

Version 1.20



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

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

Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

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

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

Methodology To calculate the PILs for the Test Year:

- 1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
 2) input the balances for the Bridge Year and the Test Year.
 Inputs should include:
 non-deductible expenses (Schedule 1 B1 and T1)
 loss carryforward (Schedule 4 B4 and T4)
 post carryforward (Schedule 4 B4 and T4)
 non-deductible reserves (Schedule 13 B13 and T13)

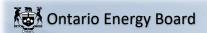
- 3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is

Other Notes
Tabs H0 to H13 relate to the Historical Year.
Tabs B0 to B13 relate to the Bridge Year.
Tabs T0 to T13 relate to the Test Year.

The amounts on tabs H0 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab ${\color{blue}A}$.

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



1. Info

S. Summary

A. Data Input Sheet

B. Tax Rates & Exemptions

Historical Year H0 - PILs, Tax Provision Historical Year

H1 - Adj. Taxable Income Historical Year

H4 - Schedule 4 Loss Carry Forward Historical Year

H8 - Schedule 8 Historical

H13 - Schedule 13 Tax Reserves Historical

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

B1 - Adj. Taxable Income Bridge Year

B4 - Schedule 4 Loss Carry Forward Bridge Year

B8 - Schedule 8 CCA Bridge Year

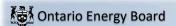
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year T0 PILs, Tax Provision Test Year

T1 Taxable Income Test Year

T4 Schedule 4 Loss Carry Forward Test Year

T8 Schedule 8 CCA Test Year
T13 Schedule 13 Reserve Test Year



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	Reference	
Adjustments required to arrive at taxable income	as below	-346,164
Test Year - Payments in Lieu of Taxes (PILs)	<u>T0</u>	112,763
Test Year - Grossed-up PILs	<u>T0</u>	153,420
Effective Federal Tax Rate	<u>T0</u>	15.0%
Effective Ontario Tax Rate	<u>T0</u>	11.5%
Calculation of Adjustments required to arrive at Taxable Income		
Regulatory Income (before income taxes)	<u>T1</u>	771,686
Taxable Income	<u>T1</u>	425,522
Difference	calculated	-346.164 as above

Integrity Checks

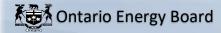
The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case

	Item	Utility Confirmation (Y/N)	Notes
1	The depreciation and amortization added back in the application's PLs model agree with the numbers disclosed in the rate base section of the application	Y	
2	The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Y	
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non-distribution tax amounts on Schedule 8.	Y	
4	The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the CCA Schedule 8 for the same years filed in the application	Y	
5	Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application	N	No loss carryforward.
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	N	No loss carryforward.
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 analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario reports, and aducting in Valuations.	Y	
9	The income tay rate used to calculate the tay expense is consistent with the utility's actual tay facts and evidence filed in the application	Y	



				Test Year	Bridge Year
Rate Base		s	\$	23,132,083	\$ 22,433,489
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	Т	\$	925,283	W = S * T
Deemed Long Term Debt %	56.00%	U	\$	12,953,967	X = S * U
Deemed Equity %	40.00%	٧	\$	9,252,833	Y = S * V
Short Term Interest Rate	1.75%	Z	\$	16.192	AC = W * Z
Long Term Interest	3.05%	AA	1	395,428	AC = W - Z AD = X * AA
Return on Equity (Regulatory Income)	8.34%	AB	Ι	771,686	AE = Y * AB T1
Return on Rate Base	2 0 112		\$	1,183,306	AF = AC + AD + AE

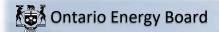
Questions that must be answered	Historical Year	Bridge Year	Test Year
Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? 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
Federal income tax General Corporate Rate Federal Tax Abatement Adjusted Federal Rate	38.00% -10.00% 28.00%	38.00% -10.00% 28.00%	38.00% -10.00% 28.00%	38.00% -10.00% 28.00%	38.00% -10.00% 28.00%	38.00% -10.00% 28.00%
Rate Reduction Federal Income Tax	-13.00% 15.00%	-13.00% 15.00%	-13.00% 15.00%	-13.00% 15.00%	-13.00% 15.00%	-13.00% 15.00%
Ontario Income Tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined Federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business Federal Small Business Limit Ontario Small Business Limit	500,000 500,000	500,000 500,000	500,000 500,000	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%
Ontario Small Business Rate	4.50%	4.50%	4.50%	3.50%	3.50%	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%)

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Historical Year

Wires Only

\$ 64,990 **A**

11.50%

15.00%

С

26.50% **D = B+C**

\$ 17,222 E = A * D

F G H = F + G

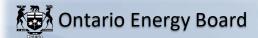
\$ 17,222 I = E - H



Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	(A + 101 + 102)	189,577		189,577
Additions:	,	<u> </u>		
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	1,098,140		1,098,140
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	5,950		5,950
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	2,492		2,492
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	645,479		645,479
Soft costs on construction and renovation of buildings	127	0.0,		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
				0

Total Additions		1,752,061	0	1,752,0
Deductions:	401			
Gain on disposal of assets per financial statements Non-taxable dividends under section 83	401			
		4 457 507		4 457 5
Capital cost allowance from Schedule 8	403	1,457,507		1,457,5
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	419,141		419,1
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			
<u> </u>	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 Dadwatiana		4.070.040		4 0=0 0
Total Deductions		1,876,648	0	1,876,6
Not Income for Tax Burneses		64.000	0	640
Net Income for Tax Purposes		64,990	U	64,9
Charitable donations from Schedule 2	311			
Faxable dividends received under section 112 or 113	320			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
imited partnership losses of previous tax years from Schedule 4	335			
•				
TAXABLE INCOME		64,990	0	64,9



Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Net Capital Loss Carry Forward Deduction

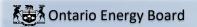
Actual Historical

Non-Capital Loss Carry Forward Deduction	Total	Distribution Portion	Utility Balance	
Actual Historical			0	<u>B4</u>
	-	-		•
	Total	Non- Distribution	Utility Balance	

0 <u>B4</u>

Non-

Portion



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)	\$ 6,128,808		\$	6,128,808
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	\$ 3,493		\$	3,493
8	General Office Equipment, Furniture, Fixtures	\$ 269,398		\$	269,398
10	Motor Vehicles, Fleet	\$ 135,422		\$	135,422
10.1	Certain Automobiles	\$ 38,766		\$	38,766
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 (acg'd pre 2017)			\$	_
14.1	Eligible Capital Property (acg'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 (acg'd post Mar 22/04 and pre Mar 19/07)	\$ 3		\$	3
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			\$	-
47	Distribution System (acq'd post Feb 22/05)	\$ 10,937,938		\$	10,937,938
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 13,762		\$	13,762
95	CWIP			\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
	SUB-TOTAL - UCC	17,527,591		oi	17,527,591

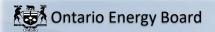


Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
	per tax returns	Lillilliations	
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting put	rnoses		, and the second
Reserve for doubtful accounts ss. 20(1)(I)			0
Reserve for undelivered goods and services not			0
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
Employee future benefits	645,479		645,479
Employee luture benefits	043,473		043,479
			0
			0
			0
Total	645,479	0	645,479
10001	,		· · · · · · · · · · · · · · · · · · ·
Financial Statement Reserves (not deductible	for Tax Purposes)		l
General reserve for inventory obsolescence			
(non-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 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
Employee future benefits	419,141		
			0
			0
Total	419,141	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%	11.5%	\$ 66,106	11.5% B
Federal (Max 15%)	15.0%	15.0%	\$ 86,225	15.0% C

Combined effective tax rate (Max 26.5%)

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Bridge Year

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 \$

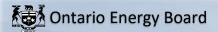
\$ 574,835 **A**

26.50% **D** = **B** + **C**

\$ 152,331 E = A * D

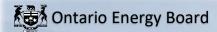
F G \$ - H=F+G

\$ 152,331 I = E - H



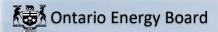
Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		787,864
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		1,096,728
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107	<u>B8</u>	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		
Charitable donations and gifts from Schedule 2	112		5,850
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		4,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	<u>B13</u>	0
Reserves from financial statements- balance at end of year	126	<u>B13</u>	643,928
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		



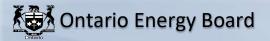
Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit	005		
Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			1,750,506
Deductions:			
Gain on disposal of assets per financial	401		
statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	<u>B8</u>	1,318,056
Terminal loss from Schedule 8	404	<u>B8</u>	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	<u>B13</u>	645,479
Reserves from financial statements - balance at beginning of year	414	<u>B13</u>	0
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>		



Adjusted Taxable Income - Bridge Year

TAXABLE INCOME		calculated	574,835
Limited partnership losses of previous tax years from Schedule 4	335		
Net capital losses of previous tax years from Schedule 4	332	<u>B4</u>	0
Non-capital losses of previous tax years from Schedule 4	331	<u>B4</u>	0
or 113	320		
Charitable donations Taxable dividends received under section 112	311		
Net Income for Tax Purposes	044	calculated	574,835
Total Deductions		calculated	1,963,535
Financing fees for tax ITA 20(1)(e) and (e.1)			
to income			
Lease Inducement Book Amortization credit			
Principal portion of lease payments			
Deferred Revenue - ITA 20(1)(m) reserve			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Received			
Paid ITA 13(7.4) Election - Capital Contributions			
ARO Payments - Deductible for Tax when			
	395		
deferral and variance accounts	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
Capital Lease Payments	395		
for tax			
Interest capitalized for accounting deducted	395		



Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

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

 Net Capital Loss Carry Forward Deduction
 Total

 Actual Historical
 H4
 C

 Amount to be used in Bridge Year
 C

 Loss Carry Forward Generated in Bridge Year (if any)
 B1

 Other Adjustments
 C

 Balance available for use post Bridge Year
 calculated

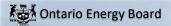
<u>T4</u>

<u>T4</u>



Schedule & CCA - Bridge Year

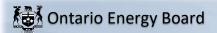
(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AlIP)	(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 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 3 plus column 3 plus column 4 minus column 7) (if negative, enter "0")	(11) Net capital cost additions of AliP acquired during the year (column 4 minus column 10) (if negative, enter "0")	Relevant factor	(12) UCC adjustment for AliP 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 6 plus column 7 minus column 8) (if negative, enter "0")	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)	(18) UCC at the end of the bridge year (column 9 minus column 17)	f Worki Pape Refere
1	Buildings, Distribution System (acq'd post 1987)	H8	\$ 6,128,808	\$ 10,000						\$ 6,138,808	\$ -	\$ -	0.50	\$ -	\$ 5,000	4%			\$ 245,352	\$ 5,893,456	6 T8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	H8	\$ -							s -	\$ -	\$ -	0.50	\$ -	\$ -	6%			\$ -	\$ -	TE
2	Distribution System (acq'd pre 1988)	H8	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -	6%			\$ -	\$ -	T8
3	Buildings (acq'd pre 1988)	H8	\$ -							s -		\$ -			\$ -	5%			\$ -	\$ -	T8
6	Certain Buildings; Fences	H8	\$ 3,493							\$ 3,493		\$ -	0.50		\$ -	10%			\$ 349	\$ 3,143	
	General Office Equipment, Furniture, Fixtures	H8	\$ 269,398							\$ 279,398		\$ -	0.50		\$ 5,000	20%			\$ 54,880	\$ 224,518	
	Motor Vehicles, Fleet	H8	\$ 135,422							\$ 245,422		\$ -	0.50		\$ 55,000	30%			\$ 57,127	\$ 188,296	
	Certain Automobiles	H8	\$ 38,766							\$ 38,766		\$ -	0.50			30%			\$ 11,630	\$ 27,136	
	Computer Application Software (Non-Systems)	H8	\$ -							S -			0.00			100%			\$ -	\$ -	T8
	Lease # 1	<u>H8</u>	\$ -							S -			0.00			NA				\$ -	<u>T8</u>
13 2	Lease # 2	<u>H8</u>	s -							S -			0.00			NA				\$ -	<u>T8</u>
13 3	Lease # 3	<u>H8</u>	S -							\$ -		\$ -	0.00		\$ -	NA				\$ -	<u>T8</u>
13 4	Lease # 4	<u>H8</u>	\$ -							S -		\$ -	0.00			NA				\$ -	<u>T</u> 8
14	Limited Period Patents, Franchises, Concessions or Licences	H8	\$ -							S -			0.00			NA				\$ -	T8
	Eligible Capital Property (acq'd pre Jan 1, 2017)	H8	\$ -							S -				\$ -		7%			\$ -	\$ -	T8
	Eligible Capital Property (acq'd post Jan 1, 2017)	H8	\$ -							S -		\$ -	0.50			5%			\$ -	\$ -	T8
	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	H8	S -							S -		\$ -	0.50		\$ -	8%			S -	\$ -	T8
	Fibre Optic Cable	H8	S -							S -		\$ -	0.50		\$ -	12%			S -	\$ -	T8
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	S -							S -		\$ -	2.33		\$ -	30%			S -	\$ -	T8
	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	\$ -							S -		*	1.00			50%			\$ -	\$ -	T8
	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	H8	\$ 3							\$ 3		\$ -		\$ -		45%			\$ 1	\$ 2	2 T8
	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	S -							s -		\$ -	0.50		\$ -	30%			S -	\$ -	T8
	Distribution System (acq'd post Feb 22/05)	H8	\$ 10,937,938	\$ 1,395,000						\$ 12,332,938		-	0.50		\$ 697,500	8%			\$ 930,835	\$ 11,402,103	
	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	H8	\$ 13,762	\$ 37,500						\$ 51,262		+-	0.50			55%			\$ 17,882	\$ 33,381	
95	CWIP	H8	s -							S -			0.00		\$ -	0%			S -	\$ -	T8
		H8	s -							s -										\$ -	- 18
		H8 H8	s -							S -				\$ -						\$ -	- 18
		H8 H8	s -									-		\$ -	\$ -					\$ -	- I8
		H8 H8	s -							s -	-	\$ -		\$ -	\$ -					- 3	- I8
		H8 H8	s -							S -	* -	\$ -		\$ -	\$ -					\$ -	- I8
		H8 H8	S -							S -	\$ -	\$ -		\$ -	\$ -						- I8
		H8 H8	S -							S -	\$ -	\$ -		\$ -	\$ -					15 -	- I8
	TOTALS		\$ 17.527.591	\$ 1,562,500	s -					\$ 19,090,091				\$.	-		٠.	s -	e 1210.0EC	31 \$ 17.772.035	



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>	0	
Tax Reserves Not Deducted for Accounting Purposes							•				
Reserve for doubtful accounts ss. 20(1)(I)	<u>H13</u>	0		0					<u>T13</u>	0	
Reserve for goods and services not delivered ss. 20(1)(m)	<u>H13</u>	0		0					<u>T13</u>	0	
Reserve for unpaid amounts ss. 20(1)(n)	<u>H13</u>	0		0					<u>T13</u>	0	
Debt & share issue expenses ss. 20(1)(e)	<u>H13</u>	0		0					<u>T13</u>	0	
Other tax reserves	<u>H13</u>	0		0					<u>T13</u>	0	
Employee future benefits		0		0		645,479		645,479		645,479	
		0		0				0		0	
Total		0	0	0	<u>B1</u>	645,479	0	645,479	<u>B1</u>	645,479	0
Financial statement reserves (not deductible for tax purposes)											
General Reserve for Inventory Obsolescence (non-specific)	<u>H13</u>	0		0					<u>T13</u>	0	
General Reserve for Bad Debts	<u>H13</u>	0		0					<u>T13</u>	0	
Accrued Employee Future Benefits:	<u>H13</u>	0		0				0	<u>T13</u>	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
- Short & Long-term Disability	H13	0		0				0	T13	0	
- Accumulated Sick Leave	<u>H13</u>	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)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	<u>H13</u>	0		0					<u>T13</u>	0	
Other	<u>H13</u>	0		0					<u>T13</u>	0	
Employee future benefits		0		0		643,928		643,928		643,928	
		0		0				0		0	
Total		0	0	0	<u>B1</u>	643,928	0	643,928	<u>B1</u>	643,928	0



PILs Tax Provision - Test Year

Regulatory Taxable Income T1 \$ 425,522 A

	Tax Rate	Small Business Rate	Tax	es Payable	Effective Tax Rate	•
		(If Applicable)				_
Ontario (Max 11.5%)	11.5%	11.5%	\$	48,935	11.5%	В
Federal (Max 15%)	15.0%	15.0%	\$	63,828	15.0%	С

Combined effective tax rate (Max 26.5%)

26.50% **D = B + C**

Total Income Taxes \$ 112,763 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 1

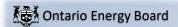
\$ -	H = F + G	
\$ 112,763	I = E - H	S. Su

73.50% J = 1-D \$ 40,656 K = I/J-I

Income Tax (grossed-up) \$ 153,420 L = K + I S. Su

Note:

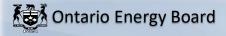
1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.



Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		<u>A.</u>	771,68
	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		1,001,95
Amortization of intangible assets	106		
2-4 ADJUSTED ACCOUNTING DATA P490	106		
Recapture of capital cost allowance from Schedule 8	107	<u>T8</u>	
Income inclusion under subparagraph	100		
13(38)(d)(iii) from Schedule 10	108		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		6,2
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses Scientific research expenditures deducted on	116		
financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment	121		4,00
expense	122		.,-
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums Non-deductible company pension plans	123		
Tax reserves beginning of year	125	T13	
Reserves from financial statements- balance at	126	T13	645,9
end of year Soft costs on construction and renovation of	127	113	045,5
buildings			
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	216 220		
Gain on settlement of debt Non-deductible advertising	226		
Non-deductible advertising 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	005		
Interest Expensed on Capital Leases	295 295		
Realized Income from Deferred Credit Accounts			
Pensions Non-deductible penalties	295 295		
Non-acquotible periatids	295		
	295		
	295		
	295		
RO Accretion expense			
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			
	I		

Total Additions			1,658,078
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	1,360,314
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	643,928
Reserves from financial statements - balance at	414	T13	0.0,020
beginning of year	440	- 	
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		
and the second	395	1	
	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)		_	
Financing lees for tax fra 20(1)(e) and (e.1)			
		-	
		 	
Total Deductions		calculated	2,004,242
NET INCOME FOR TAX PURPOSES		calculated	425,522
	0		
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	<u>T4</u>	0
Net capital losses of previous tax years from Schedule 4	332	<u>T4</u>	0
Limited partnership losses of previous tax years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	425,522

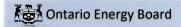


Schedule 4 Loss Carry Forward - Test Year

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>	0		0
Amount to be used in Test Year and Price Cap Years	<u>T1</u>	0		0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	calculated	0		0
Loss Carry Forward Generated in Test Year (if any)	<u>T1</u>	0		0
Other Adjustments				0
Balance available for use in Future Years	calculated	0		0

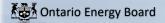
Net Capital Loss Carry Forward Deduction		Total	Non- Distribution Portion	Utility Balance
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	0		0
Amount to be used in Test Year and Price Cap Years				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				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



Schedule 8 CCA - Test Year

(1) Class	Class Description		Working Paper Reference		(2) ndepreciated capital st (UCC) at the ginning of the test year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) UCC (column 2 plus column 3 plus or minus column 5 minus column 8)	
	Buildings, Distribution System (acq'd post 1987)	E	<u>88</u>	\$	5,893,456	10,000						\$	5,903,456
	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	E	<u>88</u>	\$	-							\$	-
	Distribution System (acq'd pre 1988)		<u>88</u>	\$	-							\$	-
	Buildings (acq'd pre 1988)		<u>88</u>	\$	-							\$	-
6	Certain Buildings; Fences	E	<u>88</u>	\$	3,143							\$	3,143
	General Office Equipment, Furniture, Fixtures	_	<u>88</u>	\$	224,518	10,000						\$	234,518
10	Motor Vehicles, Fleet	E	<u>88</u>	\$	188,296							\$	188,296
10.1	Certain Automobiles	E	<u>88</u>	\$	27,136							\$	27,136
12	Computer Application Software (Non-Systems)	E	<u>88</u>	\$	-							\$	-
	Lease # 1		<u>88</u>	\$	-							\$	
13 2	Lease # 2	E	<u>88</u>	\$	-							\$	
13 ₃	Lease # 3	E	<u>88</u>	\$	-							\$	
13 4	Lease # 4	E	<u>88</u>	\$	-							\$	-
14	Limited Period Patents, Franchises, Concessions or Licences	E	<u> 88</u>	\$	-							\$	
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	E	<u>88</u>	\$	-							\$	-
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	E	<u>88</u>	\$	-							\$	-
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	E	<u> 88</u>	\$	-							\$	
42	Fibre Optic Cable	E	<u> 88</u>	\$	-							\$	
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	E	<u>88</u>	\$	-							\$	-
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	E	<u>88</u>	\$	-							\$	-
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	<u> </u>	<u>88</u>	\$	2							\$	2
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	E	38	\$	-							\$	-
47	Distribution System (acq'd post Feb 22/05)	E	38	\$	11,402,103	1,800,000						\$	13,202,103
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	E	38	\$	33,381	40,000						\$	73,381
95	CWIP	E	88	\$	-							\$	-
		E	88	\$	-							\$	-
		E	88	\$	-							\$	-
		E	88	\$	-							\$	-
		E	88	\$	-							\$	-
		E	88	\$	-							\$	-
		E	88	\$	-							\$	-
		E	88	\$	-							\$	-
		E	88	\$	-							\$	-
	TOTALS			\$	17,772,035	\$ 1,860,000	s -	s -	S -	\$ -	s -	\$	19,632,035

(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 Allp 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 6 plus column 5 column 6 plus 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)
\$	-	\$ -	0.50	\$ -	\$ 5,000	4%			\$ 235,938		\$ 5,667,518
\$	-	\$ -	0.50	\$ -	\$ -	6%			\$ -		\$ -
\$	-	\$ -		\$ -	\$ -	6%			\$ -		\$ -
\$	-	\$ -		\$ -	\$ -	5%			\$ -		\$ -
\$	-	\$ -	0.50	\$ -	\$ -	10%			\$ 314		\$ 2,829
\$		\$ -	0.50	\$ -	\$ 5,000	20%			\$ 45,904		\$ 188,614
\$		\$ -	0.50	\$ -	\$ -	30%			\$ 56,489		\$ 131,807
\$	-	\$ -	0.50	\$ -	\$ -	30%			\$ 8,141		\$ 18,996
\$	-	\$ -	0.00	\$ -	\$ -	100%			\$ -		\$ -
\$	-	\$ -	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%			\$ -		\$ -
\$		\$ -		\$ -	\$ -	45%			\$ 1		\$ 1
\$		\$ -	0.50	\$ -	\$ -	30%			\$ -	$ldsymbol{ldsymbol{eta}}$	\$ -
\$		\$ -	0.50	\$ -	\$ 900,000	8%			\$ 984,168		\$ 12,217,935
\$		\$ -	0.50	\$ -	\$ 20,000	55%			\$ 29,359		\$ 44,021
\$	-	\$ -	0.00	\$ -	\$ -	0%			\$ -	\vdash	\$ -
\$		\$ -		\$ -	\$ -						\$ -
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\$		\$ -		\$ -	\$ -					L_	\$ -
\$	-	\$ -		\$ -	\$ 930,000		\$ -	\$ -	\$ 1,360,314	<u>T1</u>	\$ 18,271,721



Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

					Test Year Adjustments						
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		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(I)	<u>B13</u>	0		0				0		0	
Reserve for goods and services not delivered ss. 20(1)(m)	<u>B13</u>	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	<u>B13</u>	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	<u>B13</u>	0		0				0		0	
Other tax reserves	<u>B13</u>	0		0				0		0	
		645,479	-645,479	0		643,928		643,928		643,928	
		0		0				0		0	
Total		645,479	-645,479	0	<u>T1</u>	643,928	0	643,928	<u>T1</u>	643,928	0
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	<u>B13</u>	0		0				0		0	
General reserve for bad debts	<u>B13</u>	0		0				0		0	
Accrued Employee Future Benefits:	<u>B13</u>	0		0				0		0	
- Medical and Life Insurance	<u>B13</u>	0		0				0		0	
-Short & Long-term Disability	<u>B13</u>	0		0				0		0	
-Accmulated Sick Leave	<u>B13</u>	0		0				0		0	
- Termination Cost	<u>B13</u>	0		0				0		0	
- Other Post-Employment Benefits	<u>B13</u>	0		0				0		0	
Provision for Environmental Costs	<u>B13</u>	0		0				0		0	
Restructuring Costs	<u>B13</u>	0		0				0		0	
Accrued Contingent Litigation Costs	<u>B13</u>	0		0				0		0	
Accrued Self-Insurance Costs	<u>B13</u>	0		0				0		0	
Other Contingent Liabilities	<u>B13</u>	0		0				0		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	<u>B13</u>	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	<u>B13</u>	0		0				0		0	
Other	B13	0		0				0		0	
		643,928	-643,928	0		645,915		645,915		645,915	
		0		0				0		0	
Total		643,928	-643,928	0	<u>T1</u>	645,915	0	645,915	<u>T1</u>	645,915	