

Version 1.20

Utility Name	North Bay Hydro Distribution Limited - Esp	anola service territory
Assigned EB Number	EB-2020-0020	
Name and Title	Tyler Kasubeck	
Phone Number		
Email Address		
Date		
Last COS Re-based Year	2012	

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

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the

#### Instructions

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

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

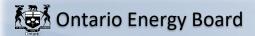
Tabs H0 to H13 relate to the Historical Year.

Tabs B0 to B13 relate to the Bridge 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. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.



<u>1. Info</u>

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

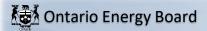
Test Year To PILs, Tax Provision Test Year

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



No inputs required on this worksheet.

### Inputs on Service Revenue Requirement Worksheet

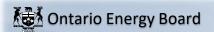
The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	-409,579
Test Year - Payments in Lieu of Taxes (PILs)	<u>T0</u>	- -
Test Year - Grossed-up PILs	<u>T0</u>	-
Effective Federal Tax Rate	<u>T0</u>	9.0%
Effective Ontario Tax Rate	<u>T0</u>	3.2%
Calculation of Adjustments required to arrive at Taxable Income		
Regulatory Income (before income taxes)	<u>T1</u>	253,504
Taxable Income	<u>T1</u>	-156,074
Difference	calculated	-409,579 as above

#### Integrity Checks

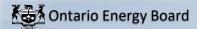
The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case:

	ltem .	Utility Confirmation (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	Y	
2	The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Υ	
	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		
3	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	
	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		
5	Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application	Υ	
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	Υ	
7	CCA is maximized even if there are tax loss carry-forwards	Y	
	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		amounts added back to Schedule 1 in 2019 was \$976 and is not expected to be significant in future
	analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario	Υ	years
8	reports, and actuarial valuations.		
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	



			Test Year	ı	Bridge Year	
Rate Base		s	\$ 7,599,049	\$	7,078,162	!
Return on Ratebase						
Deemed ShortTerm Debt %	4.00%	Т	\$ 303,962		W = S * T	
Deemed Long Term Debt %	56.00%	U	\$ 4,255,467		X = S * U	
Deemed Equity %	40.00%	V	\$ 3,039,620		Y = S * V	
Short Term Interest Rate	1.75%	Z	\$ 5,319		AC = W * Z	
Long Term Interest	3.03%	AA	\$ 128,776		AD = X * AA	
Return on Equity (Regulatory Income)	8.34%	AB	\$ 253,504		AE = Y * AB	<u>T1</u>
Return on Rate Base			\$ 387,599	-	AF = AC + AD + A	E

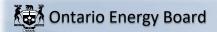
Questions that must be answered	Historical Year	Bridge Year	Test Year
Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	Yes	Yes	Yes
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	Yes	Yes	Yes
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 the tax treatment in the manager's summary.	No	No	No
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



Tax Rates Federal & Provincial As of MMM XX, 2019	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
Federal income tax	00.000/	00.000/	00.000/	00.00%	00.000/	00.000/	00.000/
General Corporate Rate Federal Tax Abatement	38.00% -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 & Ontario Small Business							
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.



### 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% **B** 15.00% **C** 

Wires Only

\$ - A

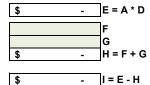
26.50% **D = B+C** 

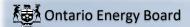
**Total Income Taxes** 

Investment Tax Credits
Miscellaneous Tax Credits

**Total Tax Credits** 

Corporate PILs/Income Tax Provision for Historical Year





### Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	(A + 101 + 102)	-94,197		-94,197
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	46,094		46,094
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			0
Charitable donations and gifts from Schedule 2	112			0
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			0
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			0
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 of Income Taxes - Deferred		116.982		116,982

Accrued Future Benefit Costs		976		97
Regulatory Assets Current Year		320,108		320,10
nterest Rate Swap mark-to-market adj.		46,660		46,66
Total Additions		530,820	0	530,82
Deductions:				
Gain on disposal of assets per financial statements	401			
Non-taxable dividends under section 83	402			
Capital cost allowance from Schedule 8	403	108,661		108,66
Terminal loss from Schedule 8	404			
Allowable business investment loss	406			
Deferred and prepaid expenses	409			
Scientific research expenses claimed in year	411			
Tax reserves claimed in current year	413			
Reserves from financial statements - balance at beginning of year	414			
Contributions to deferred income plans	416			
Book income of joint venture or partnership	305			
Equity in income from subsidiary or affiliates	306			
Other deductions	<u>_</u>			
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)		440.000		440.00
Regulatory Assets current year		116,982		116,98
Actual Benefits Paid		630		63
Total Deductions		226,273	0	226,27
Net Income for Tax Purposes		210,350	0	210,35
·				,
Charitable donations from Schedule 2	311			
Taxable dividends received under section 112 or 113	320			
Non-capital losses of previous tax years from Schedule 4	331	210,350		210,3
Net capital losses of previous tax years from Schedule 4	332			
imited partnership losses of previous tax years from Schedule 4	335			
TAXABLE INCOME		0	0	
AAADLL INCOME		U	U	



### **Schedule 4 Loss Carry Forward - Historical**

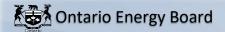
### **Corporation Loss Continuity and Application**

Non-Capital Loss Carry Forward Deduction	Total	Non- Distribution Portion	Utility Balance
Actual Historical	351,128		351,128

B4

<u>B4</u>

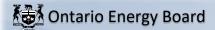
Net Capital Loss Carry Forward Deduction	Total	Non- Distribution Portion	Utility Balance
Actual Historical	23,996		23,996



#### 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)	\$ 1,234,094		\$ 1,234,094
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]			-
2	Distribution System (acq'd pre 1988)			-
3	Buildings (acq'd pre 1988)			-
6	Certain Buildings; Fences			-
8	General Office Equipment, Furniture, Fixtures	\$ 18,375		\$ 18,375
10	Motor Vehicles, Fleet	\$ 82,561		\$ 82,561
10.1	Certain Automobiles			\$ -
12	Computer Application Software (Non-Systems)			-
13 <sub>1</sub>	Lease # 1			-
13 <sub>2</sub>	Lease # 2			\$ -
13 <sub>3</sub>	Lease # 3			\$ -
13 4	Lease # 4			\$ -
14	Limited Period Patents, Franchises, Concessions or Licences			\$ -
14.1	Eligible Capital Property (acg'd pre 2017)			-
14.1	Eligible Capital Property (acq'd post 2016)			\$ -
17	Elec. Generation Equip. (Non-Bldng, 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)	\$ 5		\$ 5
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			\$ -
47	Distribution System (acq'd post Feb 22/05)	\$ 4,219,025		\$ 4,219,025
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 3,384		\$ 3,384
95	CWIP			\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
	SUB-TOTAL - UCC	5,557,444	0	5,557,444

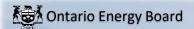
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#### **Schedule 13 Tax Reserves - Historical**

### **Continuity of Reserves**

Description	Historical Balance as	Non-Distribution	Utility Only
	per tax returns	Eliminations	,
2011			
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting pur	poses		
Reserve for doubtful accounts ss. 20(1)(I)			0
Reserve for undelivered goods and services not			0
rendered ss. 20(1)(m) Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			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			0
specific)			0
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			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			0
of Year-End ss. 78(4)			U
Unpaid Amounts to Related Person and Not			0
Paid Within 3 Taxation Years ss. 78(1)			
Other			0
			0
			0
Total	0	0	0



#### 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%	3.2%	-\$ 24,021	3.2% B
Federal (Max 15%)	15.0%	9.0%	-\$ 67,558	9.0% <b>C</b>

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.

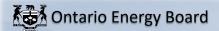
#### **Wires Only**

Reference			
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	F
	G
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	•

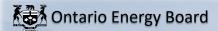
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### Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		-314,606

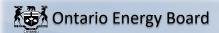
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		229,0
Amortization of intangible assets	106		
Recapture of capital cost allowance from	107	B8	
Schedule 8	101	<u>50</u>	
Income inclusion under subparagraph	108		
13(38)(d)(iii) Income or loss for tax purposes- joint ventures			
or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
'			
Charitable donations and gifts from Schedule 2	112		
Taxable capital gains	113		
Political contributions	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on	118		
financial statements			
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment	121		
expense			
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	<u>B13</u>	
Reserves from financial statements- balance at	126	B13	
end of year	120	510	
Soft costs on construction and renovation of	127		
buildings	200	+ +	
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		



### **Adjusted Taxable Income - Bridge Year**

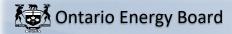
Share issue expense			1	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)  Other Additions  Interest Expensed on Capital Leases Realized Income from Deferred Credit Accounts Pensions Non-deductible penalties 295 Non-deductible penalties 295 ARO Accretion 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  Deductions: Gain on disposal of assets per financial statements Dividends not taxable under section 83 Capital cost allowance from Schedule 8 Allowable business investment loss Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in ourrent year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership 305	Share issue expense	235		
environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)  Other Additions  Interest Expensed on Capital Leases Realized Income from Deferred Credit Accounts Pensions Pensions Non-deductible penalties 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 Deductions: Gain on disposal of assets per financial statements Dividends not taxable under section 83 Capital cost allowance from Schedule 8 Allowable business investment loss Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in current year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership Socient Contributions of the Contribution of the Contributio	Write down of capital property	236		
and 12(1)(z.2)  Other Additions  Interest Expensed on Capital Leases Realized Income from Deferred Credit Accounts Pensions Non-deductible penalties 295  Non-deductible penalties 295  ARO Accretion expense Capital Contributions Received (ITA 12(1)(x)) Lease Inducements Received (ITA 12(1)(x)) Prior Year Investment Tax Credits received  Total Additions  Deferred Revenue (ITA 12(1)(a)) Prior Year Investment Tax Credits received  Total Additions  Deductions:  Gain on disposal of assets per financial statements Dividends not taxable under section 83 Capital cost allowance from Schedule 8 Allowable business investment loss Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in current year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership 305				
Other Additions         295           Realized Income from Deferred Credit         295           Accounts         295           Pensions         295           Non-deductible penalties         295           295         295           ARO Accretion expense         295           Capital Contributions Received (ITA 12(1)(x))         Lease Inducements Received (ITA 12(1)(x))           Lease Inducements Received (ITA 12(1)(a))         Prior Year Investment Tax Credits received           Prior Year Investment Tax Credits received         401           Sain on disposal of assets per financial statements         401           Dividends not taxable under section 83         402           Capital cost allowance from Schedule 8         403         88         665,079           Terminal loss from Schedule 8         404         88         0           Allowable business investment loss         406         406         86           Deferred and prepaid expenses         409         411         411         411         411         411         412         414         413         813         0         0         0         0         0         0         0         0         0         0         0         0         0         0		237		
Interest Expensed on Capital Leases				
Realized Income from Deferred Credit				
Accounts Pensions Pen	Interest Expensed on Capital Leases	295		
Accounts Pensions Pensions Pensions Pensions Pensions 295  Non-deductible penalties 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 Peductions: Gain on disposal of assets per financial statements Dividends not taxable under section 83 Total Additions Total Additions Allowable business investment loss Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in current year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership Socientific research expenses and the partnership Socientific research expenses claimed in year Allowable business investment loss All		295		
Non-deductible penalties  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 Deductions: Gain on disposal of assets per financial statements Dividends not taxable under section 83  Capital cost allowance from Schedule 8 Allowable business investment loss Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in current year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership Book income of joint venture or partnership Book income of joint venture or partnership  305				
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 Deductions: Gain on disposal of assets per financial statements Dividends not taxable under section 83 Capital cost allowance from Schedule 8 Allowable business investment loss Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in current year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership  305				
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  Deductions: Gain on disposal of assets per financial statements Dividends not taxable under section 83 Allowable business investment loss Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in current year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership Scientific resource from financial statements - balance at beginning of year Contributions to deferred income plans Alio Marchael Page - Page	Non-deductible penalties			
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  Deductions: Gain on disposal of assets per financial statements Dividends not taxable under section 83 Capital cost allowance from Schedule 8 Allowable business investment loss Deferred and prepaid expenses Deferred and prepaid expenses Scientific research expenses claimed in year Tax reserves claimed in current year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership Scientific research expenses at 16 Book income of joint venture or partnership Scientific research expenses at 16 Book income of joint venture or partnership Scientific research expenses at 16 Book income of joint venture or partnership Scientific research expenses at 16 Book income of joint venture or partnership Scientific research expenses at 16 Book income of joint venture or partnership		295		
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  Deductions:  Gain on disposal of assets per financial statements  Dividends not taxable under section 83  Capital cost allowance from Schedule 8  Allowable business investment loss  Deferred and prepaid expenses  Scientific research expenses claimed in year  Tax reserves claimed in current year  Reserves from financial statements - balance at beginning of year  Contributions to deferred income plans  Book income of joint venture or partnership  Scientific research expenses and the control of		295		
Lease Inducements Received (ITA 12(1)(x))  Deferred Revenue (ITA 12(1)(a))  Prior Year Investment Tax Credits received  Total Additions  Defect Sample Statements  Gain on disposal of assets per financial statements  Dividends not taxable under section 83  Capital cost allowance from Schedule 8  Allowable business investment loss  Deferred and prepaid expenses  Scientific research expenses claimed in year  Tax reserves claimed in current year  Reserves from financial statements - balance at beginning of year  Contributions to deferred income plans  Book income of joint venture or partnership  Scientific research comparations of the partnership sould be served to the partner	ARO Accretion expense			
Deferred Revenue (ITA 12(1)(a))	Capital Contributions Received (ITA 12(1)(x))			
Prior Year Investment Tax Credits received  Total Additions  Deductions:  Gain on disposal of assets per financial statements  Dividends not taxable under section 83  Capital cost allowance from Schedule 8  Allowable business investment loss  Deferred and prepaid expenses  Scientific research expenses claimed in year  Tax reserves from financial statements - balance at beginning of year  Contributions to deferred income plans  Book income of joint venture or partnership  229,039  401  401  401  401  888  665,079  888  665,079  408  888  665,079  409  888  605,079  410  411  411  411  411  411  412  413  414  414	Lease Inducements Received (ITA 12(1)(x))			
Total Additions  Deductions:  Gain on disposal of assets per financial statements  Dividends not taxable under section 83  Capital cost allowance from Schedule 8  Allowable business investment loss  Deferred and prepaid expenses  Scientific research expenses claimed in year  Tax reserves claimed in current year  Reserves from financial statements - balance at beginning of year  Contributions to deferred income plans  Book income of joint venture or partnership  305	Deferred Revenue (ITA 12(1)(a))			
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         665,079           Terminal loss from Schedule 8         404         B8         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         B13         0           Reserves from financial statements - balance at beginning of year         414         B13         0           Contributions to deferred income plans         416         0         0           Book income of joint venture or partnership         305         305         0	Prior Year Investment Tax Credits received			
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         665,079           Terminal loss from Schedule 8         404         B8         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         B13         0           Reserves from financial statements - balance at beginning of year         414         B13         0           Contributions to deferred income plans         416         0         0           Book income of joint venture or partnership         305         305         0				
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         665,079           Terminal loss from Schedule 8         404         B8         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         B13         0           Reserves from financial statements - balance at beginning of year         414         B13         0           Contributions to deferred income plans         416         0         0           Book income of joint venture or partnership         305         305         0				
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         665,079           Terminal loss from Schedule 8         404         B8         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         B13         0           Reserves from financial statements - balance at beginning of year         414         B13         0           Contributions to deferred income plans         416         0         0           Book income of joint venture or partnership         305         305         0				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406         409           Deferred and prepaid expenses         409         411         411         411         411         411         411         411         411         412         413         813         0         60				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406         409           Deferred and prepaid expenses         409         411         411         411         411         411         411         411         411         412         413         813         0         60				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406         409           Deferred and prepaid expenses         409         411         411         411         411         411         411         411         411         412         413         813         0         60				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406         409           Deferred and prepaid expenses         409         411         411         411         411         411         411         411         411         412         413         813         0         60				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406           Deferred and prepaid expenses         409         409           Scientific research expenses claimed in year         411         411           Tax reserves claimed in current year         413         813         0           Reserves from financial statements - balance at beginning of year         414         813         0           Contributions to deferred income plans         416         800         800           Book income of joint venture or partnership         305         305				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406           Deferred and prepaid expenses         409         409           Scientific research expenses claimed in year         411         411           Tax reserves claimed in current year         413         813         0           Reserves from financial statements - balance at beginning of year         414         813         0           Contributions to deferred income plans         416         800         800           Book income of joint venture or partnership         305         305				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406           Deferred and prepaid expenses         409         409           Scientific research expenses claimed in year         411         411           Tax reserves claimed in current year         413         813         0           Reserves from financial statements - balance at beginning of year         414         813         0           Contributions to deferred income plans         416         800         800           Book income of joint venture or partnership         305         305				
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         665,079           Terminal loss from Schedule 8         404         B8         0           Allowable business investment loss         406         406         409           Deferred and prepaid expenses         409         411         411         411         411         411         411         411         411         412         413         813         0         60				
Gain on disposal of assets per financial statements	Total Additions			229,039
Statements	Deductions:			
Statements	Gain on disposal of assets per financial	401		
Capital cost allowance from Schedule 8         403         B8         665,079           Terminal loss from Schedule 8         404         B8         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         813         0           Reserves from financial statements - balance at beginning of year         414         813         0           Contributions to deferred income plans         416         0         0           Book income of joint venture or partnership         305         0         0		701		
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  Contributions to deferred income plans 416  Book income of joint venture or partnership 305	Dividends not taxable under section 83	402		
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  Contributions to deferred income plans 416  Book income of joint venture or partnership 305	Capital cost allowance from Schedule 8	403	<u>B8</u>	665,079
Deferred and prepaid expenses 409  Scientific research expenses claimed in year 411  Tax reserves claimed in current year 413  Reserves from financial statements - balance at beginning of year  Contributions to deferred income plans 416  Book income of joint venture or partnership 305	Terminal loss from Schedule 8	404	<u>B8</u>	0
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  Contributions to deferred income plans 416  Book income of joint venture or partnership 305	Allowable business investment loss	406		
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  Contributions to deferred income plans 416  Book income of joint venture or partnership 305	Deferred and prepaid expenses	409		
Tax reserves claimed in current year 413 B13 0  Reserves from financial statements - balance at beginning of year  Contributions to deferred income plans 416  Book income of joint venture or partnership 305	· · · ·	411		
Reserves from financial statements - balance at beginning of year  Contributions to deferred income plans  Book income of joint venture or partnership  305		413	B13	0
at beginning of year  Contributions to deferred income plans  Book income of joint venture or partnership  305				
Contributions to deferred income plans 416  Book income of joint venture or partnership 305		414	<u>B13</u>	0
Book income of joint venture or partnership 305		416		
	Book income of joint venture or partnership	305		
		306		

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### **Adjusted Taxable Income - Bridge Year**

Other deductions		1	
Other deductions			
Interest capitalized for accounting deducted for	395		
tax	005		
Capital Lease Payments	395		
Non-taxable imputed interest income on	395		
deferral and variance accounts			
	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	665,079
Net Income for Tax Purposes		calculated	-750,646
Charitable donations	311		,
Taxable dividends received under section 112 or			
113	320		
Non-capital losses of previous tax years from	331	D4	
Schedule 4	331	<u>B4</u>	0
Net capital losses of previous tax years from	332	B4	0
Schedule 4	JJZ	<u>D4</u>	0
Limited partnership losses of previous tax years	335		
from Schedule 4			
TAYABI E INCOME			==0.010
TAXABLE INCOME		calculated	-750,646



### **Corporation Loss Continuity and Application**

### **Schedule 4 Loss Carry Forward - Bridge Year**

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	<u>H4</u>	351,128
Amount to be used in Bridge Year	<u>B1</u>	0
Loss Carry Forward Generated in Bridge Year (if any)	<u>B1</u>	750,646
Other Adjustments		
Balance available for use post Bridge Year	calculated	1,101,774

 Net Capital Loss Carry Forward Deduction
 Total

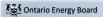
 Actual Historical
 H4
 23,996

 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
 23,996

<u>T4</u>

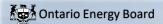
T4



#### Schedule & CCA - Bridge Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	be available for use except CWIP)	from column 3 that are accelerated	(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 7 plus column 7 (if negative, enter "0")	(11) Net capital cost additions of AIP acquired during the year (column 4 minus column 10) (if negative, enter "0")		(12) UCC adjustment for AIP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AIP 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	(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	\$ 1,234,09	34						\$ 1,234,094	\$ -	\$ -	0.50		\$ -	4%			\$ 49,364	\$ 1,184,730	T8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	H8	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -	6%			s -	s -	T8 T8
2	Distribution System (acq'd pre 1988)	H8	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -	6%			s -	s -	<u>T8</u>
3	Buildings (acq'd pre 1988)	H8	\$ -							\$ -		\$ -		\$ -		5%			\$ -	\$ -	T8
6	Certain Buildings; Fences	H8	\$ -							\$ -			0.50		\$ -	10%			s -	s -	<u>T8</u>
8	General Office Equipment, Furniture, Fixtures	H8	\$ 18,37							\$ 26,375					\$ -	20%			\$ 6,075	\$ 20,300	
10	Motor Vehicles, Fleet	H8	\$ 82,56	1 \$ 5,000	\$ 5,000					\$ 87,561					\$ -	30%			\$ 27,018	\$ 60,543	18 18 18 18 18 18 18
10.1	Certain Automobiles	H8	\$ -							\$ -			0.50			30%			S -	s -	<u>T8</u>
12	Computer Application Software (Non-Systems)	H8	\$ -	\$ 10,000	)					\$ 10,000			0.00		\$ 5,000	100%			\$ 5,000	\$ 5,000	. <u>T8</u>
13 1	Lease #1	H8	\$ -							s -			0.00		\$ -	NA				s -	<u>18</u>
13 2	Lease # 2	H8	\$ -							\$ -			0.00	\$ -	\$ -	NA				s -	18
13,	Lease # 3	H8	\$ -							\$ -			0.00	\$ -	\$ -	NA				S -	18
13 4	Lease # 4	<u>H8</u>	\$ -							\$ -	•	-	0.00		\$ -	NA				S -	18
14	Limited Period Patents, Franchises, Concessions or Licences	H8	\$ -							\$ -			0.00		\$ -	NA NA				s -	<u>18</u>
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	H8	\$ -							s -				\$ -	\$ -	7%			S -	s -	T8 T8 T8
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	H8	\$ -							\$ -			0.50		\$ -	5%			S -	S -	18
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	H8	\$ -							\$ -			0.50			8%			S -	S -	18
42	Fibre Optic Cable	H8	\$ -							\$ -			0.50		\$ -	12%			S -	S -	18
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	\$ -							\$ -			2.33		\$ -	30%			S -	s -	_ <u>™</u>
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	\$ -							\$ -			1.00		\$ -	50%			S -	S -	18
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	H8	\$	5						\$ 5				\$ -	\$ -	45%			\$ 2	\$ 3	T8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	\$ -							s -	s -		0.50		\$ -	30%			S -	_ s	18
47 50	Distribution System (acq'd post Feb 22/05)	H8	\$ 4,219,02		7 \$ 685,817	\$ 1,949,234				\$ 6,854,076 \$ 3,384						8%			\$ 575,759	\$ 6,278,317 \$ 1,523	
95	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)  CWIP	H8 H8	\$ 3,38								*		0.50		\$ -	55%			\$ 1,861	3 1,523	- + + + + + + + + + + + + + + + + + + +
95	CWIP	H8	\$ -							S -			0.00	\$ - \$ -		0%			S -	8 -	- + + + + + + + + + + + + + + + + + + +
										s .					\$ -						- + + + + + + + + + + + + + + + + + + +
		H8 H8	\$ -							S -				\$ -	s -					3 -	4 #
		H8	\$ -											ş -						3 -	4 #
		H8	\$ -							\$ -	\$ - \$ -			ş -	\$ -					s -	4 #
		H8	s -							s -				\$ - \$ -	s -					3 -	- 18 18
		H8	\$ .											\$ -	\$ -						4 #
		H8								S -	s -	s -		\$ - \$ -	s -						<u>T8</u> T8
	TOTALS	100	0 5 557 4	4 6 700 047	e 600 047	0 1040 224													e ees 070 D	0 7 550 440	4 <del>"</del>
	TOTALS		\$ 5,557,44	14 \$ 708,817	7 \$ 698,817	\$ 1,949,234	\$ -	s -	\$ -	\$ 8,215,495	\$ -	\$ 698,817		\$ 349,409	\$ 5,000		\$ -	\$ -	\$ 665,079 <u>B</u>	1 \$ 7,550,416	J

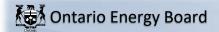
For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years): https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/2sch8/12sch8-19e.pdf



#### Schedule 13 Tax Reserves - Bridge Year

#### Continuity of Reserves

						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
Capital gains reserves ss.40(1)	<u>H13</u>	0		0	)			0	<u>T13</u>	(	)
Tax Reserves Not Deducted for Accounting Purposes											
Reserve for doubtful accounts ss. 20(1)(I)	<u>H13</u>	0		(	)			0	110	(	
Reserve for goods and services not delivered ss. 20(1)(m)	<u>H13</u>	0		C	)			0	<u>T13</u>	(	)
Reserve for unpaid amounts ss. 20(1)(n)	<u>H13</u>	0		0	)			0	<u>T13</u>		)
Debt & share issue expenses ss. 20(1)(e)	<u>H13</u>	0		0	)			0	<u>T13</u>	(	)
Other tax reserves	H13	0		0	)			0	T13	(	)
		0		(	)			0		(	)
		0		(	)			0		(	)
Total	l	0	0	(	B1	0	0	0	B1	(	)
1 Otal	1	•	•		<u> </u>	-			<u> </u>	•	
Financial statement reserves (not deductible for tax purposes)	Į.	Į.									
General Reserve for Inventory Obsolescence (non-specific)	H13	0		(	)			0	T13	(	)
General Reserve for Bad Debts	H13	0		(	)			0	T13	(	
Accrued Employee Future Benefits:	H13	0		(	)			0	T13	(	)
- Medical and Life Insurance	H13	0		(	)			0	T13	(	)
- Short & Long-term Disability	H13	0		(	)			0	T13	(	)
- Accumulated Sick Leave	H13	0		(	)			0	T13	(	
- Termination Cost	H13	0		(	)			0	T13	(	
- Other Post-Employment Benefits	H13	0		(	)			0	T13	(	)
Provision for Environmental Costs	H13	0		(	)			0	T13	(	
Restructuring Costs	H13	0		(	)			0	T13	(	)
Accrued Contingent Litigation Costs	H13	0		(	)			0	T13	(	
Accrued Self-Insurance Costs	H13	0		(	)			0	T13	(	
Other Contingent Liabilities	H13	0		(	)			0	T13	(	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	(	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss.								_		,	
78(1)	<u>H13</u>	0		(	,			0	<u>T13</u>	(	<u> </u>
Other	<u>H13</u>	0		(	)			0	<u>T13</u>	(	)
		0			)			0		(	
		0			)			0		(	)
Total		0	0	(	B1	0	0	0	B1	(	)



#### **PILs Tax Provision - Test Year**

Wires Only	V	۷i	res	On	l۱
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Regulatory Taxable Income <u>T1</u> -\$ 156,074 A

	rax Rate	Small Business Rate	raxe	es Payable	Ellective Tax Ra	ıe
		(If Applicable)				
Ontario (Max 11.5%)	11.5%	3.2%	-\$	4,994	3.2%	В
Federal (Max 15%)	15.0%	9.0%	-\$	14,047	9.0%	С

Combined effective tax rate (Max 26.5%)

12.20% **D = B + C** 

Total Income Taxes -\$ 19,041 E = A \* D

Investment Tax Credits
Miscellaneous Tax Credits

**Total Tax Credits** 

Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up <sup>1</sup>

		F
		G
\$	-	H = F + G

S. Summary

87.80% J = 1-D \$ - K = I/J

Income Tax (grossed-up)

L = K + I

S. Summary

#### Note

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



		Working Paper Reference	Test Year Taxable
Net Income Before Taxes		A.	Income 253,50
A statistic or a c	T2 S1 line #		
Additions:	100		
Interest and penalties on taxes Amortization of tangible assets	103		
2-4 ADJUSTED ACCOUNTING DATA P489	104		
Amortization of intangible assets	106		229,38
2-4 ADJUSTED ACCOUNTING DATA P490  Recapture of capital cost allowance from Schedule 8	107	<u>T8</u>	220,00
Income inclusion under subparagraph 13(38)(d)(iii)	108		
from Schedule 10			
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		
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>	
Reserves from financial statements- balance at	126	T13	
end of year Soft costs on construction and renovation of		110	
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)  Other Additions	237		
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
Non-deductible perialities	295		
	295		
	295		
	295		
ARO Accretion expense	233		
Capital Contributions Received (ITA 12(1)(x))			
ease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
	ļ		
Total Additions			229,3
Deductions:			
	401		

Terminal loss from Schedule 8	Dividends not taxable under section 83	402		
Allowable business investment loss Deferred and prepaid expenses 409 Scientific research expenses dalimed in year 411 Tax reserves end of year Reserves from financial statements - balance at beginning of year Contributions to deferred income plans Book income of joint venture or partnership Equity in income from subsidiary or affiliates Other deductions Interest capitalized for accounting deducted for tax 395 Capital Lease Payments Non-laxable imputed interest income on deferral and variance accounts 395 ARO Payments - Deductible for Tax when Paid ITA 13(7.4) Election - Capital Contributions Received 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  NET INCOME FOR TAX PURPOSES  Calculated -156,074 Non-capital losses of previous tax years from Schedule 4  Imited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				638,968
Deferred and prepaid expenses Scientific research expenses claimed in year 411 Tax reserves end of year 413 Reserves from financial statements - balance at beginning of year Contributions to deferred income plans 416 Book income of joint venture or partnership 305 Equity in income from subsidiary or affiliates Other deductions Interest capitalized for accounting deducted for tax Capital Lease Payments Non-taxable imputed interest income on deferral and variance accounts 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  NET INCOME FOR TAX PURPOSES  Calculated 638,968  NET INCOME FOR TAX PURPOSES  Calculated A 331 Taxable dividends received under section 112 or 113 Calculated A 322 Tax 0 Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4			<u>T8</u>	0
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and variance accounts  395 395 395 395 396 397 398 398 399 399 399 399 399 399 399 399		395		
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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 638,968  NET INCOME FOR TAX PURPOSES calculated -156,074  Charitable donations 311  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4		395		
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 Charitable donations Taxable dividends received under section 112 or 113 Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4	ARO Payments - Deductible for Tax when Paid			
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Cost of Leaseholds				
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  Total Deductions  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4	cost of Leaseholds			
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Financing fees for tax ITA 20(1)(e) and (e.1)  Total Deductions  Total Deductions  Calculated  638,968  NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
Total Deductions  Calculated  Charitable donations  Taxable dividends received under section 112 or 113 320  Non-capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Charitable dividends received under section 112 or 113 320  T4 0  T4 0  T56,074				
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4	· ····································			
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
NET INCOME FOR TAX PURPOSES  Calculated  -156,074  Charitable donations  Taxable dividends received under section 112 or 113  Non-capital losses of previous tax years from Schedule 4  Net capital losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4  Limited partnership losses of previous tax years from Schedule 4				
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         335	Total Deductions		calculated	638,968
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         335	NET INCOME FOR TAX PURPOSES		calculated	-156,074
Taxable dividends received under section 112 or 113 320  Non-capital losses of previous tax years from 331 T4 0  Schedule 4 332 T4 0  Limited partnership losses of previous tax years from Schedule 4  Consider the section of the sec				
Non-capital losses of previous tax years from Schedule 4 331 T4 0  Net capital losses of previous tax years from Schedule 4 1  Limited partnership losses of previous tax years from Schedule 4 1  335 T4 0  336 Schedule 4 335	Charitable donations	311		
Schedule 4   331   14   U		320		
Schedule 4 Limited partnership losses of previous tax years from Schedule 4  335 335	Schedule 4	331	<u>T4</u>	0
Schedule 4	Schedule 4	332	<u>T4</u>	0
REGULATORY TAXABLE INCOME calculated -156,074		335	_	_
REGULATORY TAXABLE INCOME   calculated -156,074				
	REGULATORY TAXABLE INCOME		calculated	-156,074

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<u>T0</u>

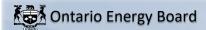


### **Schedule 4 Loss Carry Forward - Test Year**

### **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>	1,101,774		1,101,774
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>	156,074		156,074
Other Adjustments				0
Balance available for use in Future Years	calculated	1,257,849		1,257,849

		Total	Non- Distribution	Utility Balance
Net Capital Loss Carry Forward Deduction			Portion	
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	23,996		23,996
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		23,996		23,996

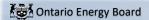


#### Schedule 8 CCA - Test Year

(1) Class	Class Description	Working Paper Reference	cos	(2) depreciated capital t (UCC) at the jinning 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
1	Buildings, Distribution System (acq'd post 1987)	<u>B8</u>	\$	1,184,730					
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	<u>B8</u>	\$	-					
	Distribution System (acq'd pre 1988)	B8	\$	-					
3	Buildings (acq'd pre 1988)	B8	\$	-					
	Certain Buildings; Fences	B8	\$	-					
	General Office Equipment, Furniture, Fixtures	B8	\$	20,300					
	Motor Vehicles, Fleet	B8	\$	60,543	8,000	8,000			
	Certain Automobiles	B8	\$	-	-,	.,			
12	Computer Application Software (Non-Systems)	B8	\$	5,000					
	Lease #1	<u>B8</u>	\$	-					
13 <sub>2</sub>	Lease # 2	<u>B8</u>	\$	-					
13 <sub>3</sub>	Lease # 3	<u>B8</u>	\$	-					
13 4	Lease # 4	<u>B8</u>	\$	-					
14	Limited Period Patents, Franchises, Concessions or Licences	<u>B8</u>	\$	-					
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	<u>B8</u>	\$	-					
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	<u>B8</u>	\$	-					
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	<u>B8</u>	\$	-					
42	Fibre Optic Cable	<u>B8</u>	\$	-					
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	<u>B8</u>	\$	-					
	Certain Clean Energy/Energy-Efficient Generation Equipment	<u>B8</u>	\$	-					
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	<u>B8</u>	\$	3					
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	<u>B8</u>	\$	-					
47	Distribution System (acq'd post Feb 22/05)	<u>B8</u>	\$	6,278,317	480,429	480,429			
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	<u>B8</u>	\$	1,523					
95	CWIP	<u>B8</u>	\$	-					
		<u>B8</u>	\$	-					
		<u>B8</u>	\$	-					
		B8	\$	-					
		B8	\$	-					
		B8	\$	-					
		B8	\$	_					
		B8	\$	_					
		B8	\$	_					
	TOTALS		\$	7,550,416	\$ 488,429	\$ 488,429	\$ -	\$ -	\$ -

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

(8) Proceeds o disposition:	of o	(9) CC (column 2 plus column 3 plus or minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AlIP (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 AllP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AllP 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	(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)		the (colu	(18) S at the end of he test year umn 9 minus solumn 17)
	\$	1,184,730	\$ -	\$ -	0.50	\$ -	\$ -	4%			\$ 47,389		\$	1,137,341
	\$	-	\$ -	\$ -	0.50	\$ -	\$ -	6%			\$ -		\$	-
	\$	-	\$ -	\$ -		\$ -	\$ -	6%			\$ -		\$	-
	\$	-	\$ -	\$ -		\$ -	\$ -	5%			\$ -		\$	-
	\$	-	\$ -	\$ -	0.50	\$ -	\$ -	10%			\$ -		\$	-
	\$		\$ -	\$ -	0.50		\$ -	20%			\$ 4,060		\$	16,240
	\$	68,543	\$ -	\$ 8,000	0.50	\$ 4,000	\$ -	30%			\$ 21,763		\$	46,780
	\$		\$ -	\$ -	0.50		\$ -	30%			\$ -		\$	-
	\$	-,	\$ -	\$ -	0.00	,	\$ -	100%			\$ 5,000		\$	-
	\$		\$ -	\$ -	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%			\$ -	1	\$	-
	\$		\$ -	\$ -	2.33		\$ -	30%			\$ -	1	\$	-
	\$		\$ -	\$ -	1.00	\$ -	\$ -	50%			\$ -		\$	- 2
	\$		\$ - \$ -	\$ - \$ -	0.50	\$ -	\$ -	45%			\$ 1 \$ -	1	\$	
	\$		-	\$ - \$ 480,429		•	\$ -	30% 8%				1	\$	- 0.400.000
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•			•	T		•	·		\$ -	•	620,000	T1		7 200 977
Þ	- \$	8,038,845	\$ -	\$ 488,429		\$ 244,215	\$ -		<b>.</b>	\$ -	\$ 638,968	Ш	Þ	7,399,877



#### Schedule 13 Tax Reserves - Test Year

**Continuity of Reserves** 

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