 1, 2017) | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| 14.1 | Eligible Capital Property (acq'd post Jan 1, 2017) | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 |
| 17 | Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 |
| 42 | Fibre Optic Cable | B8 | \$ 10,769 | | | | | | | \$ 10,769 | \$ - | \$ - | 0.50 |
| 43.1 | Certain Clean Energy/Energy-Efficient Generation Equipment | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 2.33 |
| 43.2 | Certain Clean Energy/Energy-Efficient Generation Equipment | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 1.00 |
| 45 | Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07) | B8 | \$ 61 | | | | | | | \$ 61 | \$ - | \$ - | |
| 46 | Data Network Infrastructure Equipment (acq'd post Mar 22/04) | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.50 |
| 47 | Distribution System (acq'd post Feb 22/05) | B8 | \$ 86,820,940 | 11,754,782 | 11,754,782 | | | | | \$ 98,575,722 | \$ - | \$ 11,754,782 | 0.50 |
| 50 | General Purpose Computer Hardware & Software (acq'd post Mar 18/07) | B8 | \$ 253,322 | 1,412,000 | 1,412,000 | | | | | \$ 1,665,322 | \$ - | \$ 1,412,000 | 0.50 |
| 95 | CWIP | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | 0.00 |
| 13.1 | | B8 | \$ 5,061 | | | | | | | \$ 5,061 | \$ - | \$ - | |
| 47 | Capitalized Interest 302,683 netted against Class 47 | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | | B8 | \$ - | | | | | | | \$ - | \$ - | \$ - | |
| | TOTALS | | \$ 118,589,796 | \$ 14,146,782 | \$ 13,846,782 | \$ - | \$ - | \$ - | \$ - | \$ 132,736,577 | \$ - | \$ 13,846,782 | |

For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years):

<https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t2sch8/t2sch8-19e.pdf>

| (12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) | (13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") | (14) CCA Rate % | (15) Recapture of CCA | (16) Terminal Loss | (17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14) | | (18) UCC at the end of the test year (column 9 minus column 17) |
|--|--|--------------------|--------------------------|-----------------------|--|----|--|
| \$ - | \$ - | 4% | | | \$ 1,159,910 | | \$ 27,837,852 |
| \$ - | \$ - | 6% | | | \$ - | | \$ - |
| \$ - | \$ - | 6% | | | \$ - | | \$ - |
| \$ - | \$ - | 5% | | | \$ - | | \$ - |
| \$ - | \$ - | 10% | | | \$ - | | \$ - |
| \$ 75,000 | \$ - | 20% | | | \$ 266,641 | | \$ 991,564 |
| \$ 265,000 | \$ - | 30% | | | \$ 508,596 | | \$ 921,724 |
| \$ - | \$ - | 30% | | | \$ 324 | | \$ 756 |
| \$ - | \$ 100,000 | 100% | | | \$ 250,000 | | \$ 100,000 |
| \$ - | \$ 50,000 | NA | | | \$ 65,379 | | \$ 376,895 |
| \$ - | \$ - | NA | | | | | \$ - |
| \$ - | \$ - | NA | | | | | \$ - |
| \$ - | \$ - | NA | | | | | \$ - |
| \$ - | \$ - | NA | | | | | \$ - |
| \$ - | \$ - | 7% | | | \$ - | | \$ - |
| \$ - | \$ - | 5% | | | \$ - | | \$ - |
| \$ - | \$ - | 8% | | | \$ - | | \$ - |
| \$ - | \$ - | 12% | | | \$ 1,292 | | \$ 9,477 |
| \$ - | \$ - | 30% | | | \$ - | | \$ - |
| \$ - | \$ - | 50% | | | \$ - | | \$ - |
| \$ - | \$ - | 45% | | | \$ 27 | | \$ 33 |
| \$ - | \$ - | 30% | | | \$ - | | \$ - |
| \$ 5,877,391 | \$ - | 8% | | | \$ 8,356,249 | | \$ 90,219,473 |
| \$ 706,000 | \$ - | 55% | | | \$ 1,304,227 | | \$ 361,095 |
| \$ - | \$ - | 0% | | | \$ - | | \$ - |
| \$ - | \$ - | | | | \$ 5,061 | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ - | \$ - | | | | | | \$ - |
| \$ 6,923,391 | \$ 150,000 | | \$ - | \$ - | \$ 11,917,708 | T1 | \$ 120,818,869 |



Income Tax/PILs Workform for 2021 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

| Description | Working Paper Reference | Bridge Year | Eliminate Amounts Not Relevant for Test Year | Adjusted Utility Balance | Test Year Adjustments | | Balance for Test Year | Change During the Year | Disallowed Expenses |
|---|-------------------------|-------------------|--|--------------------------|-----------------------|-----------|-----------------------|------------------------|---------------------|
| | | | | | Additions | Disposals | | | |
| Capital Gains Reserves ss.40(1) | B13 | 0 | | 0 | | | 0 | 0 | |
| Tax Reserves Not Deducted for accounting purposes | | | | | | | | | |
| Reserve for doubtful accounts ss. 20(1)(l) | B13 | 194,511 | | 194,511 | | | 194,511 | 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 | | 194,511 | 0 | 194,511 | T1 | 0 | 194,511 | T1 | 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 | 0 | | 0 | | | 0 | 0 | |
| Accrued Employee Future Benefits: | B13 | 0 | | 0 | | | 0 | 0 | |
| - Medical and Life Insurance | B13 | 12,801,170 | | 12,801,170 | | | 12,801,170 | 0 | |
| -Short & Long-term Disability | B13 | 0 | | 0 | | | 0 | 0 | |
| -Accumulated 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 | 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 | | 12,801,170 | 0 | 12,801,170 | T1 | 0 | 12,801,170 | T1 | 0 |