



Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Version 1.20

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Date	30-Sep-20
Last COS Re-based Year	2016

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

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Income Tax/PILs Workform for 2021 Filers

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Historical Year

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Bridge Year

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Test Year

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Income Tax/PILs Workform for 2021 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

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

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	-419,241
Test Year - Payments in Lieu of Taxes (PILs)	T0	-
Test Year - Grossed-up PILs	T0	-
Effective Federal Tax Rate	T0	0.0%
Effective Ontario Tax Rate	T0	0.0%
<u>Calculation of Adjustments required to arrive at Taxable Income</u>		
Regulatory Income (before income taxes)	T1	419,241
Taxable Income	T1	0
Difference	calculated	-419,241 as above

Income Tax/PILs Workform for 2021 Filers

		Test Year	Bridge Year
Rate Base	S	\$ 12,301,661	\$ 10,468,751
Return on Ratebase			
Deemed ShortTerm Debt %	4.00%	T \$ 492,066	$W = S * T$
Deemed Long Term Debt %	56.00%	U \$ 6,888,930	$X = S * U$
Deemed Equity %	40.00%	V \$ 4,920,665	$Y = S * V$
Short Term Interest Rate	2.75%	Z \$ 13,532	$AC = W * Z$
Long Term Interest	3.87%	AA \$ 266,395	$AD = X * AA$
Return on Equity (Regulatory Income)	8.52%	AB \$ 419,241	$AE = Y * AB$ T1
Return on Rate Base		\$ 699,167	$AF = AC + AD + AE$

Questions that must be answered

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

Historical Year	Bridge Year	Test Year
No	No	No
No	No	No
No	No	No
No	No	No
Yes	Yes	Yes
No	No	No
Yes	No	No
No	No	No



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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

- The Ontario Energy Board's proxy for taxable capital is rate base.
- Regarding the small business deduction, if applicable,
 - If taxable capital exceeds \$15 million, the small business rate will not be applicable.
 - If taxable capital is below \$10 million, the small business rate would be applicable.
 - 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%)
Federal tax rate (Maximum 15%)
Combined tax rate (Maximum 26.5%)

11.50%
15.00%

B
C

[H1](#)

Wires Only

-\$ 128,324 A

26.50% D = B+C

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

-\$ 34,006 E = A * D

\$ 4,000 F

G

\$ 4,000 H = F + G

Corporate PILs/Income Tax Provision for Historical Year

\$ - I = E - H



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)	314,614		314,614
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	521,427		521,427
Amortization of intangible assets	106			0
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	41,692		41,692
Charitable donations and gifts from Schedule 2	112	3,270		3,270
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	528		528
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	178,948		178,948
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 Expensed 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
Provision for Income Taxes - current		44,050		44,050

Inducement under 12(1)(x) ITA		6,288		6,288
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		796,203	0	796,203
Deductions:				
Gain on disposal of assets per financial statements	401			0
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403	956,272		956,272
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	175,425		175,425
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			0
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
Payroll burden capitalized for Accounting, expensed for tax		26,638		26,638
Amortization of deferred capital contributions		2,309		2,309
Regulatory amortization taken through Sch 8		33,551		33,551
Tax Recovery included in regulatory movement		44,946		44,946
				0
				0
				0
				0
Total Deductions		1,239,141	0	1,239,141
Net Income for Tax Purposes		-128,324	0	-128,324
Charitable donations from Schedule 2	311			0
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		-128,324	0	-128,324



Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

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	88,370		88,370

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

[B4](#)

[B4](#)

Income Tax/PILs Workform for 2021 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	Buildings, Distribution System (acq'd post 1987)	\$ 214,763		\$ 214,763
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	\$ 2,498,962		\$ 2,498,962
2	Distribution System (acq'd pre 1988)			\$ -
3	Buildings (acq'd pre 1988)			\$ -
6	Certain Buildings; Fences			\$ -
8	General Office Equipment, Furniture, Fixtures	\$ 394,109		\$ 394,109
10	Motor Vehicles, Fleet	\$ 71,655		\$ 71,655
10.1	Certain Automobiles			\$ -
12	Computer Application Software (Non-Systems)			\$ -
13 ₁	Lease # 1			\$ -
13 ₂	Lease # 2			\$ -
13 ₃	Lease # 3			\$ -
13 ₄	Lease # 4			\$ -
14	Limited Period Patents, Franchises, Concessions or Licences			\$ -
14.1	Eligible Capital Property (acq'd pre 2017)			\$ -
14.1	Eligible Capital Property (acq'd post 2016)			\$ -
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage			\$ -
42	Fibre Optic Cable			\$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			\$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			\$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	\$ 624		\$ 624
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			\$ -
47	Distribution System (acq'd post Feb 22/05)	\$ 6,355,329		\$ 6,355,329
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 45,730		\$ 45,730
95	CWIP			\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
	SUB-TOTAL - UCC	9,581,172	0	9,581,172



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)			0
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	0	0	0
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	178,948		178,948
-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
			0
			0
Total	178,948	0	178,948



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%	4.0%	-\$ 9,434	4.0%	B
Federal (Max 15%)	15.0%	9.6%	-\$ 22,676	9.6%	C
<hr/>					
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](#)-\$ 237,138 **A**13.54% **D = B + C**\$ - **E = A * D****F****G**\$ - **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

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		320,000
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		430,563
Amortization of intangible assets	106		73,027
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(iii)	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		25,000
Charitable donations and gifts from Schedule 2	112		3,350
Taxable capital gains	113		
Political contributions	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		1,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	0
Reserves from financial statements- balance at end of year	126	B13	213,305
Soft costs on construction and renovation of buildings	127		
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		

ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			20,000
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			766,245
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	1,118,435
Terminal loss from Schedule 8	404	B8	0
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	0
Reserves from financial statements - balance at beginning of year	414	B13	178,948
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		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	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)			
Payroll burden capitalized for Accounting, expensed for tax			26,000
Total Deductions		calculated	1,323,383
Net Income for Tax Purposes		calculated	-237,138
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	B4	0
Net capital losses of previous tax years from Schedule 4	332	B4	0
Limited partnership losses of previous tax years from Schedule 4	335		
TAXABLE INCOME		calculated	-237,138



Ontario Energy Board

Income Tax/PIIs 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	88,370
Amount to be used in Bridge Year	B1	0
Loss Carry Forward Generated in Bridge Year (if any)	B1	237,138
Other Adjustments		
Balance available for use post Bridge Year	calculated	325,508

[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	(2) Class Description	(3) Working Paper Reference	(4) Unrecapitalized capital cost (UCC) at the beginning of the bridge year	(5) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(6) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(7) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(8) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(9) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(10) Proceeds of dispositions	(11) UCC (column 2 plus column 3 plus or minus column 6, minus column 8)	(12) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 7 (if negative, enter "0"))	(13) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	(14) Relevant factor	(15) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(16) UCC acquired during the year (column 11 multiplied by the relevant factor)	(17) UCC adjustment for non-AIIP acquired during the year (B-5 multiplied by the result of column 3 minus column 6 plus column 7 minus column 8) (if negative, enter "0"))	(18) CCA Rate %	(19) Recapture of CCA	(20) Terminal Loss	(21) CCA (for declining balance method, the result of column 3 minus column 12 multiplied by column 14)	(22) UCC at the end of the bridge year (column 9 minus column 17)	(23) Working Paper Reference			
1	Buildings, Distribution System (acq'd post 1987)	HR	\$	214,763					\$	214,763	\$	-	0.50	\$	-	\$	4%		\$	8,591	\$	206,172	TR		
1b	Non-Residential Buildings (Reg. 1100(1)(a.1) election)	HR	\$	2,498,962					\$	2,498,962	\$	-	0.50	\$	-	\$	6%		\$	149,938	\$	2,349,024	TR		
2	Distribution System (acq'd pre 1988)	HR	\$	-					\$	-	\$	-	-	\$	-	\$	6%			\$	-	\$	-	TR	
3	Buildings (acq'd pre 1988)	HR	\$	-					\$	-	\$	-	-	\$	-	\$	5%			\$	-	\$	-	TR	
6	Certain Buildings, Fences	HR	\$	-					\$	-	\$	-	0.50	\$	-	\$	10%			\$	-	\$	-	TR	
8	General Office Equipment, Furniture, Fixtures	HR	\$	394,109	\$	15,000	\$	15,000	\$	409,109	\$	-	0.50	\$	7,500	\$	20%		\$	83,322	\$	325,787	TR		
10	Motor Vehicles, Fleet	HR	\$	71,655	\$	345,000	\$	345,000	\$	416,655	\$	-	0.50	\$	172,500	\$	30%		\$	176,747	\$	239,909	TR		
10.1	Certain Automobiles	HR	\$	-					\$	-	\$	-	0.50	\$	-	\$	30%			\$	-	\$	-	TR	
12	Computer Application Software (Non-Systems)	HR	\$	-					\$	-	\$	-	0.00	\$	-	\$	100%			\$	-	\$	-	TR	
13	Lease # 1	HR	\$	-					\$	-	\$	-	0.00	\$	-	\$	NA			\$	-	\$	-	TR	
13.1	Lease # 2	HR	\$	-					\$	-	\$	-	0.00	\$	-	\$	NA			\$	-	\$	-	TR	
13.1	Lease # 3	HR	\$	-					\$	-	\$	-	0.00	\$	-	\$	NA			\$	-	\$	-	TR	
13.1	Lease # 4	HR	\$	-					\$	-	\$	-	0.00	\$	-	\$	NA			\$	-	\$	-	TR	
14	Limited Period Patents, Franchises, Concessions or Licences	HA	\$	-					\$	-	\$	-	0.00	\$	-	\$	NA			\$	-	\$	-	TR	
14.1	Eligible Capital Property (acq'd pre Jan. 1, 2017)	HR	\$	-					\$	-	\$	-	0.50	\$	-	\$	7%		\$	-	\$	-	TR		
14.1	Eligible Capital Property (acq'd post Jan. 1, 2017)	HR	\$	-					\$	-	\$	-	0.50	\$	-	\$	5%		\$	-	\$	-	TR		
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00), Roads, Lots, Storage	HR	\$	-					\$	-	\$	-	0.50	\$	-	\$	8%			\$	-	\$	-	TR	
42	Fibre Optic Cable	HR	\$	-					\$	-	\$	-	0.50	\$	-	\$	12%			\$	-	\$	-	TR	
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	HR	\$	-					\$	-	\$	-	2.33	\$	-	\$	30%			\$	-	\$	-	TR	
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	HR	\$	-					\$	-	\$	-	1.00	\$	-	\$	50%			\$	-	\$	-	TR	
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	HR	\$	624					\$	624	\$	-	0.50	\$	-	\$	45%			\$	281	\$	343	TR	
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	HR	\$	-					\$	-	\$	-	0.50	\$	-	\$	30%			\$	-	\$	-	TR	
47	Distribution System (acq'd post Feb 22/05)	HR	\$	6,355,329	\$	483,000	\$	483,000	\$	6,787,329	\$	25,000	0.50	\$	438,000	\$	219,000	\$	8%		\$	558,906	\$	6,208,423	TR
50	General Purpose Computer Hardware & Software (acq'd post Mar 19/07)	HR	\$	45,730	\$	140,000	\$	140,000	\$	185,730	\$	-	0.50	\$	70,000	\$	55%		\$	140,052	\$	45,078	TR		
95	CWIP	HR	\$	-					\$	-	\$	-	0.00	\$	-	\$	0%			\$	-	\$	-	TR	
		HA	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
		HR	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
		HR	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
		HR	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
		HR	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
		HR	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
		HA	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
		HR	\$	-					\$	-	\$	-	-	\$	-	\$	-			\$	-	\$	-	TR	
TOTALS			\$	9,581,172	\$	963,000	\$	963,000	\$	10,483,172	\$	25,000	0.50	\$	938,000	\$	469,000	\$	8%		\$	1,118,435	\$	9,374,737	TR

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	0		0			0	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		0	0	0	B1	0	0	B1	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	178,948		178,948	34,357		213,305	T13	34,357
- 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		178,948	0	178,948	B1	34,357	213,305	B1	34,357



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%	7.0%	\$ -	0.0%	B
Federal (Max 15%)	15.0%	11.8%	\$ -	0.0%	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**

0.00% **D = B + C**

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

F

G

\$ - **H = F + G**

\$ - **I = E - H**

[S. Su](#)

100.00% **J = 1-D** \$ - **K = I/J-I**

\$ - **L = K + I**

[S. Su](#)



Ontario Energy Board

Income Tax/PILs Workform

Taxable Income - Test Year

	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes	<u>A.</u>	419,241

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		499,418
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		71,227
Recapture of capital cost allowance from Schedule 8	107	<u>T8</u>	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		25,000
Charitable donations	112		3,500
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		1,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	<u>T13</u>	0
Reserves from financial statements- balance at end of year	126	<u>T13</u>	222,363
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))			30,000
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			852,508
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	998,355
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		
Tax reserves end of year	413	T13	0
Reserves from financial statements - balance at beginning of year	414	T13	213,305
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		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
Payroll burden capitalized for Accounting, expensed for tax	395		26,000
	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	1,237,660
NET INCOME FOR TAX PURPOSES		calculated	34,089
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	34,089
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	0



Ontario Energy Board

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	<u>B4</u>	325,508		325,508
Amount to be used in Test Year and Price Cap Years	<u>T1</u>	34,089		34,089
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	34,089		34,089
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	291,420		291,420

		Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction				
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

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
1	Buildings, Distribution System (acq'd post 1987)	B8	\$ 206,172				
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	B8	\$ 2,349,024				
2	Distribution System (acq'd pre 1988)	B8	\$ -				
3	Buildings (acq'd pre 1988)	B8	\$ -				
6	Certain Buildings; Fences	B8	\$ -				
8	General Office Equipment, Furniture, Fixtures	B8	\$ 325,787	25,000	25,000		
10	Motor Vehicles, Fleet	B8	\$ 239,909				
10.1	Certain Automobiles	B8	\$ -				
12	Computer Application Software (Non-Systems)	B8	\$ -				
13 ₁	Lease # 1	B8	\$ -				
13 ₂	Lease # 2	B8	\$ -				
13 ₃	Lease # 3	B8	\$ -				
13 ₄	Lease # 4	B8	\$ -				
14	Limited Period Patents, Franchises, Concessions or Licences	B8	\$ -				
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	B8	\$ -				
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	B8	\$ -				
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage	B8	\$ -				
42	Fibre Optic Cable	B8	\$ -				
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	\$ -				
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	\$ -				
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	B8	\$ 343				
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	\$ -				
47	Distribution System (acq'd post Feb 22/05)	B8	\$ 6,208,423	446,000	446,000	-26,000	
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	B8	\$ 45,079	163,000	163,000		
95	CWIP	B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
		B8	\$ -				
	TOTALS		\$ 9,374,737	\$ 634,000	\$ 634,000	-\$ 26,000	\$ -

(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 test year (column 9 minus column 17)
		\$ 206,172	\$ -	\$ -	0.50	\$ -	\$ -	4%			\$ 8,247	\$ 197,926
		\$ 2,349,024	\$ -	\$ -	0.50	\$ -	\$ -	6%			\$ 140,941	\$ 2,208,083
		\$ -	\$ -	\$ -		\$ -	\$ -	6%			\$ -	\$ -
		\$ -	\$ -	\$ -		\$ -	\$ -	5%			\$ -	\$ -
		\$ -	\$ -	\$ -	0.50	\$ -	\$ -	10%			\$ -	\$ -
		\$ 350,787	\$ -	\$ 25,000	0.50	\$ 12,500	\$ -	20%			\$ 72,657	\$ 278,130
		\$ 239,909	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ 71,973	\$ 167,936
		\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	100%			\$ -	\$ -
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA				\$ -
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA				\$ -
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA				\$ -
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA				\$ -
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA				\$ -
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA				\$ -
		\$ -	\$ -	\$ -		\$ -	\$ -	7%			\$ -	\$ -
		\$ -	\$ -	\$ -	0.50	\$ -	\$ -	5%			\$ -	\$ -
		\$ -	\$ -	\$ -	0.50	\$ -	\$ -	8%			\$ -	\$ -
		\$ -	\$ -	\$ -	0.50	\$ -	\$ -	12%			\$ -	\$ -
		\$ -	\$ -	\$ -	2.33	\$ -	\$ -	30%			\$ -	\$ -
		\$ -	\$ -	\$ -	1.00	\$ -	\$ -	50%			\$ -	\$ -
		\$ 343	\$ -	\$ -		\$ -	\$ -	45%			\$ 154	\$ 189
		\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -
	25,000	\$ 6,603,423	\$ 25,000	\$ 421,000	0.50	\$ 210,500	\$ -	8%			\$ 545,114	\$ 6,058,309
		\$ 208,079	\$ -	\$ 163,000	0.50	\$ 81,500	\$ -	55%			\$ 159,268	\$ 48,810
		\$ -	\$ -	\$ -	0.00	\$ -	\$ -	0%			\$ -	\$ -
		\$ -	\$ -	\$ -		\$ -	\$ -					\$ -
		\$ -	\$ -	\$ -		\$ -	\$ -					\$ -
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		\$ -	\$ -	\$ -		\$ -	\$ -					\$ -
\$ -	\$ 25,000	\$ 9,957,737	\$ 25,000	\$ 609,000		\$ 304,500	\$ -		\$ -	\$ -	\$ 998,355	\$ 8,959,382

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	0		0			0	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	
Total		0	0	0	T1	0	0	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	213,305		213,305	9,058		222,363	9,058	
- 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	
Total		213,305	0	213,305	T1	9,058	222,363	T1	9,058